

# Forefront Portfolio

CHUBB®

GTC DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: &lt;PolicyNumber&gt;

**NOTICE: THE LIABILITY COVERAGE PARTS PROVIDE CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

---

**Item 1. Parent Organization:** <InsuredName>Principal Address: <SpecialA>  
<City>, <State> <PostCode>

---

**Item 2. Policy Period:**

(A) From: &lt;Inception&gt;

(B) To: &lt;Expiry&gt;

At 12:01 AM local time at the address shown in Item 1.

---

**Item 3. A Combined Maximum Aggregate Limit of Liability applies:** Yes  NoThe Combined Maximum Aggregate Limit of Liability for  
all **Claims** under all **Liability Coverage Parts** shall be: <CUR\_CombinedMaxLimit>

---

**Item 4. Coverage applicable to this Policy:**

- Directors & Officers and Entity Liability Coverage Part
  - Employment Practices Liability Coverage Part
  - Fiduciary Liability Coverage Part
  - Miscellaneous Professional Liability Coverage Part
  - Employed Lawyers Liability Coverage Part
  - Cyber Enterprise Risk Management Coverage Part
  - Crime Coverage Part
  - Kidnap, Ransom and Extortion Coverage Part
  - Workplace Violence Expense Coverage Part
-

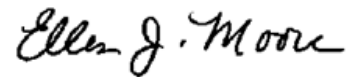
**Item 5. Extended Reporting Period:**

(A) Additional Period: <ERP> days

(B) Additional Premium: <ERP\_Premium> of Annual Premium

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



---

**Authorized Representative**

**President**

<Today>

---

**Date**

---

**In consideration of payment of the premium and subject to the Declarations and the limitations, conditions, provisions and other terms of this Policy, the Company and the Insureds agree as follows:**

---

## **I. TERMS AND CONDITIONS**

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part apply only to that Coverage Part. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. All references to "Section", "Subsection", "Paragraph" or "Subparagraph" in these General Terms and Conditions shall apply only to these General Terms and Conditions, unless otherwise stated. All references to "Section", "Subsection", "Paragraph" or "Subparagraph" in a Coverage Part, shall apply only to such Coverage Part, unless otherwise stated.

---

## **II. DEFINITIONS**

**Anniversary Date** means the date and time exactly one (1) year after the date and time set forth in Item 2 (A), Policy Period, of the GTC Declarations and each succeeding date and time exactly one (1) year after the previous **Anniversary Date**.

**Claim** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Coverage Event** means the event or loss which must occur or be sustained or discovered, in order to invoke coverage under each **Non-Liability Coverage Part**.

**Defence Costs** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Derivative Demand Evaluation Costs** shall have the meaning ascribed to that term in each applicable Coverage Part.

**D&O Crisis Management Expenses** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Expense** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Incident** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Insured** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Insured Person** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Liability Coverage Part** means:

(A) the Directors & Officers and Entity Liability (D&O); Employment Practices Liability (EPL); Fiduciary Liability (FL); Miscellaneous Professional Liability (MPL); and Employed Lawyers Liability (ELL) Coverage Parts; and

(B) the Third Party Liability Insuring Clauses (E) Cyber, Privacy and Network Security Liability, and (F) Electronic, Social and Printed Media Liability, of the Cyber Enterprise Risk Management (Cyber ERM) Coverage Part,

if purchased as set forth in Item 4, Coverage applicable to this Policy, of the GTC Declarations.

**Loss** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Non-Liability Coverage Part** means:

(A) the Crime; Kidnap, Ransom and Extortion (KR&E); and Workplace Violence Expense (WPV) Coverage Parts; and

- (B) the First Party Insuring Clauses (A) Cyber Incident Response Fund, (B) Business Interruption and Extra Expenses, (C) Digital Data Recovery, and (D) Network Extortion, of the Cyber ERM Coverage Part,

if purchased as set forth in Item 4, Coverage applicable to this Policy, of the GTC Declarations.

**Organization** means the **Parent Organization** and any **Subsidiary**. **Organization** shall also mean any such entity operating under the protection of the Companies' Creditors Arrangement Act of Canada or as a debtor in possession under United States of America bankruptcy law or the equivalent of a debtor in possession under the law of any other country.

**Parent Organization** means the entity named in Item 1 of the GTC Declarations.

**Policy Period** means the period of time set forth in Item 2, Policy Period, of the GTC Declarations, subject to any prior termination in accordance with Section IX, Termination of Policy.

**Policy Year** means the period, within the **Policy Period**, from the date and time set forth in Item 2 (A), Policy Period, of the GTC Declarations to the first **Anniversary Date**, or the period from an **Anniversary Date** to its next succeeding **Anniversary Date**, subject to any prior termination in accordance with Section IX, Termination of Policy.

**Potential Claim** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Related Claims** means all **Claims** for **Wrongful Acts** or **Incidents** based upon, arising from, or in consequence of the same or related acts, facts, circumstances, situations, transactions, events, causes or the same or related series of facts, circumstances, situations, transactions, events, or causes.

**Subsidiary** means:

- (A) any entity while more than fifty percent (50%) of the outstanding securities representing the present right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers or equivalent positions of such entity are owned, or controlled, by the **Parent Organization**, directly or through one or more **Subsidiaries**;
- (B) any entity while:
- (1) exactly fifty percent (50%) of the voting rights representing the present right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers or equivalent positions of such entity are owned, or controlled, by the **Parent Organization**, directly or through one or more **Subsidiaries**; and
  - (2) the **Parent Organization**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operating of such entity; or
- (C) any foundation, charitable trust or political action committee while such entity is controlled by the **Parent Organization**.

**Voluntary Program Loss** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Voluntary Program Notice** shall have the meaning ascribed to that term in each applicable Coverage Part.

**Wrongful Act** shall have the meaning ascribed to that term in each applicable Coverage Part.

**III. LIMIT OF LIABILITY**

- (A) With respect to the **Liability Coverage Parts**:
- (1) If the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations is elected, the amount stated in such Item 3 shall be the maximum aggregate limit of liability of the Company for all **Loss, Voluntary Program Loss, D&O Crisis Management Expenses and Derivative Demand Evaluation Costs** during each **Policy Year** under all **Liability Coverage Parts** combined. However, any **Loss, Voluntary Program Loss, D&O Crisis Management Expenses or Derivative Demand Evaluation Costs** paid under any **Liability Coverage Part** shall not exceed the Maximum Aggregate Limit of Liability set forth in Item 2 of the Declarations of such Coverage Part.
  - (2) If the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations is not elected, the maximum aggregate limit of liability of the Company for all **Loss, Voluntary Program Loss, D&O Crisis Management Expenses and Derivative Demand Evaluation Costs** during each **Policy Year** under each **Liability Coverage Part** shall be the Maximum Aggregate Limit of Liability set forth in Item 2 of the Declarations for each **Liability Coverage Part**.
  - (3) **Defence Costs** are part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the Declarations of each **Liability Coverage Part** and payment by the Company of **Defence Costs** shall reduce and may exhaust such Limits of Liability.
- (B) With respect to the **Non-Liability Coverage Parts**, the Company's maximum liability shall be the Limits of Liability set forth in the Declarations of each **Non-Liability Coverage Part**.
- 

**IV. RELATED CLAIMS**

With respect to the **Liability Coverage Parts**:

- (A) All **Related Claims** shall be deemed a single **Claim** made in the **Policy Year** in which the earliest of such **Related Claims** was first made or first deemed to have been made in accordance with the Reporting section of the applicable **Liability Coverage Part** (the "Earliest Related Claim").
  - (B) All **Related Claims** shall be subject to the same Retention and Limits of Liability applicable to the Earliest Related Claim.
- 

**V. EXTENDED REPORTING PERIOD**

With respect to the **Liability Coverage Parts**:

- (A) If this Policy does not renew or otherwise terminates for a reason other than for failure to pay premium (each a "Termination of Coverage"), then an **Insured** shall have the right to purchase an Extended Reporting Period for the Additional Period and Additional Premium set forth in Item 5 of the GTC Declarations.
- (B) In the event of a Termination of Coverage and upon request from an **Insured**, the Company shall, in its sole discretion, provide a quote for Additional Periods other than as set forth in Item 5, Extended Reporting Period, of the GTC Declarations. Any such additional quote offered shall be subject to such Additional Premium as the Company may require.

- (C) The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew.
- (D) This right to purchase an Extended Reporting Period shall lapse unless written notice of election to purchase the Extended Reporting Period, together with payment of the applicable Additional Premium, is received by the Company within sixty (60) days after the effective date of the Termination of Coverage.
- (E) If an Extended Reporting Period is purchased, then coverage otherwise afforded by this Policy shall be extended to apply to **Claims**: (1) first made during such Extended Reporting Period; and (2) reported to the Company pursuant to the Reporting section of the applicable Coverage Part, but only to the extent such **Claims** are for **Wrongful Acts** or **Incidents** before the effective date of such Termination of Coverage or the date of any conversion of coverage described in Section VI, Changes in Exposure, whichever is earlier. Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the **Policy Year** immediately preceding the Extended Reporting Period.  
  
 If coverage for such Extended Reporting Period is purchased with respect to the Cyber ERM Coverage Part, then such Extended Reporting Period shall also apply to Insuring Clause (A) Cyber Incident Response Fund, of the Cyber ERM Coverage Part, with respect to **Incidents** first discovered during such Extended Reporting Period and arising from **Incidents** taking place prior to the effective date of such termination or non-renewal.
- (F) The entire premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period.
- (G) The limit of liability for the Extended Reporting Period is part of and not in addition to any maximum aggregate limit of liability for the **Policy Year** immediately preceding the Extended Reporting Period.
- (H) In the event that any time period relating to the Extended Reporting Period provided under this Policy is less than any such time period required by applicable provincial law, the Company shall apply the applicable provincial law.

---

## VI. CHANGES IN EXPOSURE

- (A) **Acquisition of Another Organization**
  - (1) If before or during the **Policy Period** an **Organization** acquires voting rights in another entity such that the acquired entity becomes a **Subsidiary**,
  - (2) then coverage shall be provided for such **Subsidiary** and its **Insureds** with respect to any:
    - (a) **Liability Coverage Part**, solely for **Claims** for **Wrongful Acts** or **Incidents** after such acquisition; or
    - (b) **Non-Liability Coverage Part**, solely after the effective date of such acquisition subject to the Liability for Prior Losses section of such **Non-Liability Coverage Part**.
- (B) **Cessation of Subsidiaries**
  - (1) If before or during the **Policy Period** an **Organization** ceases to be a **Subsidiary**,
  - (2) then with respect to any:

- (a) **Liability Coverage Part**, coverage for such **Subsidiary** and its **Insureds** shall continue until termination of this Policy in accordance with Section VI(C), Conversion of Coverage Under Certain Circumstances, or Section IX, Termination of Policy, whichever occurs first, but only for **Claims** for **Wrongful Acts** or **Incidents** while such **Organization** was a **Subsidiary**; or
  - (b) **Non-Liability Coverage Part**, such **Subsidiary** and its **Insureds** shall cease to be **Insureds** as of the effective date of such cessation, and coverage under this Policy shall apply as provided in such **Non-Liability Coverage Part**.
- (C) **Conversion of Coverage Under Certain Circumstances**
- (1) If during the **Policy Period** any of the following events occur:
    - (a) another entity, person or group of entities or persons acting in concert, acquires more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the **Parent Organization**;
    - (b) the acquisition of all or substantially all of the **Parent Organization's** assets, by another entity, person or group of entities or persons acting in concert, or the merger of the **Parent Organization** into or with another entity such that the **Parent Organization** is not the surviving entity; or
    - (c) the **Parent Organization** emerges from bankruptcy as of the effective date stated in the plan of reorganization,
  - (2) then:
    - (a) any applicable coverage under this Policy with respect to:
      - (i) any **Liability Coverage Part**, shall continue until the expiration of the current **Policy Period**, solely for **Claims** for **Wrongful Acts** or **Incidents** prior to such event;
      - (ii) the Crime Coverage Part, shall terminate subject to Exclusions III (C), Loss Sustained Option, or III(D), Loss Discovered Option, of such Coverage Part;
      - (iii) the Kidnap, Ransom and Extortion Coverage Part, shall terminate subject to Exclusion III(A)(9), Notice, of such Coverage Part;
      - (iv) the Workplace Violence Expense Coverage Part, shall terminate subject to Exclusion III (E) Notice, of such Coverage Part; or
      - (v) the First Party Insuring Clauses: (A) Cyber Incident Response Fund, (B) Business Interruption and Extra Expenses, (C) Digital Data Recovery, and (D) Network Extortion, of the Cyber ERM Coverage Part, shall continue until the expiration of the current **Policy Period** but solely with respect to an **Incident** that first occurs prior to such event; and
    - (b) the **Parent Organization** shall give written notice of such event to the Company as soon as practicable together with such information as the Company may require.



**VII. SPOUSES, COMMON LAW PARTNERS, ESTATES AND LEGAL REPRESENTATIVES**

With respect to the **Liability Coverage Parts**, coverage under this Policy shall extend to **Claims** for **Wrongful Acts** of, or **Incidents** involving, an **Insured Person** made against:

- (A) the lawful spouse or common law partner of such **Insured Person** solely by reason of such spouse or common law partner's status as a spouse or common law partner, or such spouse or common law partner's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** or **Incidents** of such **Insured Person**; or
- (B) the estate, heirs, legal representatives or assigns of such **Insured Person** if such **Insured Person** is deceased, or the legal representatives or assigns of such **Insured Person** if such **Insured Person** is legally incompetent, insolvent or bankrupt,

provided that no coverage afforded by this Section VII shall apply with respect to any loss arising from an act, error or omission by an **Insured Person's** spouse, common law partner, estate, heirs, legal representatives or assigns.

---

**VIII. NOTICE**

- (A) Notice to the Company of any **Claim, Potential Claim, Incident, D&O Crisis Management Event, Voluntary Program Notice** or circumstances under any **Liability Coverage Part**, or any **Coverage Event** under any **Non-Liability Coverage Part**, shall be deemed notice under this Policy in its entirety.
- (B) All notices to the Company under this Policy of any **Claim, Potential Claim, Incident, D&O Crisis Management Event, Voluntary Program Notice** or circumstances under any **Liability Coverage Part**, or any **Coverage Event** under any **Non-Liability Coverage Part**, shall be given in writing to one of the following addresses:

- (1) canadaclaims@chubb.com; or
- (2) Chubb Insurance Company of Canada  
199 Bay Street, Suite 2500,  
P.O. Box 139,  
Commerce Court Postal Station,  
Toronto, Ontario M5C 2V9  
Attn: Claim Department

provided that solely with respect to the Cyber ERM Coverage Part, notice to the Company under such Coverage Part may also be given pursuant to the additional methods shown in Item 6 of the Cyber ERM Coverage Part Declarations.

- (C) All other notices to the Company under this Policy shall be given in writing addressed to:  
Chubb Insurance Company of Canada  
199 Bay Street, Suite 2500,  
P.O. Box 139,  
Commerce Court Postal Station  
Toronto, Ontario M5C 2V9  
Attn: Chubb Financial Lines Underwriting Department
- (D) Any notice described above shall be effective on the date of receipt by the Company.

**IX. TERMINATION OF POLICY**

- (A) This Policy shall terminate at the earliest of the following times:
- (1) upon receipt by the Company of written notice of termination from the **Parent Organization**, provided that this Policy may not be terminated by the **Parent Organization** after the effective date of any event described in Section VI(C), Conversion of Coverage Under Certain Circumstances;
  - (2) upon expiration of the **Policy Period** set forth in Item 2 of the GTC Declarations;
  - (3) twenty (20) days after receipt by the **Parent Organization** of a written notice of termination from the Company based upon non-payment of premium, unless the premium is paid within such twenty (20) day period; or
  - (4) at such other time as may be agreed upon by the Company and the **Parent Organization**.
- (B) The Company shall refund the unearned premium computed pro rata. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.
- (C) In the event that any time period relating to the notice of termination provided under this Policy is less than any such time period required by applicable provincial law, the Company shall apply the applicable provincial law.
- 

**X. BANKRUPTCY**

Bankruptcy or insolvency of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights or defences under this Policy.

---

**XI. COORDINATION OF COVERAGE**

Any **Loss** covered under more than one **Liability Coverage Part** shall be first covered under the Cyber ERM Coverage Part, if applicable, subject to its terms, conditions and limitations. Any remaining portion of such **Loss** which is not paid under the Cyber ERM Coverage Part shall then be covered under the Employment Practices Liability Coverage Part, if applicable, subject to its terms, conditions and limitations. Any remaining portion of such **Loss** otherwise covered under any other applicable **Liability Coverage Part** which is not paid under the Cyber ERM or Employment Practices Liability Coverage Parts shall be covered under such other **Liability Coverage Part**, subject to the terms, conditions and limitations of such **Liability Coverage Part**.

Any **Expense** or **Loss** covered under the Cyber ERM Coverage Part and the Kidnap, Ransom and Extortion Coverage Part shall be first covered under the, Cyber ERM Coverage Part, subject to its terms, conditions and limitations. Any remaining portion of such **Expense** or **Loss** otherwise covered under the Kidnap, Ransom and Extortion Coverage Part which is not paid under the Cyber ERM Coverage Part shall be covered under the Kidnap, Ransom and Extortion Coverage Part, subject to its terms, conditions and limitations.

---

**XII. VALUATION AND FOREIGN CURRENCY**

If all premiums, limits, and retentions are expressed in the currency of Canada, then loss and other amounts under this Policy are expressed and payable in the currency of Canada. If all premiums, limits and retentions are expressed in the currency of the United States of America, then loss and other amounts under this Policy are expressed and payable in the currency of the United States of America. Except as otherwise provided in this Policy, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than Canadian dollars or American dollars (including Bitcoin or other crypto-currency), payment under this Policy shall be made in Canadian dollars at the closing rate of exchange published on the Bank of Canada website for the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

---

**XIII. ACTION AGAINST THE COMPANY**

No action may be taken against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or entity shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine such **Insured's** liability nor shall the Company be impleaded by such **Insured** or legal representatives of such **Insured**.

---

**XIV. ROLE OF PARENT ORGANIZATION**

By acceptance of this Policy, the **Parent Organization** agrees that it shall be considered the sole agent of, and shall act on behalf of, each **Insured** with respect to:

- (A) the payment of premiums and the receiving of any return premiums that may become due under this Policy;
- (B) the negotiation, agreement to and acceptance of endorsements; and
- (C) the giving or receiving of any notice provided for in this Policy (except the giving of notice to apply for an Extended Reporting Period as provided in Section V, Extended Reporting Period, the giving of notice as provided in Section VIII, Proof of Loss for First Party Insuring Clauses, of the Cyber ERM Coverage Part and the giving of notice of **Claim, Potential Claim, Voluntary Program Notice** or circumstances as provided in the Reporting section of the applicable **Liability Coverage Part**).

Each **Insured** agrees that the **Parent Organization** shall act on its behalf with respect to all such matters.

---

**XV. ALTERATION AND ASSIGNMENT**

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy which is signed by an authorized representative of the Company.

---

**XVI. TERRITORY**

This Policy shall apply anywhere in the world and for the Cyber ERM Coverage Part, anywhere in the universe.

---

**XVII. HEADINGS**

The descriptions in the headings and subheadings of this Policy are solely for convenience and form no part of the terms and conditions of coverage.

---

**XVIII. COMPLIANCE WITH TRADE SANCTIONS**

This insurance does not apply to the extent that trade or economic sanctions or other similar laws or regulations prohibit the Company from providing insurance.

---

**XIX. QUEBEC AMENDATORY PROVISION**

With respect to the **Liability Coverage Parts**, and only to the extent required under the insurance laws of the province of Quebec:

- (A) **Defence Costs** shall be paid by the Company in addition to the Maximum Aggregate Limit of Liability set forth in Item 2 of the Declarations of each **Liability Coverage Part**.
- (B) That part of **Loss** which is interest on a settlement or judgement is in addition to the Maximum Aggregate Limit of Liability set forth in Item 2 of the Declarations of each **Liability Coverage Part**, and the payment by the Company of such interest shall not reduce the applicable Limit of Liability.
- (C) With respect to any **Claim** covered under this Policy which gives rise to legal proceedings (as set out in the definition of **Claim**) against any **Insured** in the Province of Quebec, the applicable Retention(s) will not apply to **Defence Costs**.

**ForeFront Portfolio  
Directors & Officers and Entity Liability (D&O)  
Coverage Part**

D&O DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_DnO\_AggLimit\_X>

**Item 3. Optional Coverage Applicable to this Coverage Part:**  
 Additional Limit of Liability Dedicated for **Insured Persons**

**Item 4. Retentions:**

(A) Insuring Clause (A): Individual Non-Indemnified Liability Coverage:	None
(B) Insuring Clause (B): Individual Indemnified Liability Coverage:	<CUR_DnO_RetentionB_X>
(C) Insuring Clause (C) Entity Liability Coverage:	<CUR_DnO_RetentionC_X>

**ForeFront Portfolio  
Directors & Officers and Entity Liability (D&O)  
Coverage Part**

---

**Item 5. Pending or Prior Proceedings Dates:**

(A) Insuring Clauses (A) and (B):

<DnO\_PendingA\_1>

(B) Insuring Clause (C):

<DnO\_PendingC\_1>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



---

**Authorized Representative**

**President**

<Today>

---

**Date**

SPECIMEN

**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

**I. INSURING CLAUSES**

**Insuring Clause (A): Individual Non-Indemnified Liability Coverage**

- (A) The Company shall pay, on behalf of an **Insured Person**, **Loss** on account of a **Claim** first made against the **Insured Person** during the **Policy Period**, or the Extended Reporting Period if applicable, to the extent that such **Loss** is not indemnified by an **Organization**.

**Insuring Clause (B): Individual Indemnified Liability Coverage**

- (B) The Company shall pay, on behalf of an **Organization**, **Loss** on account of a **Claim** first made against an **Insured Person** during the **Policy Period**, or the Extended Reporting Period if applicable, to the extent the **Organization** indemnifies the **Insured Person** for such **Loss** as permitted or required by law.

**Insuring Clause (C): Entity Liability Coverage**

- (C) The Company shall pay, on behalf of an **Organization**, **Loss** on account of a **Claim** first made against the **Organization** during the **Policy Period**, or the Extended Reporting Period if applicable.
- 

**II. DERIVATIVE DEMAND EVALUATION COVERAGE**

The Company shall pay, on behalf of an **Organization**, **Derivative Demand Evaluation Costs** incurred with the Company's prior written consent on account of any derivative demand that is first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for **Wrongful Acts** by an **Executive** before or during the **Policy Period** in an aggregate amount not to exceed \$500,000 per **Policy Period** which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations and no Retention shall apply to such amount.

---

**III. D&O CRISIS MANAGEMENT COVERAGE**

The Company shall pay, on behalf of an **Organization**, **D&O Crisis Management Expenses** on account of a **D&O Crisis Management Event** occurring during the **Policy Period** in an aggregate amount not to exceed \$25,000 per **Policy Period**, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations and no Retention shall apply to such amount.

---

**IV. RETIRED EXECUTIVE COVERAGE**

- (A) If this Coverage Part expires (or is otherwise terminated) without being replaced or renewed with any other similar directors and officers liability coverage, then coverage under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, shall be extended for any **Retired Executive** for no additional premium for a period of six (6) years from the official retirement date of such **Retired Executive** (the "Retirement Extension Period") for **Wrongful Acts** before the official retirement date of such **Retired Executive**; provided this Section IV Retired Executive Coverage and any outstanding Retirement Extension Period shall terminate upon:
- (1) the occurrence of any event described in Section VI(C), Conversion of Coverage Under Certain Circumstances, of the General Terms and Conditions; or
  - (2) the **Financial Impairment** of the **Organization**.
- (B) Any coverage afforded under Subsection (A) above is not intended, nor shall be construed to increase the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations for all **Loss** on account of all **Claims** first made during the **Policy Period**.
- (C) If the Company or any subsidiary or affiliate of The Chubb Corporation makes payment under another policy on account of such **Retired Executive**, the Limit of Liability for this Coverage Part with respect to such **Claim** shall be reduced by the amount of such payment.

---

**V. ADDITIONAL LIMIT OF LIABILITY DEDICATED FOR INSURED PERSONS (Optional)**

- (A) Notwithstanding anything in this Policy to the contrary, the Additional Limit of Liability Dedicated For Insured Persons, if purchased, as set forth in Item 3 of the D&O Declarations, shall be an additional Limit of Liability in an amount not to exceed \$1,000,000, which amount is in addition to, and not part of, the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations.
- (B) The Additional Limit of Liability Dedicated For Insured Persons is available solely for **Loss** resulting from any **Claim** against any **Insured Person** covered under Insuring Clause (A), Individual Non-Indemnified Liability Coverage.
- (C) The Additional Limit of Liability Dedicated For Insured Persons shall be excess of any insurance available that is specifically excess to this Coverage Part and such excess insurance must be completely exhausted by payment of loss, damages or defence costs thereunder before the Company shall have any obligation to make any payment on account of the Additional Limit of Liability Dedicated For Insured Persons.

---

**VI. DEFINITIONS**

For purposes of this Coverage Part:

**Application** means:

- (A) any portion of an application given to the Company for this Policy, including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part; and
- (B) any warranty provided to the Company within the past three (3) years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.



**Benefit Law** means:

- (A) in Canada:
- (1) the Pension Benefit Standards Act, R.S.C, 1985, c. 32, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable;
  - (2) the Income Tax Act, R.S.C, 1985, c. 1, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, but solely in connection with any obligations or duties of fiduciaries with respect to any employee benefit plan;
  - (3) any common, civil or statutory law or regulation applicable to fiduciaries of any employee benefit plan; or
  - (4) any similar federal, provincial, territorial or local law or regulation or any amendment thereunder as described in (1), (2), or (3) above; or
- (B) in the United States of America: the Employee Retirement Income Security Act of 1974, as amended, and any rules or regulations promulgated thereunder (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996); or
- (C) any similar employee benefit law to (A) or (B) above anywhere in the world.

**Canadian Securities Legislation** means the Securities Act of Ontario R.S.O, 1990, c. S.5 and any amendments thereto or any rules or regulations promulgated thereunder or any similar provision of any federal, provincial or territorial Canadian legislation, rules or regulations, as amended or as applicable.

**Claim** means any:

- (A) written demand (other than a derivative demand) first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or similar pleading, or any foreign equivalent thereof;
- (C) criminal proceeding commenced by: (a) an arrest; (b) a summons to appear; (c) a return of an indictment, information or foreign equivalent thereof; or (d) receipt of an official request for **Extradition**;
- (D) administrative or regulatory proceeding commenced by the service of a notice of charges, or other originating process or foreign equivalent thereof; or
- (E) arbitration or mediation proceeding commenced by receipt of a demand for arbitration or a demand for mediation,

against an **Insured** for a **Wrongful Act**, including any appeal therefrom;

- (F) investigation or interview by an **Enforcement Unit** against an **Insured Person** for a **Wrongful Act**, commenced by the service of a written request from such **Enforcement Unit** upon an **Insured Person** compelling witness testimony or document production and identifying such **Insured Person** as the target for such investigation or interview, including a subpoena, civil investigative demand, grand jury subpoena, search warrant or target letter; provided that the Company shall take into reasonable consideration all extrinsic evidence presented by the **Insured** when determining whether such written request identifies such **Insured Person** as a target of such investigation or interview; or

- (G) written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Claim** described in Subsections (A) through (F) above;

**D&O Crisis Management Event** means any one of the following events first occurring during the **Policy Period**:

- (A) an unanticipated death, incapacity or resignation of the chief executive officer or chief financial officer of the **Organization**;
- (B) an unanticipated financial loss to the **Organization** arising from a product recall, delay in production, loss of intellectual property rights, loss of a major contract or customer;
- (C) a reorganization proceeding relating to the **Organization** brought in Canada under the Companies' Creditors Arrangement Act; or
- (D) an **Organization's** voluntary or involuntary bankruptcy;

which results in the publication of unfavourable information regarding the **Organization** and which could reasonably be considered to lessen public confidence in the competence of the **Organization**.

**D&O Crisis Management Expenses** means the reasonable costs, charges, fees and expenses, incurred by an **Organization** with the Company's prior written consent, of an independent public relations consultant or crisis management consultant retained on behalf of the **Organization** with the Company's prior written consent to:

- (A) make a public communication; or
- (B) prevent or minimize business disruption and adverse publicity,

with respect to a **D&O Crisis Management Event**.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of **Insured Persons**) incurred in investigating, defending, opposing or appealing any **Claim** and the premium for appeal, attachment or similar bonds.

**Derivative Demand Evaluation Costs** means reasonable costs, fees (including but not limited to legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees, or benefits of the directors, officers or employees of an **Organization**) incurred by an **Organization** (including its Board of Directors or any committee of its Board of Directors) solely with respect to an evaluation required to determine whether it is in the best interest of the **Organization** to prosecute the claims alleged in a derivative demand and prior to any **Claim** first made in connection with such derivative demand. In no event shall **Derivative Demand Evaluation Costs** include any costs, fees or expenses incurred in a **Claim**.

**Employee** means any natural person whose labour or service is, was or will be engaged and directed by an **Organization**, including a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any independent contractor.

**Enforcement Unit** means any federal, provincial, territorial, state or local law enforcement or governmental authority worldwide (including the U.S. Department of Justice or any attorney general).

**Executive** means any natural person who is, was or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;

- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Extradition** means: (A) any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation; or (B) the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.

**Financial Impairment** means the status of an **Organization** resulting from:

- (A) the appointment by any federal, provincial, territorial or state court, agency or official of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**;
- (B) such **Organization** operating as a debtor as that term is defined and used in Canada within the provisions of the Bankruptcy and Insolvency Act, rules, regulations, orders and orders in council promulgated thereunder and amendments thereto, and, including when any receiver, conservator, liquidator, trustee, sequestrator or similar official has been appointed by a federal, provincial, territorial or state court, agency or official or by a creditor to take control of, supervise, manage or liquidate such **Organization**; or
- (C) such **Organization** operating under protection of the Companies' Creditor Arrangement Act of Canada or becoming a debtor in possession under the United States of America bankruptcy law or the equivalent of a debtor in possession under the law of any other country,

provided that the court or other judicial or administrative body overseeing the restructuring, receivership, conservatorship, liquidation, rehabilitation, bankruptcy or equivalent proceeding has denied a request by the **Organization**, or other party determined to have standing, for authorization of the **Organization** to indemnify an **Insured Person** for **Loss**; provided further that, the Company may, in its sole discretion, waive the foregoing requirement.

**Financial Institution** means any bank, savings and loan company, trust company, credit union, securities fund, mutual fund, pension fund, broker or dealer in securities or commodities, mortgage broker, investment advisor, stock exchange, commodities exchange, futures exchange, insurance company, insurance agent, venture capital firm, private equity firm, finance company, leasing company, fund manager or any similar enterprise.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means any **Executive** or **Employee** of an **Organization** acting either in his or her capacity as such or in an **Outside Capacity**.

**Loss** means the amount which an **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- (A) compensatory damages;
- (B) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favourable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or to the **Claim** giving rise to such damages;

- (C) civil fines or civil penalties assessed against an **Insured Person**, including civil penalties assessed against an **Insured Person** pursuant to the Corruption of Foreign Public Officials Act of Canada and 15 U.S.C. §78dd-2(g)(2)(B) of the Foreign Corrupt Practices Act of the United States of America, provided that such violation is neither intentional nor willful and such fines or penalties are insurable under the law pursuant to which this Coverage Part is construed;
- (D) judgments, including pre-judgment and post-judgment interest;
- (E) settlements; and
- (F) **Defence Costs**;

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax, except solely for the purposes of Insuring Clause (A), Individual Non-Indemnified Liability Coverage, any: (i) tax imposed upon an **Insured Person** in his or her capacity as such in connection with any bankruptcy, receivership, conservatorship, or liquidation of an **Organization**, to the extent that such tax is insurable under the law pursuant to which this Coverage Part is construed; or (ii) tax imposed upon an **Insured Person** if such **Insured Person** has become personally liable to make such payment under any applicable Canadian statutory provision;
- (4) amount (other than **Derivative Demand Evaluation Costs**) incurred by an **Insured** in the defence or investigation of any action, proceeding or demand that was not then a **Claim** even if (a) such amount also benefits the defence of a covered **Claim**; or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
- (5) amount that represents or is substantially equivalent to an increase in the consideration paid (or proposed to be paid) by an **Organization** in connection with its purchase of any securities or assets; or
- (6) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.

**Outside Capacity** means service by an **Insured Person** in an **Outside Entity** as any: (A) director or officer; (B) manager or member of the Board of Managers; (C) trustee, regent, governor; (D) member of an Advisory Board; or (E) equivalent executive position of any of the foregoing, but solely during the time that such service is at the written request of the **Organization**.

**Outside Entity** means:

- (A) any not-for-profit corporation that is incorporated or granted a certificate of continuance under the Canada Not-for-profit Corporations Act S.C. 2009, c. 23 or under any similar provisions of any provincial or territorial act;
- (B) any non-profit corporation, community chest, fund or foundation that is exempt from federal income tax in the United States of America as an entity described in Section 501(c)(3), 501(c)(4), 501(c)(7) or 501(c)(10) of the Internal Revenue Code of 1986, as amended;
- (C) any other entity organized for a religious or charitable purpose under any non-profit organization act or statute anywhere in the world;

- (D) any private corporation, joint venture, partnership, trust or other private enterprise that is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the world and in which the **Parent Organization** is a shareholder, unit holder, partner, creditor, trustee, or executor except for any such entity that is a **Financial Institution** or in the biotech, life science, pharmaceutical or telecom industry; or
- (E) any other entity specifically added as an **Outside Entity** by written endorsement attached to this Coverage Part,

that is not an **Organization**.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including, smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Professional Services** means services which are performed for others for a fee.

**Retired Executive** means any **Executive** who retires and no longer serves in his or her capacity as such during the **Policy Period**,

**Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by:

- (A) for purposes of coverage under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, and Insuring Clause (B), Individual Indemnified Liability Coverage, any **Insured Person** while acting in his or her capacity as such or any matter claimed against any **Insured Person** solely by reason of his or her status as such; or
- (B) for purposes of coverage under Insuring Clause (C), Entity Liability Coverage, any **Organization**.

---

## VII. EXCLUSIONS

### (A) EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES

The Company shall not be liable for **Loss** on account of any **Claim**:

(1) Prior Notice

based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2(A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any policy or coverage part of which this Coverage Part is a direct or indirect renewal or replacement;

(2) Pending or Prior Proceedings

based upon, arising from or in consequence of any written demand, suit or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the applicable Pending or Prior Proceedings Date set forth in Item 5 of the D&O Declarations, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;

***ForeFront Portfolio  
Directors & Officers and Entity Liability (D&O)  
Coverage Part***

---

(3) Bodily Injury or Property Damage

for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed, provided that this Exclusion (A)(3) shall not apply to: (i) **Loss** for any mental anguish, humiliation or emotional distress asserted in an employment-related **Claim** afforded coverage under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, or Insuring Clause (B), Individual Indemnified Liability Coverage; (ii) **Defence Costs** on account of any **Claim** which is a criminal proceeding pursuant to section 217.1 of the Criminal Code of Canada (as amended by Bill C-45) against an **Insured**; or (iii) **Defence Costs** incurred by an **Insured Person** on account of any **Claim** which is a criminal proceeding for manslaughter (or any other similar offence);

(4) Pollution

based upon, arising from or in consequence of any:

- (a) discharge, emission, release, dispersal or escape of any **Pollutants** or any threat thereof;
- (b) treatment, removal or disposal of any **Pollutants**; or
- (c) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**,

including any **Claim** for financial loss to an **Organization**, its securityholders or its creditors based upon, arising from or in consequence of any matter described in Subparagraphs (a), (b) or (c) of this Exclusion (A)(4), provided that this Exclusion (A)(4) shall not apply to **Loss** which an **Insured Person** becomes legally obligated to pay and for which such **Insured Person** is not indemnified by an **Organization** or **Outside Entity** either because the **Organization** or **Outside Entity** is not permitted by common, civil or statutory law to grant such indemnification or because of the **Financial Impairment** of the **Organization** or **Outside Entity**, provided that this exception shall only apply to **Claims** first made during the **Policy Period** or the Extended Reporting Period, if applicable;

(5) Benefit Law

for any violation of the responsibilities, obligations or duties imposed by any **Benefit Law**;

(6) Insured versus Insured

- (a) brought by an **Organization** against any other **Organization**;
- (b) brought by an **Organization** against an **Insured Person** of such **Organization**, provided that this Subparagraph (b) shall not apply to any **Claim** brought:
  - (i) outside Canada or the United States of America;
  - (ii) in the event of **Financial Impairment** of the **Organization**;  
or
  - (iii) as a derivative action;
- (c) brought by an **Insured Person** in any capacity against an **Insured**, except with respect to a **Claim**:
  - (i) for employment-related **Wrongful Acts** against an **Insured Person**;

***ForeFront Portfolio  
Directors & Officers and Entity Liability (D&O)  
Coverage Part***

- (ii) brought by an **Employee**, other than an **Executive**, in his or her capacity as a shareholder of an **Organization**;
- (iii) for contribution or indemnity arising from another **Claim** otherwise covered under this Policy;
- (iv) brought by an **Executive** who has ceased serving in his or her capacity as an **Executive** for at least one (1) year; or
- (v) brought by a whistleblower pursuant to any federal, provincial, territorial, state, local or foreign law against an **Insured Person**

(7) Publicly Traded Securities

based upon, arising from or in consequence of: (a) any public offering of securities issued by any **Organization** or **Outside Entity**; or (b) the purchase or sale of any publicly traded securities for which the **Organization** is subject to **Canadian Securities Legislation** or the United States Securities Exchange Act of 1934, provided that, this Exclusion (A)(7) shall not apply to any **Claim**:

- (i) based upon, arising from or in consequence of a private offering, sale or purchase of private securities that is not required to be qualified by a prospectus under **Canadian Securities Legislation** or any similar law that regulates the private offering, sale or purchase of private securities;
- (ii) based upon, arising from or in consequence of an offering, sale or purchase of securities that are not required to be registered under the United States Securities Act of 1933 or any similar foreign law that regulates the offering, sale or purchase of securities;
- (iii) made by any securityholder of an **Organization** for the failure of the **Organization** to undertake or complete the initial public offering or sale of securities of the **Organization**;
- (iv) for any **Wrongful Act** relating to an **Organization's** preparation for any public offering, including any road show presentation to potential investors or other similar presentation, made by the **Organization** and its **Executives** via any medium in connection with such public offering, if such offering does not occur; or
- (v) based upon, arising from or in consequence of any offering, sale or purchase of securities that qualifies for a Securities Act registration exemption created pursuant to Title IV, Small Company Capital Formation, of the Jumpstart Our Business Startups Act of the United States of America ("Title IV Small Company Capital Formation Claim"), provided the Company's maximum aggregate Limit of Liability for **Loss** on account of all such Title IV Small Company Capital Formation Claims shall be \$250,000, which amount shall be part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations;

(8) Outside Entity versus Insured

for a **Wrongful Act** by an **Insured Person** while serving in an **Outside Capacity** where such **Claim** is brought:

- (a) by an **Outside Entity** against an **Insured Person** who is acting in his or her **Outside Capacity** in such **Outside Entity** at the time such **Claim** is first made, except with respect to a **Claim** brought as a derivative action; or

**ForeFront Portfolio**  
**Directors & Officers and Entity Liability (D&O)**  
**Coverage Part**

---

(b) by a director, officer, trustee, governor or equivalent position of the **Outside Entity** in any capacity against an **Insured**, except with respect to a **Claim** for contribution or indemnity arising from another **Claim** otherwise covered under this Policy; or

(9) Conduct

based upon, arising from or in consequence of:

- (a) any deliberately fraudulent act or omission, or any wilful violation of any statute or regulation, by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes such act, omission or violation;
- (b) an **Insured Person** having gained any personal profit, remuneration or other financial advantage to which such **Insured Person** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such profit, remuneration or financial advantage; or
- (c) an **Organization** having gained any profit, remuneration or other financial advantage to which such **Organization** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such profit, remuneration or financial advantage.

**(B) EXCLUSIONS APPLICABLE TO INSURING CLAUSE (C), ENTITY LIABILITY COVERAGE, ONLY**

The Company shall not be liable for **Loss** on account of any **Claim** against an **Organization**:

(1) Contract

based upon, arising from or in consequence of any liability in connection with any oral or written contract or agreement to which an **Organization** is a party, provided that this Exclusion (B)(1) shall not apply to the extent that such **Organization** would have been liable in the absence of such contract or agreement;

(2) Employment Practices

based upon, arising from or in consequence of any employment-related **Wrongful Act**;

(3) Third Party Discrimination or Sexual Harassment

based upon, arising from or in consequence of any discrimination against, or sexual harassment of, any third party;



(4) Antitrust, Competition Act or Unfair Trade Practices

based upon, arising from or in consequence of price fixing, restraint of trade, monopolization, unfair trade practices or any violation of the Canadian Competition Act, R.S.C. 1985, c. C-34, the United States of America Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other federal statutory provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities, and any amendments thereto or any rules or regulations promulgated thereunder or in connection with such statutes; or any similar provision of any federal, provincial, territorial, state, or local statutory law, common law, or civil law anywhere in the world;

(5) Personal Injury

based upon, arising from or in consequence of any libel, slander, oral or written publication of defamatory or disparaging material, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, malicious use or abuse of process, assault, battery or loss of consortium; or

(6) Product Defect/Intellectual Property/Professional Services

based upon, arising from or in consequence of:

- (a) any malfunction of any product or failure of any product to perform in any manner as a result of any defect, deficiency, inadequacy or dangerous condition in such product or in its design or manufacture;
- (b) any infringement of copyright, patent, trademark, trade name, trade dress, or service mark; any misappropriation of ideas, trade secrets or other intellectual property rights; any false patent marking; or any violation of a federal, provincial, territorial, state, local or foreign intellectual property law, or a rule or regulation promulgated under any such intellectual property law; or
- (c) the rendering of, or failure to render, any **Professional Services** by an **Insured**, provided that this Exclusion (B)(6) shall not apply to **Loss** on account of any securities **Claim**, derivative demand or derivative action.

---

## VIII. SEVERABILITY OF EXCLUSIONS

With respect to the Exclusions, where applicable, in this Coverage Part: (i) no fact or conduct pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available; and (ii) only facts or conduct pertaining to, and knowledge possessed by, any past, present or future chief executive officer, chief financial officer, or president (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** to determine if coverage is available.

---

## IX. REPORTING

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after the chief executive officer, chief financial officer, in-house general counsel, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**, but in no event later than:

**ForeFront Portfolio**  
**Directors & Officers and Entity Liability (D&O)**  
**Coverage Part**

---

- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination of this Coverage Part; or
  - (2) the expiration date of the Extended Reporting Period, if applicable.
- (B) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of:
- (1) circumstances which could give rise to a **Claim**;
  - (2) a derivative demand; or
  - (3) a **D&O Crisis Management Event**,
- and gives written notice thereof to the Company, then any **Claim** subsequently arising from such circumstances, derivative demand or **D&O Crisis Management Event** described in Paragraphs (B) (1),(2) or (3) above shall be deemed to have been first made against the **Insured** during the **Policy Year** in which such written notice was first given by the **Insured** to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, in-house general counsel or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.
- (C) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require and shall include in any notice under Subsections (A) or (B) above a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**

---

**X. RETENTION AND PRESUMPTIVE INDEMNIFICATION**

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is in excess of the applicable Retention set forth in Item 4 of the D&O Declarations, and such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Insuring Clauses within this Coverage Part, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (C) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (D) **Claims** shall be subject to the Retention(s) applicable to the **Policy Year** during which such **Claims** are first made or first deemed to have been made.
- (E) If an **Organization** fails or refuses, other than for reason of **Financial Impairment**, to indemnify an **Insured Person** for **Loss** to the fullest extent permitted by any statutory law, common law or civil law, then any payment by the Company of such **Loss**, shall be excess of the Insuring Clause (B), Individual Indemnified Liability Coverage, Retention set forth in Item 4 of the D&O Declarations.

Furthermore, if an **Organization** refuses in writing, or fails within sixty (60) days of an **Insured Person's** written request for indemnification, to advance, pay or indemnify an **Insured Person** for **Loss** on account of a **Claim**, then upon the reporting of the **Claim** pursuant to Section IX, Reporting, the Company shall advance covered **Defence Costs** until such time that the **Organization** accepts the **Insured Person's** request for indemnification or the applicable Limit of Liability set forth in Item 2 of the Declarations has been exhausted, whichever occurs first.

(F) For the purposes of determining an **Organization's** indemnification obligation to any Advisory Board Member, each Advisory Board Member shall be deemed a director or officer of such **Organization**. Accordingly, the **Organization** shall be deemed to have granted indemnification to each Advisory Board Member to the fullest extent permitted by statutory law, common law or civil law to the same extent as any director or officer of the **Organization**.

(G) In the event that:

- (1) a final adjudication with prejudice pursuant to a trial, motion to dismiss, or a motion for summary judgment of any **Claim**; or
- (2) a complete and final settlement with prejudice of any **Claim**;

establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**, no Retention shall apply to **Defence Costs** incurred in connection with any such **Claim**, and the Company will reimburse the **Insureds** for any covered **Defence Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**.

---

## **XI. DEFENCE AND SETTLEMENT**

- (A) The Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** it deems appropriate.
- (C) No **Insured** shall settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented. However, the Company may, in its sole discretion, waive the foregoing requirement with respect to **Defence Costs** incurred within ninety (90) days prior to the reporting of a **Claim** pursuant to Section IX, Reporting of this Coverage Part.
- (D) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the Maximum Aggregate Limit of Liability set forth in Item 2 of the D&O Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the applicable premium shall be deemed fully earned.
- (E) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agrees to do nothing that may prejudice the Company's position or its potential or actual rights of recovery. The failure of any **Insured Person** to give the Company the information, assistance or cooperation as it may reasonably require shall not impair the rights of any other **Insured Person** under this Coverage Part.

- (F) The Company shall not seek repayment from an **Insured Person** of any **Defence Costs** paid by the Company that are deemed uninsured pursuant to Exclusion (A)(9), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication or other determination standard) set forth in such Exclusion has been met. Furthermore, **Defence Costs** shall be repaid to the Company by the **Insured Persons**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this Coverage Part.
- 

## **XII. ALLOCATION**

If an **Insured** who is afforded coverage for a **Claim** incurs an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defence Costs:** one hundred percent (100%) of **Defence Costs** incurred by such **Insured** on account of such **Claim** shall be covered **Loss**, provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to Exclusion (B)(2), Employment Practices, or Subsection XVII(B), Representations and Severability. Such **Defence Costs** shall be allocated between covered **Loss** and non-covered loss based upon the relative legal exposures of the parties to such matters; and
- (B) loss other than **Defence Costs:** all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.
- 

## **XIII. PRIORITY OF PAYMENTS**

- (A) In the event of **Loss** arising from a **Claim** for which payment is concurrently due under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, and one or more of the other Insuring Clauses of this Coverage Part, the Company shall:
- (1) first, pay **Loss** for which coverage is provided under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, then
  - (2) with respect to whatever remaining amount of the Limit of Liability is available after payment under Paragraph (1) above, pay such **Loss** for which coverage is provided under any other Insuring Clause.
- (B) Except as otherwise provided in Subsection (A) above, the Company may pay covered **Loss** as it becomes due under this Coverage Part without regard to the potential for other future payment obligations under this Coverage Part.
- 

## **XIV. OTHER INSURANCE OR INDEMNITY**

- (A) If any **Loss** under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- (B) This Coverage Part shall be specifically excess of, and shall not contribute with, any insurance policy for: third party liability coverage for environmental exposures, employment practices liability or professional liability.

- (C) Any coverage afforded under this Coverage Part for a **Claim** in connection with an **Insured Person** serving in an **Outside Capacity** for an **Outside Entity** shall be specifically excess of any indemnity (other than any indemnity provided by an **Organization**) and insurance available to such **Insured Person** by reason of serving in such **Outside Capacity**.
  - (D) If any **Claim** made against an **Insured Person** serving in an **Outside Capacity** gives rise to coverage both under this Coverage Part and under any other coverage part or policy issued by the Company or any subsidiary or affiliate of The Chubb Corporation to any other entity, then any payment under such other coverage part or policy shall reduce any applicable Limit of Liability under this Coverage Part by the amount of such payment.
- 

#### **XV. SECURITIES TRANSACTIONS**

- (A) If, during the **Policy Period**, an **Organization** intends to:
    - (1) distribute securities that are required to be qualified by a prospectus under **Canadian Securities Legislation**, the **Organization** shall, no later than thirty (30) days prior to the date of filing the prospectus under **Canadian Securities Legislation**, give the Company written notice of the proposed distribution and all information requested by the Company relating thereto; or
    - (2) sell or offers to sell securities that are required to be registered under the United States Securities Act of 1933, the **Organization** shall, no later than thirty (30) days prior to the effective date of the Registration Statement for such sale or offering, give the Company written notice of the proposed sale or offering and all information requested by the Company relating thereto.
  - (B) The Company shall provide to the **Organization** a quotation for coverage with respect to such distribution, sale or offering, including for **Wrongful Acts** occurring in the course of any "road show" presentation to potential investors or other similar presentation; provided any such coverage offered shall be subject to such other terms, conditions, and limitations of coverage and such additional premium as the Company, in its sole discretion, may require.
- 

#### **XVI. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**; provided that it is understood and agreed that the Company shall not subrogate against natural persons who are **Insured Persons** under this Coverage Part.

---

#### **XVII. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.

**ForeFront Portfolio**  
**Directors & Officers and Entity Liability (D&O)**  
**Coverage Part**

---

- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**:
- (1) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available; or
  - (2) facts pertaining to and knowledge possessed only by any past or present chief executive officer, chief financial officer, or president (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** for the purpose of determining if coverage is available.
- (C) The Company shall not be entitled under any circumstances to void or rescind Insuring Clause (A) of this Coverage Part with respect to any **Insured Person**.

**ForeFront Portfolio  
Employment Practices Liability (EPL)  
Coverage Part**

EPL DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_EPL\_AggLimit\_X>

**Item 3. Limits of Liability:**  
 (A) Insuring Clause (A): Employment Practices Liability Coverage: <CUR\_EPL\_LimitA\_X>  
 (B) Insuring Clause (B): Third Party Liability Coverage <CUR\_EPL\_LimitB\_X>

**Item 4. Retentions:**  
 (A) Insuring Clause (A): Employment Practices Liability Coverage:  
     (i) For **Claims** made in the United States of America: <CUR\_EPL\_RetentionA\_X>  
     (ii) For **Claims** made outside of the United States of America <CUR\_EPL\_OSUSRetentionA\_X>  
 (B) Insuring Clause (B): Third Party Liability Coverage:  
     (i) For **Claims** made in the United States of America: <CUR\_EPL\_RetentionB\_X>  
     (ii) For **Claims** made outside of the United States of America <CUR\_EPL\_OSUSRetentionB\_X>

**ForeFront Portfolio  
Employment Practices Liability (EPL)  
Coverage Part**

---

**Item 5. Pending or Prior Proceedings Dates:**

- (A) Insuring Clauses (A): <EPL\_PendingA\_1>
- (B) Insuring Clause (B): <EPL\_PendingB\_1>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



---

**Authorized Representative**

**President**

<Today>

---

**Date**

SPECIMEN



**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

## **I. INSURING CLAUSES**

### **Insuring Clause (A): Employment Practices Liability Coverage**

- (A) The Company shall pay, on behalf of an **Insured, Loss** on account of an **Employment Claim** first made against the **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, provided the Company's maximum liability for this Insuring Clause (A) shall be the Limit of Liability set forth in Item 3(A) of the EPL Declarations or the unpaid portion of the Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations for each **Policy Year**, whichever is less. Provided that, any **Employment Claim** brought in Canada arising out of a committed, attempted, or allegedly committed or attempted **Termination** shall be subject to Section II, Canadian Termination Coverage.

### **Insuring Clause (B): Third Party Liability Coverage**

- (B) The Company shall pay, on behalf of an **Insured, Loss** on account of a **Third Party Claim** first made against the **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, provided the Company's maximum liability for this Insuring Clause (B) shall be the Limit of Liability set forth in Item 3(B) of the EPL Declarations or the unpaid portion of the Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations for each **Policy Year**, whichever is less.
- 

## **II. CANADIAN TERMINATION COVERAGE**

Solely with respect to any **Employment Claim** brought in Canada during the **Policy Period** or, if exercised, during the Extended Reporting Period, arising out of a **Termination** committed, attempted, or allegedly committed or attempted by an **Insured**, the Company shall pay, on behalf of such **Insured, Loss** for which the **Insured** becomes legally obligated to pay on account of such **Employment Claim**, including the following:

- (A) Without Cause Termination

In the event the **Employee's Termination** by the **Insured** is made without cause, any additional compensation owing to an **Employee** at settlement or judgment pursuant to **Canadian Employment Laws** over and above the **Termination Offer** that was offered at the time of **Termination**, whether such offer was accepted by the **Employee** or not.

- (B) With Cause Termination

In the event the **Employee's Termination** by the **Insured** is made with cause, compensation owed to an **Employee** in lieu of providing notice pursuant to **Canadian Employment Laws**;

provided that the following conditions are met:

#### *Canadian Termination Coverage Conditions*

- A. Without Cause Termination

It is a condition precedent for coverage for any **Employment Claim** for a **Termination** without cause that the **Insured** shall make a best efforts attempt to comply with the relevant **Canadian Employment Laws**, in providing the **Employee** with a **Termination Offer**.

B. With Cause Termination

It is a condition precedent to coverage for any **Employment Claim** for a **Termination** with cause that prior to proceeding with such **Termination**, the **Organization** shall have obtained a written opinion from independent legal counsel setting out the legal basis for the **Termination** with cause and confirming that the **Organization** has sufficient grounds for **Termination** with cause. In the event of an **Employment Claim** arising out of such **Termination** with cause, the costs of obtaining such legal opinion will be covered as **Defence Costs** in aggregate amount not to exceed \$25,000 per **Policy Period** which amount is part of, and not in addition to, the Limit of Liability as set forth in Item 2 of the Declarations to this Coverage Part and no Retention shall apply to such amount.

---

**III. DEFINITIONS**

For purposes of this Coverage Part:

**Application** means:

- (A) any portion of an application given to the Company for this Policy, including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part; and
- (B) any warranty provided to the Company within the past three (3) years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.

**Benefits** means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with an employee benefit plan and any other payment to or for the benefit of an employee arising out of the employment relationship. **Benefits** shall not include salary, wages, commissions, bonuses, **Stock Benefits** or non-deferred cash incentive compensation.

**Breach of Employment Contract** means any breach of any oral, written or implied contract or contractual obligation including any contract or contractual obligation arising out of any personnel manual, employee handbook, policy statement or other representation.

**Canadian Employment Laws** means any applicable statute, common law or civil law governing employment relationships in Canada.

**Claim** means any **Employment Claim** or any **Third Party Claim**.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees, benefits of the **Insured Persons**) incurred in defending, opposing or appealing any **Claim**, and the premium for appeal, attachment or similar bonds.

**Employee** means any natural person whose labour or service was, is or will be engaged and directed by an **Organization**, including a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any **Independent Contractor**.

**Employment Claim** means:

- (A) (1) any:
  - (a) written demand first received by an **Insured** for monetary or non-monetary relief, including a written demand for reinstatement, re-employment, re-engagement or injunctive relief;
  - (b) civil proceeding commenced by the service of a statement of claim, complaint or similar pleading, or any foreign equivalent thereof;

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

- (c) criminal proceeding outside Canada or the United States of America commenced by a return of an indictment, or foreign equivalent thereof;
- (d) arbitration proceeding pursuant to an employment contract, policy or practice of an **Organization**, commenced by the receipt by an **Insured** of a demand for arbitration or foreign equivalent thereof, or any other external alternative dispute resolution proceeding commenced by receipt by an **Insured** of a demand for an alternative dispute resolution; or
- (e) administrative, regulatory or tribunal proceeding commenced by:
  - (i) the issuance of a notice of charge, formal investigative order or
  - (ii) in the event the **Insured** is not issued notice as set forth in (e)(i) above, the receipt by an **Insured** of the administrative, regulatory or tribunal proceeding resulting from such notice of charge, formal investigative order,

including any such proceeding brought by or in association with the Canadian Human Rights Commission or any Human Rights Tribunal or similar body in any of the provinces or territories; the Equal Employment Opportunity Commission of the United States of America; or any similar governmental agency located anywhere in the world with jurisdiction over the **Organization's** employment practices; or

- (2) in the context of an audit conducted in the United States of America by the Office of Federal Contract Compliance Programs, a Notice of Violation or Order to Show Cause or written demand for monetary relief or injunctive relief, commenced by the receipt by an **Insured** of such Notice, Order or written demand,

which is brought and maintained by or on behalf of a past, present or prospective **Employee** or **Independent Contractor** of an **Organization** against any **Insured** for an **Employment Practices Wrongful Act**, including any appeal therefrom; or

- (B) a written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Employment Claim** as described in Subsection (A) above.

Notwithstanding the foregoing, **Employment Claim** shall not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

**Employment Discrimination** means any violation of employment discrimination laws including any actual, alleged or constructive employment termination, dismissal, or discharge, employment demotion, denial of tenure, modification of any term or condition of employment, any failure or refusal to hire or promote, or any limitation, segregation or classification of any employee or applicant for employment in any way that would deprive or tend to deprive any person of employment opportunities or otherwise affect his or her status as an employee based on such person's race, colour, religion, creed, genetic information, age, sex, gender identity, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, protected military status or other status that is protected pursuant to any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world.

**Employment Harassment** means:

- (A) sexual harassment, including unwelcome sexual advances, requests for sexual favours, or other conduct of a sexual nature that is made a condition of employment with, used as a basis for employment decisions by, interferes with performance or creates an intimidating, hostile or offensive working environment within an **Organization**; or
- (B) workplace harassment, including work related harassment or bullying of a non-sexual nature that interferes with performance or creates an intimidating, hostile or offensive working environment within an **Organization**.

**Employment Practices Wrongful Act** means any actual or alleged:

- (A) **Breach of Employment Contract;**
- (B) **Employment Discrimination;**
- (C) **Employment Harassment;**
- (D) **Retaliation;**
- (E) **Termination;**
- (F) **Workplace Tort;** or
- (G) **Wrongful Employment Decision;**

committed, attempted, or allegedly committed or attempted by an **Organization** or by an **Insured Person** while acting in his or her capacity as such.

**Executive** means any natural person who was, is or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Financial Impairment** means the status of an **Organization** resulting from:

- (A) the appointment by any federal, provincial, territorial, or state court, agency or official of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**;
- (B) such **Organization** operating as a debtor as that term is defined and used in Canada within the provisions of the Bankruptcy and Insolvency Act, rules, regulations, orders and orders in council promulgated thereunder and amendments thereto, including, when any receiver, conservator, liquidator, trustee, sequestrator or similar official has been appointed by a federal, provincial, territorial or state court, agency or official or by a creditor to take control of, supervise, manage or liquidate such **Organization**; or
- (C) such **Organization** operating under the protection of the Companies' Creditor Arrangement Act of Canada or becoming a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country,

provided that the court or other judicial or administrative body overseeing the restructuring, receivership, conservatorship, liquidation, rehabilitation, bankruptcy or equivalent proceeding has denied a request by the **Organization**, or other party determined to have standing, for authorization of the **Organization** to indemnify an **Insured Person** for **Loss**; provided further that, the Company may, in its sole discretion, waive the foregoing requirement.

**Independent Contractor** means any natural person working for an **Organization** in the capacity of an independent contractor and pursuant to an **Independent Contractor Services Agreement**.

**Independent Contractor Services Agreement** means any express contract or agreement between an **Independent Contractor**, or any entity on behalf of such **Independent Contractor**, and the **Organization** governing the nature of the **Organization's** engagement of such **Independent Contractor**.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means any:

- (A) **Executive** or **Employee** of an **Organization**; or
- (B) **Independent Contractor** working for an **Organization**, but only while acting in his or her capacity as such and only if the **Organization** agrees to indemnify the **Independent Contractor** in the same manner as provided to the **Organization's Employees** for liability arising out of a **Claim**.

**Loss** means the amount which an **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- (A) compensatory damages;
- (B)
  - (1) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favourable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or to the **Claim** giving rise to such damages; or
  - (2) in the United States of America: liquidated damages awarded pursuant to the Age Discrimination in Employment Act, Family and Medical Leave Act or Equal Pay Act;
- (C) back pay, front pay, claimant's legal fees awarded by a court against an **Insured** or agreed to by the Company in connection with a settlement (but only if such claimant's legal fees are agreed to in writing by the Company at the time of or after a final settlement);
- (D) judgments, including pre-judgment and post-judgment interest;
- (E) settlements; and
- (F) **Defence Costs**,

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of, or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax, fine or penalty imposed by law; except as provided above with respect to punitive, exemplary or multiplied damages, or liquidated damages;
- (4) future salary, wages, commissions, or **Benefits** of a claimant who has been or shall be hired, promoted or reinstated to employment pursuant to a settlement, order or other resolution of any **Claim**;
- (5) salary, wages, commissions, **Benefits** or other monetary payments which constitute statutorily mandated severance payments or statutorily mandated payments pursuant to a notice period;
- (6) amounts which at the time of **Termination** were part of the **Termination Offer** to the **Employee**, whether such offer was accepted by the **Employee** or not;
- (7) **Benefits** due or to become due or the equivalent value of such **Benefits**, except with respect to any **Employment Claim** for **Termination**;
- (8) **Stock Benefits**;

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (9) cost associated with providing any accommodation for persons with disabilities or any other status which is protected under any applicable federal, provincial, territorial, state, or local statutory law, civil law, or common law anywhere in the world, including, the Canadian Human Rights Act, or the United States Americans with Disabilities Act, the Civil Rights Act of 1964, or any amendments to or rules, orders, orders in council or regulations promulgated under any such law;
- (10) amount incurred by an **Insured** in the defence or investigation of any action, proceeding or demand that was not then a **Claim** even if: (a) such amount also benefits the defence of a covered **Claim**; or (b) such action, proceeding, investigation or demand subsequently gives rise to a **Claim**; or
- (11) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Potential Claim** means a complaint or allegation of a **Wrongful Act** by or on behalf of a potential claimant if such complaint or allegation:

- (A) does not constitute a **Claim** but may subsequently give rise to a **Claim**; and
- (B) is lodged with:
  - (1) any supervisory employee having management-level responsibility for personnel matters with respect to such claimant, if such supervisory employee provides notice of such complaint or allegation to any member of an **Organization's** human resources, general counsel or risk management departments, or other comparable department; or
  - (2) any member of an **Organization's** human resources, general counsel or risk management departments, or other comparable department.

**Retaliation** means retaliatory treatment against an **Employee** or **Independent Contractor** of an **Organization** on account of such individual:

- (A) exercising his or her rights under law, refusing to violate any law, or opposing any unlawful practice;
- (B) having assisted or testified in or cooperated with a proceeding or investigation (including any internal investigation conducted by the **Organization's** human resources department or legal department) regarding alleged violations of law by the **Insured**;
- (C) disclosing or threatening to disclose to a superior or to any governmental agency any alleged violations of law; or
- (D) filing any claim against the **Organization** under the Canadian Public Servants Disclosure Protection Act or in the United States of America, the Federal False Claims Act, Section 806 of the Sarbanes Oxley Act, or any other federal, provincial, state, territorial, local or foreign whistleblower law.

**Stock Benefits** means any:

- (A) offering, plan or agreement between an **Organization** and any employee which grants stock, warrants, shares or stock options of the **Organization** to such employee, including grants of stock options, restricted stock, stock warrants, performance stock shares, membership shares, or any other compensation or incentive granted in the form of securities of the **Organization**; or

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (B) payment or instrument, the amount or value of which is derived from the value of securities of the **Organization**, including stock appreciation rights or phantom stock plans or arrangements,

provided that, **Stock Benefits** shall not include amounts claimed under any employee stock ownership plans or employee stock purchase plans.

**Termination** means:

- (A) in Canada: any wrongful termination, dismissal or discharge of employment, or any such wrongful termination, dismissal or discharge that arises from a **Breach of Employment Contract**; or
- (B) outside Canada: any wrongful termination, dismissal or discharge of employment, including constructive termination, dismissal or discharge. **Termination** does not include **Breach of Employment Contract**.

**Termination Offer** means the notice or the compensation in lieu of notice of termination legally required to be offered by the **Organization** to the **Employee** at the time of termination, having taken into account the relevant factors to be considered pursuant to **Canadian Employment Laws**.

**Third Party** means any natural person who is a customer, vendor, service provider or other business invitee of an **Organization**.

**Third Party Claim** means any:

- (A) written demand first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or similar pleading;
- (C) arbitration proceeding commenced by the receipt by an **Insured** of a demand for arbitration, or any other external alternative dispute resolution proceeding commenced by receipt by an **Insured** of a demand for an alternative dispute resolution; or
- (D) administrative, regulatory or tribunal proceeding commenced by the filing of a complaint, the issuance of a notice of charge, formal investigative order or foreign equivalent thereof,

which is brought and maintained by or on behalf of a **Third Party** against an **Insured** for a **Third Party Wrongful Act**, including any appeal therefrom; or

- (E) a written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Third Party Claim** as described in Subsections (A) through (D) above.

**Third Party Wrongful Act** means any actual or alleged:

- (A) discrimination against a **Third Party** based upon such **Third Party's** race, colour, religion, creed, genetic information, age, sex, gender identity, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, Vietnam Era Veteran status or other protected military status or other status that is protected pursuant to any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world; or
- (B) harassment, including unwelcome sexual advances, requests for sexual favours or other conduct of a sexual nature against a **Third Party**,

committed, attempted, or allegedly committed or attempted by any **Organization** or by any **Insured Person** while acting in his or her capacity as such.

**Workplace Tort** means any:

- (A) employment-related:

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (1) misrepresentation;
- (2) defamation (including libel and slander);
- (3) invasion of privacy (including in Canada, violation of the Personal Information Protection and Electronic Documents Act, S.C. 2000 as amended or pursuant to the same or similar provision of any provincial or territorial statute or the unauthorized use or disclosure in the United States of America of an **Employee's** (a) medical information in violation of the Health Insurance Portability and Accountability Act ("HIPAA"); (b) credit information or related information in violation of the Credit Reporting Act of Canada or the Fair Credit Reporting Act of the United States of America; or (c) other information obtained through an employment-related background check);
- (4) negligent evaluation;
- (5) wrongful discipline; or
- (6) wrongful deprivation of career opportunity; or
- (B) employment-related:
  - (1) negligent retention;
  - (2) negligent supervision;
  - (3) negligent hiring;
  - (4) negligent training;
  - (5) wrongful infliction of emotional distress, mental anguish or humiliation;
  - (6) failure to provide or enforce consistent employment-related corporate policies and procedures; or
  - (7) false imprisonment,

but only when alleged as part of an **Employment Claim** for any **Wrongful Employment Decision, Breach of Employment Contract, Employment Discrimination, Employment Harassment, Retaliation, Termination**, or any act set forth in Subsection (A) of this definition.

**Wrongful Act** means an **Employment Practices Wrongful Act** and **Third Party Wrongful Act**.

**Wrongful Employment Decision** means:

- (A) in Canada: any wrongful demotion, denial of tenure, or failure or refusal to hire or promote, failure to employ, wrongful or negligent employee reference, or any constructive termination, dismissal or discharge; or
- (B) outside Canada: any wrongful demotion, denial of tenure, or failure or refusal to hire or promote, failure to employ, or wrongful or negligent employee reference.

---

#### IV. EXCLUSIONS

The Company shall not be liable for **Loss** on account of any **Claim**:

- (A) Prior Notice



**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2 (A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any employment practices liability policy or coverage part or any other liability policy or coverage part that includes coverage for employment practices liability of which this Coverage Part is a direct or indirect renewal or replacement;

(B) Pending or Prior Proceedings

based upon, arising from or in consequence of a written demand alleging a **Wrongful Act**, suit, formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document, a Notice of Violation or Order to Show Cause resulting from an audit conducted in the United States of America by the Office of Federal Contract Compliance Programs or arbitration proceeding pending against or order, decree or judgment entered for or against any **Insured** on or prior to the applicable Pending or Prior Proceedings Date as set forth in Item 5 of the EPL Declarations or the same or substantially the same fact, circumstance or situation underlying or alleged therein;

(C) Pollution

based upon, arising from or in consequence of any:

- (1) discharge, emission, release, dispersal or escape of any **Pollutants** or any threat thereof;
- (2) treatment, removal or disposal of any **Pollutants**; or
- (3) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**,

including any **Claim** for financial loss to an **Organization**, its securityholders or its creditors based upon, arising from or in consequence of any matter described in Paragraphs (1), (2) or (3) of this Exclusion (C), provided that this Exclusion (C) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

(D) Bodily Injury or Property Damage

for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including the loss of use thereof whether or not it is damaged or destroyed, provided that this Exclusion (D) shall not apply to **Loss** for any mental anguish, humiliation or emotional distress when alleged as part of an otherwise covered **Claim**;

(E) Workers' Compensation, Unemployment Insurance, Social Insurance, Social Security, Disability Benefits

for any obligation of any **Insured** pursuant to any workers compensation, unemployment insurance, social insurance, social security, disability benefits or any similar federal, provincial, territorial, state, or local statutory law, civil or common law anywhere in the world, provided that this Exclusion (E) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

(F) Breach of Independent Contractor Agreement

for any breach of any **Independent Contractor Services Agreement**;

(G) Employee Benefits Program

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world (including that part of the Canadian Labour Code Part III, the Canadian Pension Benefits Standards Act 1987, or the United States Employment Retirement Income Security Act of 1974 (except section 510 thereof) and the Consolidated Omnibus Budget Reconciliation Act of 1985) or amendments to or regulations promulgated under any such law that governs any employee benefit arrangement, program, policy, plan or scheme of any type (whether or not legally required or whether provided during or subsequent to employment with an **Organization**), including any:

- (1) retirement income or pension benefit program;
- (2) profit sharing plan, deferred compensation plan, employee stock purchase plan, or employee stock ownership plan;
- (3) vacation, maternity leave, personal leave, or parental leave;
- (4) severance pay arrangement;
- (5) apprenticeship program;
- (6) life insurance plan, welfare plan, supplementary unemployment compensation plan, or pre-paid legal service plan or scholarship plan;
- (7) health, sickness, medical, dental, disability or dependant care plan; or
- (8) similar arrangement, program, plan or scheme,

provided that, this Exclusion (G) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation** or any **Employment Claim** otherwise covered pursuant to Section II of this Coverage Part, Canadian Termination Coverage.

(H) Occupational Safety and Health

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world (including the Canadian Labour Code Part II or the United States Occupational Safety and Health Act) or amendments to or regulations promulgated under any such law that governs workplace safety and health, including any obligation to maintain a place of employment free from hazards likely to cause physical harm, injury or death, provided that this Exclusion (H) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

(I) Wage and Hour

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world (including that part of the Canadian Labour Code Part III or the United States of America Fair Labor Standards Act) or amendments to or regulations promulgated under any such law that governs wage, hour and payroll policies and practices, including:

- (1) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay or other compensation alleged to be due and owing;
- (2) the classification of any organization or person for wage and hour purposes;
- (3) garnishments, withholdings or other deductions from wages;
- (4) child labour;
- (5) pay equity or comparable worth; or
- (6) any similar policies or practices,

provided that, this Exclusion (I) shall not apply to:

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (i) **Loss** on account of any **Employment Claim** for **Retaliation**; or
- (ii) the Canadian Human Rights Act, Section 11 or any similar provincial, territorial or local statute or the United States Equal Pay Act.

(J) Workforce Notification

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world (including the Ontario *Employment Standards Act, 2000*, the United States of America Worker Adjustment and Retraining Notification Act), or amendments to or regulations promulgated under any such law that governs any obligation of an employer to notify, discuss or bargain with its employees or others in advance of any plant or facility closing, or mass layoff, or any similar obligation, provided that this Exclusion (J) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

(K) Labour Management Relations

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, civil law or common law anywhere in the world (including the Canadian Labour Code Part I or the United States National Labor Relations Act) or any amendments to or regulations promulgated under any such law that governs:

- (1) the rights of employees to engage in, or to refrain from engaging in, union or other collective activities, including union organizing, union elections and other union activities;
- (2) the duty or obligation of an employer to meet, discuss, notify or bargain with any employee or employee representative, collectively or otherwise;
- (3) the enforcement of any collective bargaining agreement, including grievance and arbitration proceedings;
- (4) strikes, work stoppages, boycotts, picketing and lockouts; or
- (5) any similar rights or duties,

provided that, this Exclusion (K) shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

(L) Breach of Written Employment Contract

based upon, arising from or in consequence of any breach of any written employment contract, provided that this Exclusion (L) shall not apply to:

- (1) **Loss** to the extent an **Insured** would have been liable for such **Loss** in the absence of such written employment contract; or
- (2) **Defence Costs**.

(M) Financial Impairment

brought in Canada for **Wrongful Acts** based upon, arising from, or in consequence of the **Financial Impairment** of an **Organization**.

---

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

**V. REPORTING**

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after the chief executive officer, chief financial officer, any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing), or any member of the in-house general counsel or human resources departments, of an **Organization** becomes aware of such **Claim**, but in no event later than:
- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
  - (2) the expiration date of the Extended Reporting Period, if applicable.
- (B) Notwithstanding the foregoing Subsection (A) and solely with respect to an **Employment Claim** that is brought as a formal administrative or regulatory proceeding commenced by the filing of a complaint or the filing of a notice of charges, an **Insured**, shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give written notice thereof to the Company during the **Policy Period**, or, if applicable, in no event later than the earliest of the following dates:
- (1) if this Coverage Part is renewed, three hundred and sixty five (365) days after the end of the **Policy Period**,
  - (2) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company and if no Extended Reporting Period is purchased, ninety (90) days after the effective date of such expiration or termination; or
  - (3) the expiration date of the Extended Reporting Period, if elected,
- provided that, if the Company sends written notice to the **Parent Organization**, stating that this Policy is being terminated for non-payment of premium, an **Insured** shall give to the Company written notice of such **Employment Claim** prior to the effective date of such termination.
- (C) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of a **Potential Claim** and gives written notice of such **Potential Claim** to the Company, and requests coverage under this Coverage Part for any **Claim** subsequently resulting from such **Potential Claim**, then any **Claim** subsequently arising from the **Potential Claim** shall be deemed made against the **Insured** during the **Policy Year** in which written notice of such **Potential Claim** was first given to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, any natural person with the responsibility for the management of insurance claims (or any position equivalent to the foregoing), or any member of the in-house general counsel or human resources department of an **Organization** becomes aware of such **Claim**.

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (D) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require and shall include in any notice under Subsections (A), (B) or (C) above, a description of the **Claim**, request or **Potential Claim**, the nature of any alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of all actual or potential claimants, the names of all actual or potential defendants, the manner in which such **Insured** first became aware of the **Claim**, **Potential Claim** or alleged **Wrongful Act**, and with respect to notices of **Potential Claims** under Subsection (C) above, the consequences which have resulted or may result from such **Potential Claim**.
- 

**VI. RETENTION**

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is excess of the applicable Retention set forth in Item 4 of the EPL Declarations and such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Insuring Clauses within this Coverage Part, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (C) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (D) **Claims** shall be subject to the Retention(s) applicable to the **Policy Year** during which such **Claims** are first made or first deemed to have been made.
- (E) No Retention shall apply to any **Loss** under this Coverage Part incurred by an **Insured Person** if such **Loss** cannot be indemnified by an **Organization** because such **Organization** is not permitted by statutory law, civil law or common law to indemnify, or is permitted or required to indemnify, but is unable to do so by reason of **Financial Impairment**.
- 

**VII. DEFENCE AND SETTLEMENT**

- (A) Except as provided in Subsection (B) below, the Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) Notwithstanding Subsection (A) above, it shall be the duty of the **Insureds** and not the duty of the Company to defend any Claim which is in part excluded from coverage pursuant to Exclusion IV(I), Wage and Hour. For such portion of such **Claim** that is otherwise covered under this Coverage Part, the **Insureds** shall select as defence counsel for such **Claim** a law firm included in the Company's then current list of approved employment defence firms for the jurisdiction in which such **Claim** is pending.
- (C) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** it deems appropriate.

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (D) No **Insured** shall settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.
  - (E) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the premium shall be deemed fully earned.
  - (F) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- 

#### VIII. ALLOCATION

If an **Insured** who is afforded coverage for a **Claim** incurs an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defence Costs**: one hundred percent (100%) of **Defence Costs** incurred by such **Insured** on account of such **Claim** shall be covered **Loss**, provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to Exclusion IV(I), Wage and Hour, or Subsection XII(B), Representations and Severability. Such **Defence Costs** shall be allocated between covered **Loss** and non-covered loss based on the relative legal exposures of the parties to such matters; and
  - (B) loss other than **Defence Costs**: all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.
- 

#### IX. EMPLOYMENT CLAIM ARBITRATION

- (A) Any dispute between any **Insured** and the Company based upon, arising from or in any way involving any actual or alleged coverage under this Coverage Part, or the validity, termination or breach of this Coverage Part, including any dispute sounding in contract or tort, shall be submitted to binding arbitration.
- (B) An **Organization**, however, shall first have the option to resolve the dispute by non-binding mediation pursuant to such rules and procedures, and using such mediator, as the parties may agree. If the parties cannot so agree in Canada the mediation shall be governed by the then prevailing Ontario Arbitration Act rules, orders, orders in council or regulations promulgated thereunder or amendments thereto or, upon the agreement of both the Company and the **Organization** by the similar provisions of a statute passed by a province or territory other than Ontario. In the United States of America, the mediation shall be administered by the American Arbitration Association pursuant to its then prevailing commercial mediation rules.

- (C) If the parties cannot resolve the dispute by non-binding mediation, the parties shall submit the dispute to binding arbitration pursuant to the then prevailing Ontario Arbitration Act rules, orders, orders in council or regulations promulgated thereunder or amendments thereto or, upon the agreement of both the Company and the **Organization** by the similar provisions of a statute passed by a province or territory other than Ontario. In the United States of America, the binding arbitration shall be conducted pursuant to the then prevailing commercial arbitration rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the Company, and a third arbitrator selected by the first two arbitrators.
- 

#### **X. OTHER INSURANCE**

Unless specifically stated otherwise, the coverage afforded under this Coverage Part for:

- (A) **Employment Claims** shall be primary, provided that with respect to that portion of an **Employment Claim** made against any leased or temporary employee, or **Independent Contractor, Loss**, including **Defence Costs**, payable on behalf of such leased or temporary employee or **Independent Contractor** under this Coverage Part shall be excess of and shall not contribute with any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by the Coverage Part), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- (B) **Third Party Claims** shall be excess of and shall not contribute with any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by the Coverage Part), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- 

#### **XI. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**; provided that it is understood and agreed that the Company shall not subrogate against natural persons who are **Insured Persons** under this Coverage Part.

---

#### **XII. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.
- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**:
- (1) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for determining if coverage is available;  
or

**ForeFront Portfolio**  
**Employment Practices Liability (EPL)**  
**Coverage Part**

---

- (2) facts pertaining to and knowledge possessed by any past or present, chief executive officer, chief financial officer, director of human resources, in-house general counsel (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** for the purpose of determining if coverage is available.
- (C) Solely with respect to **Loss** incurred by an **Insured Person** for which the **Organization** either is not legally permitted, or fails or refuses solely by reason of **Financial Impairment** to indemnify the **Insured Persons**, the Company shall not be entitled under any circumstances to rescind this policy.

SPECIMEN



**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

FL DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_FL\_AggLimit\_X>

**Item 3. Retentions:**  
(A) Insuring Clause (A): Fiduciary Liability Coverage: <CUR\_FL\_RetentionA\_X>  
(B) Insuring Clause (B): Voluntary Settlement Program Coverage: <CUR\_FL\_RetentionB\_X>

**Item 4. Pending or Prior Proceedings Dates:**  
(A) Insuring Clauses (A): <FL\_PendingA\_1>  
(B) Insuring Clause (B): <FL\_PendingB\_1>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



**Authorized Representative**

**President**

<Today>

**Date**

---

SPECIMEN

**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

**I. INSURING CLAUSES**

**Insuring Clause (A): Fiduciary Liability Coverage**

- (A) The Company shall pay, on behalf of an **Insured**, **Loss** on account of a **Claim** first made against the **Insured** during the **Policy Period**, or if exercised, during the Extended Reporting Period if applicable, for a **Wrongful Act** by the **Insured** or by any natural person for whose **Wrongful Acts** the **Insured** becomes legally liable.

**Insuring Clause (B): Voluntary Settlement Program Coverage**

- (B) The Company shall pay, on behalf of an **Insured**, **Voluntary Program Loss** and **Defence Costs** with respect to a **Voluntary Program Notice** that is first given to the Company during the **Policy Period**, provided that the Company's maximum liability for all **Voluntary Program Loss** and **Defence Costs** for the **Policy Year** shall be \$150,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations.
- 

**II. DEFINITIONS**

For purposes of this Coverage Part:

**Administration** means:

- (A) advising, counseling, failing to provide proper or timely notice, or providing interpretations to **Employees, Executives**, participants or beneficiaries with respect to any **Plan**; or
- (B) handling of records or effecting enrollment, termination or cancellation of **Employees, Executives**, participants or beneficiaries under any **Plan**.

**Application** means:

- (A) any portion of an application given to the Company for this Policy including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part;
- (B) if applicable, all schedules filed with the U.S. Department of the Treasury Internal Revenue Service, the U.S. Department of Labor Employee Benefits Security Administration and the Pension Benefit Guarantee Corporation, all of the United States of America, and all audited financial statements last filed for all **Sponsored Plans**; and
- (C) any warranty provided to the Company within the past three (3) years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.

**Benefit Law** means:

- (A) in Canada:
- (1) the Pension Benefit Standards Act, R.S.C, 1985, c. 32, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable;

**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

- (2) the Income Tax Act, RSC 1985 c. 1, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, but solely in connection with any obligations or duties of fiduciaries with respect to any **Sponsored Plan**;
- (3) any common law, civil law or statutory law or regulation applicable to fiduciaries of any **Sponsored Plan**; or
- (4) any similar federal, provincial, territorial or local law or regulation or any amendment thereunder as (1), (2) or (3) above;
- (B) in the United States of America: the Employee Retirement Income Security Act of 1974, as amended, and any rules or regulations promulgated thereunder (including, amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996); or
- (C) any equivalent employee benefit law to (A) or (B) above anywhere in the world.

**Claim** means any:

- (A) written demand first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or similar pleading;
- (C) criminal proceeding commenced by: (a) an arrest; (b) a summons to appear; or (c) return of an indictment, information or foreign equivalent thereof;
- (D) formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or foreign equivalent thereof;
- (E) arbitration or mediation proceeding commenced by the receipt of a demand for arbitration, demand for mediation;
- (F) written notice of commencement of a fact-finding investigation by:
  - (1) in Canada: the office of the Superintendent of Financial Institutions, or any similar federal, provincial or territorial government authority located in Canada or any successor thereto;
  - (2) in the United States of America: the U.S. Department of Labor, or the U.S. Pension Benefit Guaranty Corporation;
  - (3) in the United Kingdom: the Pensions Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or by the United Kingdom Occupational Pensions Regulatory Authority or any successor thereto; or
  - (4) any similar governmental authority as those set forth in (1), (2), or (3) above;
- (G) official request for **Extradition** of an **Insured Person**, against an **Insured** for a **Wrongful Act**, including any appeal therefrom; or
- (H) a written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Claim** as described in Subsections (A) through (G) above.

**Committee** means any committee established by an **Organization** with respect to a **Sponsored Plan**, which consists of at least one (1) natural person member who is an **Insured Person**; provided that, no coverage will be available for any member of any such committee who is not an **Insured Person**. For purposes of this definition, **Insured Person** shall not include any individual in his or her capacity as an employee of a third party, including a service provider.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons**) in investigating, defending, opposing or appealing any **Claim** or any **Voluntary Program Notice**, and the premium for appeal, attachment or similar bonds.

**Employee** means any natural person whose labour or service was, is or will be engaged and directed by an **Organization**, including a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any independent contractor.

**Executive** means any natural person who was, is or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto* director), (2) officer, (3) trustee, (4) governor, (5) member of the Advisory Board; or (6) or in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Extradition** means: (A) any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation; or (B) the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.

**Financial Impairment** means the status of an **Organization** resulting from:

- (A) the appointment by any federal, provincial or state court, agency or official of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**;
- (B) such **Organization** operating as a debtor as that term is defined and used in Canada within the provisions of the Bankruptcy and Insolvency Act, rules, regulations, orders and orders in council promulgated thereunder and amendments thereto, and including when any receiver, conservator, liquidator, trustee, sequestrator or similar official has been appointed by a federal, provincial, territorial or state court, agency or official or by a creditor to take control of, supervise, manage or liquidate such **Organization**; or
- (C) such **Organization** operating under protection of the Companies' Creditor Arrangement Act of Canada or becoming a debtor in possession under the United States of America bankruptcy law or the equivalent of a debtor in possession under the law of any other country,

provided that the court or other judicial or administrative body overseeing the restructuring, receivership, conservatorship, liquidation, rehabilitation, bankruptcy or equivalent proceeding, has denied a request by the **Organization**, or other party determined to have standing, for authorization of the **Organization** to indemnify an **Insured Person** for **Loss**; provided further that, the Company may, in its sole discretion, waive the foregoing requirement.

**Insured** means any **Organization**, any **Plan**, any **Committee** and any **Insured Person**.

**Insured Person** means any:

- (A) **Executive** or **Employee** of an **Organization**;
- (B) employee of a **Sponsored Plan**; and
- (C) past, present or future natural person trustee of an **Organization** or of the **Sponsored Plan**.

**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

- (D) **Insured Person** shall also include any past **Employees** or **Executives** retained as a fiduciary or plan consultants to the **Sponsored Plan**.

**Insured Person** shall not include any individual in his or her capacity as an employee of any third party, including a service provider.

**Loss** means:

- (A) solely for purposes of Insuring Clause (A), Fiduciary Liability Coverage, the amount which any **Insured** becomes legally obligated to pay as a result of any **Claim**, including:
- (1) compensatory damages;
  - (2) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or the **Claim** giving rise to such damages;
  - (3) judgments, including pre-judgment and post-judgment interest;
  - (4) settlements;
  - (5) **Defence Costs**;
  - (6) claimant's attorney's fees awarded by a court pursuant to Section 502(g) of the Employee Retirement Income Security Act of 1974, of the United States of America as amended, against an **Insured**; and
  - (7) reasonable fees and expenses of an independent fiduciary retained to review a proposed settlement of a covered **Claim**, including reasonable and necessary fees and expenses of any law firm hired by such independent fiduciary to facilitate that review of such proposed settlement of a covered **Claim**; and
- (B) solely for purposes of Insuring Clause (B), Voluntary Settlement Program Coverage, **Voluntary Program Loss**,

provided that, **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax imposed by law;
- (4) fine or penalty imposed by law, except:
  - (a) as provided in Paragraph (A)(2) above with respect to punitive, exemplary or multiplied damages;
  - (b) the five percent (5%) or less, or the twenty (20%) or less, civil penalties imposed upon an **Insured** as a fiduciary under Section 502(i) or (l), respectively of the Employee Retirement Income Security Act of 1974, of the United States of America as amended;
  - (c) solely with respect to Insuring Clause (B), Voluntary Settlement Program Coverage, **Voluntary Program Loss**;

**ForeFront Portfolio**  
**Fiduciary Liability (FL)**  
**Coverage Part**

---

- (d) civil penalties imposed upon an **Insured** under the Pension Benefit Standards Act, R.S.C, 1985, C. 32, of Canada, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, provided any coverage for such civil penalties applies only if the funds or assets of the pension scheme are not used to fund, pay or reimburse the premium for this policy; and the Company's maximum limit of liability for all such penalties on account of all **Claims** first made during the **Policy Year** shall be \$250,000 which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
- (e) civil penalties imposed upon an **Insured** as a fiduciary under Section 502(c) of the Employee Retirement Income Security Act of 1974, of the United States of America, as amended (including, any amendments pursuant to Section 507 of title V of the Pension Protection Act of 2006); provided the Company's maximum limit of liability for all such civil penalties on account of all **Claims** first made during the **Policy Year** shall be \$250,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
- (f) civil money penalties imposed upon an **Insured** for such **Insured's** violation of the privacy provisions of the Health Insurance Portability and Accountability Act of 1996, of the United States of America, as amended, provided the Company's maximum limit of liability for all such civil money penalties on account of all **Claims** first made during the **Policy Year** shall be \$250,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
- (g) with respect to covered judgments, the fifteen percent (15%) or less tax penalty imposed upon an **Insured** under Section 4975 of the Internal Revenue Code of 1986 of the United States of America; provided the Company's maximum limit of liability for all such tax penalties on account of all **Claims** first made during the **Policy Year** shall be \$250,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations; or
- (h) civil money penalties imposed upon an **Insured** for violation of the Patient Protection and Affordable Care Act, of the United States of America, as amended, and any rules or regulations promulgated thereunder; provided the Company's maximum limit of liability for all such civil money penalties on account of all **Claims** first made during the **Policy Year** shall be \$250,000, which amount is part of, and not in addition to, the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations;
- (i) civil penalties imposed by:
- (i) the Pension Ombudsman appointed by the United Kingdom Secretary of state for Work and Pensions or any successor thereto, by the United Kingdom Occupational Pensions Regulatory Authority, or the Pensions Regulator or any successor thereto, pursuant to the Pension Scheme Act 1993, the Pensions Act 1995, the Pensions Act 2004, or rules or regulations thereunder; or
  - (ii) Ireland's Pension Board or Pensions Ombudsman;
- provided that, any coverage for such civil penalties applies only if the funds or assets of the pension scheme are not used to fund, pay or reimburse the premium for this Coverage Part;

- (5) amounts incurred by an **Insured** in the defence or investigation of any action, proceeding, investigation or demand that was not then a **Claim** or a **Voluntary Program Notice**, even if (a) such amount also benefits the defence of a covered **Claim** or **Voluntary Program Notice**; or (b) such action, proceeding, investigation or demand subsequently gives rise to a **Claim** or to a **Voluntary Program Notice**;
- (6) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**;
- (7) (a) benefits due or to become due, or that portion of any settlement or award in an amount equal to such benefits, under any **Plan**, or (b) benefits which would be due, or that portion of any settlement or award in an amount equal to such benefits, under any **Plan** if such **Plan** complied with all applicable law, including loss resulting from the payment of plaintiff legal fees based upon a percentage of such benefits or payable from a common fund established to pay such benefits except to the extent that:
- (i) an **Insured** is a natural person and the benefits are payable by such **Insured** as a personal obligation, and recovery for the benefits is based upon a covered **Wrongful Act**; or
- (ii) a **Claim** made against an **Insured**:
- A. alleges a loss to the **Plan** and/or to the accounts of such **Plan's** participants by reason of a change in the value of the investments held by such **Plan**, regardless of whether the amounts sought or recovered by the plaintiffs in such **Claim** are characterized by plaintiffs as "benefits" or held by a court as "benefits"; or
- B. seeks amounts that would have been due, but for the failure to enroll in the **Plan**, as set forth in Paragraph (B) of the definition of **Administration**, unless and to the extent the **Plan** is self-funded; or
- (8) amount constituting any contribution or that portion of any settlement or award in an amount equal to such amount constituting any contribution that is owed to or to fund any **Plan**, except to the extent that an **Insured** is a natural person and the contribution is payable by such **Insured** as a personal obligation, and recovery for the contribution is based upon a covered **Wrongful Act**.

**Plan** means:

- (A) any **Sponsored Plan**; and
- (B) any government-mandated insurance for workers compensation, unemployment, social insurance, social security or disability benefits for **Employees** and **Executives**.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Sponsored Plan** means any:

- (A) Registered Pension Plan, Group Sickness or Accident Insurance Plan, Private Health Services Plan, Supplementary Unemployment Benefit Plan, Deferred Profit-Sharing Plan, Employee's Profit-Sharing Plan, Sickness or Accident Insurance Plans, Disability Insurance Plan, Income Maintenance Insurance Plan, Vacation Pay Trust, Employee Trust, Retirement Compensation Arrangement, Salary Deferral Arrangement, Employee Life and Health Trust, all as defined in the Income Tax Act of Canada which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization solely for the benefit of the **Employees** or **Executives** of an **Organization** and which existed on or before the inception date of this Policy, or subject to Section VI, Changes in Exposure, of the General Terms and Conditions, which is created or acquired after such inception date;



**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

- (B) employee benefit plan, pension benefit plan or welfare benefit plan, as defined in and subject to the Employee Retirement Income Security Act of 1974, as amended, including any **VEBA**, which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization solely for the benefit of the **Employees** or **Executives** of an **Organization**, and which existed on or before the inception date of this Policy, or subject to Section VI, Changes in Exposure, of the General Terms and Conditions, which is created or acquired after such inception date, provided that any coverage with respect to an employee stock ownership plan created or acquired during the **Policy Period** shall be further subject to Section V, Creation or Acquisition of an ESOP;
- (C) other employee benefit plan not subject to Subsections (A) or (B) above, which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization solely for the benefit of the **Employees** or **Executives** of an **Organization**, including any fringe benefit or excess benefit plan located anywhere in the world and which existed on or before the inception date of this Policy, or subject to Section VI, Changes in Exposure, of the General Terms and Conditions, which is created or acquired after such inception date; and
- (D) other plan, fund or program specifically included as a **Sponsored Plan** by endorsement to this Coverage Part;

provided that, **Sponsored Plan** shall not include any employee stock ownership plan created or acquired by the **Organization** during the **Policy Period** (except as otherwise provided in Section V, Creation or Acquisition of an ESOP).

**VEBA** means any Voluntary Employees' Beneficiary Associations as defined in Section 501(c)(9) of the Internal Revenue Code of 1986 of the United States of America, as amended and any regulations thereunder, the purpose of which is to provide for life, sick, accident or other benefits for voluntary members who are **Employees**, **Executives**, their dependents or designated beneficiaries.

**Voluntary Program** means any voluntary compliance resolution program or similar voluntary settlement program administered by the U.S. Internal Revenue Service or U.S. Department of Labor, including the Delinquent Filer Voluntary Compliance Program, the Voluntary Fiduciary Correction Program and the Employee Plans Compliance Resolution System, or any similar program administered by a governmental authority located outside the United States of America.

**Voluntary Program Loss** means fees, fines, penalties or sanctions paid by an **Insured** to a governmental authority pursuant to a **Voluntary Program** for the actual or alleged inadvertent non-compliance by a **Plan** with any statute, rule or regulation, provided that the **Voluntary Program Notice** relating thereto was given to the Company during the **Policy Period**.

**Voluntary Program Notice** means, with respect to any **Plan**, prior written notice to the Company by any **Insured** of the **Insured's** intent to enter into any **Voluntary Program**, provided that no **Insured Person** knew the **Plan** to be actually or allegedly non-compliant as of the earlier of the inception of this Policy or the inception of the first policy in an uninterrupted series of policies issued by the Company of which this Coverage Part is a direct or indirect renewal or replacement.

**Wrongful Act** means any actual or alleged:

- (A) breach of the responsibilities, obligations or duties imposed by any **Benefit Law** upon fiduciaries of the **Sponsored Plan** committed, attempted or allegedly committed or attempted by an **Insured** while acting in the **Insured's** capacity as a fiduciary;
- (B) negligent act, error or omission in the **Administration** of any **Plan** committed, attempted or allegedly committed or attempted by an **Insured**;
- (C) matter, other than as set forth in (A) or (B) above, claimed against an **Insured** solely by reason of the **Insured's** service as a fiduciary of any **Sponsored Plan**; or

- (D) act, error or omission committed, attempted or allegedly committed or attempted by an **Insured**, solely in such **Insured's** settlor capacity with respect to establishing, amending, terminating or funding a **Sponsored Plan**.

### III. EXCLUSIONS

The Company shall not be liable for **Loss** on account of any **Claim** or for any **Voluntary Program Notice**:

(A) Prior Notice:

based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2(A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any fiduciary liability or employee benefit liability policy or coverage part of which this Coverage Part is a direct or indirect renewal or replacement;

(B) Pending or Prior Proceedings:

based upon, arising from or in consequence of a written demand, suit, or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the applicable Pending or Prior Proceedings Date set forth in Item 4 of the FL Declarations, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;

(C) Bodily Injury/Property Damage:

for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed;

(D) Assumed Liability Under Contract:

based upon, arising from or in consequence of liability of others assumed by any **Insured** under any written or oral contract or agreement, provided that this Exclusion (D) shall not apply to **Loss** to the extent that:

- (1) an **Insured** would have been liable in the absence of the contract or agreement; or
- (2) the liability was assumed under the agreement or declaration of trust pursuant to which the **Plan** was established;

(E) Workers' Compensation, Unemployment Insurance, Social Insurance, Social Security, Disability Benefits:

for any failure of any **Insured** to comply with any workers' compensation, unemployment insurance, social insurance, social security or disability benefits law or any amendments to or rules or regulations promulgated under any such law, or any similar provisions of any federal, provincial, territorial, state, or local statutory law, common law, or civil law anywhere in the world, except, to the extent otherwise covered hereunder, **Wrongful Acts** in connection with: (a) the Canada Labour Code, Part III, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada or the Consolidated Omnibus Budget Reconciliation Act of 1985, (b) the Health Insurance Portability and Accountability Act of 1996, or (c) any amendments to or any rules or regulations promulgated under such Acts;

**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

(F) **Wage and Hour:**

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory law, common or civil law anywhere in the world (including the that part of the Canadian Labour Code Part III or the United States Fair Labor Standards Act) or amendments to or regulations promulgated under any such law that governs wage, hour and payroll policies and practices; or

(G) **Conduct:**

based upon, arising from or in consequence of:

- (1) any deliberately fraudulent act or omission, or any wilful violation of any statute or regulation, by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes such an act or omission or violation;
- (2) an **Insured Person** having gained any personal profit, remuneration or other advantage to which such **Insured Person** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such a personal profit, remuneration or advantage; or
- (3) an **Organization** or **Plan** having gained any profit, remuneration or other advantage to which such **Organization** or **Plan** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such profit, remuneration or advantage.

---

**IV. SEVERABILITY OF EXCLUSIONS**

With respect to the Exclusions, where applicable, in this Coverage Part: (i) no fact or conduct pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** or to the **Plan**, to determine if coverage is available, and (ii) only facts or conduct pertaining to and knowledge possessed by any past, present or future chief executive officer, chief financial officer, chief operating officer or head of benefits (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** to determine if coverage is available.

---

**V. CREATION OR ACQUISITION OF AN ESOP**

Notwithstanding anything in this Coverage Part to the contrary, if during the **Policy Period** any **Organization** creates or directly or indirectly acquires an employee stock ownership plan ("ESOP"), the **Organization** shall promptly give to the Company written notice thereof together with such other information requested by the Company. The Company shall, at the request of the **Organization**, provide to the **Organization** a quotation for coverage for **Claims** based upon, arising from or in consequence of such ESOP, subject to such terms, conditions, limitations of coverage and such additional premium as the Company, in its sole discretion, may require.

---

## VI. TERMINATION OF PLAN

In the event:

- (A) an **Organization** terminates a **Plan** before or after the inception date of this Policy, coverage under this Coverage Part, with respect to such terminated **Plan**, shall continue until termination of this Coverage Part for those who were **Insureds** at the time of such **Plan** termination or who would have been an **Insured** at the time of such termination if this Coverage Part had been in effect, with respect to **Wrongful Acts** prior to or after the date the **Plan** was terminated; or
  - (B) the Pension Benefit Guaranty Corporation (“PBGC”) of the United States of America becomes the Trustee of a **Plan** before or after the inception date of this Policy, coverage under this Coverage Part, with respect to such **Plan**, shall continue until termination of this Coverage Part for those who were **Insureds** at the time the PBGC became the Trustee of such **Plan** with respect to **Wrongful Acts** prior to the effective date the PBGC became the Trustee of such **Plan**.
- 

## VII. REPORTING

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**, but in no event later than:
  - (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
  - (2) the expiration date of the Extended Reporting Period, if applicable.
- (B) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Year** in which such circumstances were first reported to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.
- (C) If during the **Policy Period**, an **Insured** gives a **Voluntary Program Notice** to the Company, then any **Claim** subsequently arising from such **Voluntary Program Notice**, or arising from the same or related facts, circumstances or situations alleged therein, shall be deemed to have been first made during the **Policy Year** in which such **Voluntary Program Notice** was first given to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, chief financial officer, in-house general counsel, head of benefits, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.

- (D) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require, and shall include in any notice under Subsections (A), (B) or (C) above a description of the **Claim**, circumstances, or **Voluntary Program Notice** (including the facts, circumstances or situations alleged therein), the nature of the alleged **Wrongful Act** or circumstances, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, circumstances, or alleged **Wrongful Act** or **Voluntary Program Notice**.
- 

#### VIII. RETENTION AND PRESUMPTIVE INDEMNIFICATION

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is in excess of the applicable Retention set forth in Item 3 of the FL Declarations and such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Insuring Clauses within this Coverage Part, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (C) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (D) **Claims** and **Voluntary Program Notices** shall be subject to the Retention(s) applicable to the **Policy Year** during which such **Claims** or **Voluntary Program Notices** are made or deemed to have been made.
- (E) No Retention shall apply to:
- (1) any **Loss** under this Coverage Part incurred by an **Insured Person** if such **Loss** cannot be indemnified by an **Organization** or **Plan** because such **Organization** or **Plan** is not permitted by statutory law, common law, or civil law to indemnify, or is permitted to indemnify, but is unable to do so by reason of **Financial Impairment**; or
  - (2) any **Loss** constituting civil or tax penalties imposed by law pursuant to Subparagraphs (4)(d) through (4)(h) as set forth within the definition of **Loss**.
- (F) For the purposes of determining an **Organization's** indemnification obligation to any Advisory Board Member, each Advisory Board Member shall be deemed a director or officer of the **Organization**. Accordingly, the **Organization** shall be deemed to have granted indemnification to each Advisory Board Member to the fullest extent permitted by statutory law, common law, or civil law to the same extent as any director or officer of the **Organization**.
- (G) For the purposes of determining an **Organization's** indemnification obligation to any plan consultants to a **Sponsored Plan**, each consultant shall be deemed a director or officer of the **Organization**. Accordingly, the **Organization** shall be deemed to have granted indemnification to each consultant to the fullest extent permitted by statutory law, common law or civil law to the same extent as any director or officer of the **Organization**.
- 

#### IX. DEFENCE AND SETTLEMENT

**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

- (A) Except as provided in Subsection (B) below, the Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) Notwithstanding Subsection (A) above, it shall be the duty of the **Insureds** and not the duty of the Company to defend any **Claim** which is in part excluded from coverage pursuant to Exclusion III(F), Wage and Hour. For such portion of such **Claim** that is otherwise covered under this Coverage Part, the **Insureds** shall select as defence counsel for such **Claim** a law firm included in the Company's then current list of approved fiduciary liability defence firms for the jurisdiction in which such **Claim** is pending.
- (C) It shall be the duty of the **Insureds** and not the duty of the Company to defend any **Voluntary Program Notice**, provided that the **Insureds** shall select as defence counsel for such **Voluntary Program Notice** a law firm included in the Company's then current list of approved fiduciary liability defence firms for the jurisdiction applicable to such **Voluntary Program Notice**.
- (D) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** or **Voluntary Program Notice** it deems appropriate.
- (E) No **Insured** shall settle any **Claim** or **Voluntary Program Notice**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** or **Voluntary Program Notice**, without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented. However, the Company may, in its sole discretion, waive the foregoing requirement with respect to **Defence Costs** incurred within ninety (90) days prior to the reporting of a **Claim** pursuant to Section VII, Reporting, of this Coverage Part.
- (F) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** or **Voluntary Program Notice** after the Maximum Aggregate Limit of Liability set forth in Item 2 of the FL Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the applicable premium shall be deemed fully earned.
- (G) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery. The failure of any **Insured Person** to give the Company the information, assistance or cooperation as it may reasonably require shall not impair the rights of any other **Insured Person** under this Coverage Part.
- (H) The Company will not seek repayment from an **Insured Person** of any **Defence Costs** paid by the Company that are deemed uninsured pursuant to Exclusion III(G), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication; or other determination standard) set forth in such Exclusion has been met. Any advancement of **Defence Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent that it is determined that such **Defence Costs** are not insured under this Coverage Part.
- (I) If an **Organization** refuses in writing, or fails within sixty (60) days of an **Insured Person's** written request for indemnification to advance, pay or indemnify an **Insured Person** for **Loss** on account of a **Claim**, then, upon the **Insured Person** reporting the **Claim** pursuant to Section VII, Reporting, of this Coverage Part, the Company shall advance **Defence Costs** until such time that the **Organization** accepts the **Insured Person's** request for indemnification or the applicable Retention has been satisfied.

**ForeFront Portfolio  
Fiduciary Liability (FL)  
Coverage Part**

---

- (J) Any advancement of **Defence Costs** by the Company shall reduce the Limit of Liability set forth in Item 2 of the Fiduciary Liability Declarations. If the Company recovers any such **Defence Costs** paid, the amount of such **Defence Costs** less all costs incurred by the Company to obtain such recovery shall be reinstated to the Limit of Liability set forth in Item 2 of the Fiduciary Liability Declarations.
- (K) Notwithstanding Subsection (E) above, with respect to any **Claim** reported pursuant to Section VII, Reporting, of this Coverage Part, the **Insured** may settle a **Claim** (inclusive of **Defence Costs**) without the Company's prior written consent, if the amount of such settlement does not exceed the amount of the applicable Retention. However, the Company shall not be liable for any settlement or **Defence Costs** in excess of the amount of the applicable Retention to which it has not consented to in writing. The **Insureds** shall submit to the Company all requested information with respect to any **Claim** settled pursuant to this paragraph upon either the underwriting of a renewal of this Coverage Part or upon expiration of this Coverage Part, whichever first occurs.
- 

**X. ALLOCATION**

If an **Insured** who is afforded coverage for a **Claim** incurs an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defence Costs:** one hundred percent (100%) of **Defence Costs** incurred by such **Insured** on account of such **Claim** shall be covered **Loss** provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to Exclusion III(F), Wage and Hour, or Subsection XIV(B), Representations and Severability. Such **Defence Costs** shall be allocated between covered **Loss** and non-covered loss based on the relative legal exposures of the parties to such matters; and
- (B) loss other than **Defence Costs:** all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.
- 

**XI. PRIORITY OF PAYMENTS**

- (A) If a liquidation or reorganization proceeding is commenced by or against an **Organization** pursuant to the Canadian Bankruptcy and Insolvency Act, the Canadian Companies' Creditors Arrangement Act, the United States Bankruptcy Code or any similar provincial, territorial, state or local law and in the event payment of **Loss** is due under this Coverage Part but, in the sole discretion of the Company, the amount of such **Loss** in the aggregate potentially exceeds the remaining available Limit of Liability for this Coverage Part, the Company shall:
- (1) first pay such covered **Loss** incurred by the **Insured Persons** and the **Plan**; then
  - (2) to the extent of any remaining amount of the Limit of Liability available after payment under Paragraph (1) above, pay such covered **Loss** incurred by an **Organization**.
- (B) Except as otherwise provided in Subsection (A) above, the Company may pay covered **Loss** as it becomes due under this Coverage Part without regard to the potential for other future payment obligations under this Coverage Part.
-

**XII. OTHER INSURANCE**

- (A) If any **Loss** under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
  - (B) In addition to, and not in limitation of, the above paragraph, this Coverage Part shall be specifically excess of, and shall not contribute with, any insurance policy for third party liability coverage for environmental exposures.
- 

**XIII. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**; provided that it is understood and agreed that the Company shall not subrogate against natural persons who are **Insured Persons** under this Coverage Part and to the extent that such subrogation right is not otherwise prescribed by applicable law.

---

**XIV. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.
- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**:
  - (1) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for determining if coverage is available; or
  - (2) facts pertaining to and knowledge possessed by any past or present chief executive officer, chief financial officer, director of human resources, in-house general counsel (or any equivalent position to any of the foregoing) of the **Parent Organization** shall be imputed to such **Organization** and its **Subsidiaries**, and their respective **Plans** for the purpose of determining if coverage is available.
- (C) Solely with respect to **Loss** incurred by an **Insured Person** for which the **Organization, Subsidiary** or **Plan** either is not legally permitted, or fails or refuses solely by reason of **Financial Impairment**, to indemnify the **Insured Persons**, the Company shall not be entitled under any circumstances to rescind this policy.



**ForeFront Portfolio  
Miscellaneous Professional Liability (MPL)  
Coverage Part**

MPL DECLARATIONS CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_MPL\_Limit\_X>

**Item 3. Retention:** <CUR\_MPL\_Retention\_X>

**Item 4. Retroactive Date:** <MPL\_Retroactive\_1>

**Item 5. Professional Services:** <MPL\_ProfessionalServices>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



**Authorized Representative**

**President**

<Today>

**Date**

**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

**I. INSURING CLAUSE**

**Miscellaneous Professional Liability Coverage**

The Company shall pay, on behalf of an **Insured**, **Loss** on account of a **Claim** first made against the **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, for a **Wrongful Act** on or after the Retroactive Date set forth in Item 4 of the MPL Declarations.

---

**II. DEFINITIONS**

For purposes of this Coverage Part:

**Application** means:

- (A) any portion of an application given to the Company for this Policy, including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part; and
- (B) any warranty provided to the Company within the past three (3) years in connection with any coverage part of policy of which this Coverage Part is a renewal or replacement.

**Benefit Law** means:

- (A) in Canada:
  - (1) the Pension Benefit Standards Act, R.S.C, 1985, c. 32, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable;
  - (2) the Income Tax Act, R.S.C, 1985, c. 1, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, but solely in connection with any obligations or duties of fiduciaries with respect to any employee benefit plan;
  - (3) any common, civil or statutory law or regulation applicable to fiduciaries of any employee benefit plan; or
  - (4) any similar federal, provincial, territorial or local law or regulation or any amendment thereunder as (1), (2) or (3) above; or
- (B) in the United States of America: the Employee Retirement Income Security Act of 1974, as amended, and any rules or regulations promulgated thereunder (including, amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996); or
- (C) any similar employee benefit law to (A) or (B) above anywhere in the world.

**Claim** means any:

- (A) written demand first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or a similar pleading; or

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (C) arbitration or mediation proceeding commenced by the receipt of a demand for arbitration, demand for mediation or foreign equivalent thereof,  
against an **Insured** for a **Wrongful Act**, including any appeal therefrom; or
- (D) written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Claim** described in Subsections (A) through (C) above.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of **Insured Persons**) incurred in investigating, defending, opposing or appealing any **Claim** and the premium for appeal, attachment or similar bonds.

**Employee** means any natural person whose labour or service is, was or will be engaged and directed by an **Organization** including a part-time, seasonal, leased or temporary employee, intern or volunteer. **Employee** shall also include any independent contractor who is providing or has provided **Professional Services** on behalf of or at the direction of the **Insured**, and only if and to the extent that the **Insured**, after evaluating the merits of the **Claim**, has agreed in writing to include such independent contractor as an **Insured** under this Policy.

**Environmental Agents** means any:

- (A) bacteria;
- (B) mildew, mould, or other fungi;
- (C) other microorganisms;
- (D) mycotoxins, spores, or other by-products of Subsections (A), (B) or (C) above;
- (E) viruses or other pathogens (whether or not a microorganism); or
- (F) colony or group of any of the foregoing.

**Executive** means any natural person who is, was or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**First Inception Date** means the inception date of the first claims made policy or coverage part insuring miscellaneous errors and omissions issued by the Company and continually renewed by the Company until the inception date of this current Policy.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means any **Executive** or **Employee** of an **Organization** acting in his or her capacity as such.

**Liquidated Damages** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.

**Loss** means the amount which an **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- (A) compensatory damages;

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (B) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favourable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or to the **Claim** giving rise to such damages;
- (C) judgments, including pre-judgment and post-judgment interest;
- (D) settlements; and
- (E) **Defence Costs**,

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax, fine, or penalty imposed by law; except as provided in Subsection (B) above with respect to punitive, exemplary or multiplied damages;
- (4) amount incurred by an **Insured** in the defence or investigation of any action, proceeding or demand that was not then a **Claim** even if (a) such amount also benefits the defence of a covered **Claim**; or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
- (5) **Liquidated Damages**;
- (6) return of fees or other compensation paid to an **Insured**;
- (7) cost of correcting, re-performing or completing any **Professional Services**; or
- (8) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.

**Personal Injury** means:

- (A) libel, slander, product disparagement, trade libel or other form of defamation;
- (B) invasion or infringement of the right of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
- (C) false arrest, detention or imprisonment; or
- (D) wrongful entry or eviction, or other invasion of the right of private occupancy.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Professional Services** means services which are performed by or on behalf of an **Insured** for others for a fee and set forth in Item 5 of the MPL Declarations, including any such services that are performed electronically utilizing the Internet or a network of two or more computers.

**Securities Laws** means:

- (A) in Canada: the Securities Act of Ontario, R.S.O. 1990 Chapter S.5 and any amendments thereto or any rules or regulations promulgated thereunder or any similar provision of any federal, provincial or territorial legislation, rules or regulations, as amended or as applicable;

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (B) in the United States of America: the Securities Act of 1933, Securities Exchange Act of 1934, Investment Advisors Act of 1940, the Investment Company Act of 1940, any state “blue sky” securities law, or any other federal, state or local securities law or any amendments thereto or any rules or regulations promulgated thereunder or any other provision of statutory or common law used to impose liability in connection with the offer to sell or purchase, or the sale or purchase of securities; or
- (C) any similar securities law to (A) or (B) above anywhere in the world.

**Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or **Personal Injury** committed, attempted, or allegedly committed or attempted solely in the performance of or failure to perform **Professional Services**.

---

### III. EXCLUSIONS

The Company shall not be liable for **Loss** on account of any **Claim**:

(A) Prior Notice

based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2(A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any policy of which this Coverage Part is a direct or indirect renewal or replacement;

(B) Pending or Prior Proceedings

based upon, arising from or in consequence of any written demand, suit or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the **First Inception Date** or the same or substantially the same fact, circumstance or situation underlying or alleged therein;

(C) Bodily Injury or Property Damage

for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed, provided that this Exclusion (C) shall not apply to **Loss** for any mental anguish, humiliation or emotional distress resulting from **Personal Injury**;

(D) Pollution

based upon, arising from or in consequence of any:

- (1) discharge, emission, release, dispersal or escape of any **Pollutants** or any threat thereof;
- (2) treatment, removal or disposal of any **Pollutants**; or
- (3) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**,

including any **Claim** for financial loss to an **Organization**, its securityholders or its creditors based upon, arising from or in consequence of any matter described in Paragraphs (1), (2) or (3) of this Exclusion (D);

(E) Benefit Law

based upon arising from or in consequence of any violation of the responsibilities, obligations or duties imposed by any **Benefit Law**, with respect to employee, pension or welfare benefit plans or programs operated or sponsored by an **Organization**, or any entity which owns or controls an **Organization** for the benefit of **Insured Persons**;

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (F) Contract  
for any liability of an **Insured** under any oral or written contract or agreement, provided that this Exclusion (F) shall not apply to **Loss** to the extent that an **Insured** would have been liable in the absence of such contract or agreement;
- (G) Prior Knowledge  
based upon, arising from or in consequence of any **Wrongful Act** first committed before the **First Inception Date**, if, on or before such date, any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or could result in a **Claim** against any **Insured**, provided that this Exclusion (G) shall only apply if coverage is afforded for **Wrongful Acts** first committed before the **First Inception Date**, as such coverage is determined by the Retroactive Date set forth in Item 4 of the MPL Declarations;
- (H) Environmental Agents  
based upon, arising from or in consequence of any:  
  - (1) **Environmental Agents**;
  - (2) request, demand, order or regulatory or statutory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any **Environmental Agents**; or
  - (3) action or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any **Environmental Agents**;
- (I) Insured v. Insured  
brought or maintained by or on behalf of any **Insured**;
- (J) Professional Services for Insureds and Affiliates  
based upon, arising from or in consequence of the performance of or failure to perform **Professional Services** for:  
  - (1) any **Insured**;
  - (2) any entity which is owned or controlled by, or is under common ownership or control with, any **Insured**;
  - (3) any natural person or entity which owns or controls any entity included within the definition of **Insured**; or
  - (4) any entity of which any **Insured** is a director, officer, partner or principal shareholder, a manager or member of the Board of Managers, or a member of the Advisory Board;
- (K) Securities  
based upon, arising from or in consequence of any violation of **Securities Laws**;
- (L) Discrimination  
based upon, arising from or in consequence of any wilful violation of any federal, provincial, territorial, state or local law or statute pertaining to discrimination, if a final and non-appealable adjudication in any underlying proceeding or action establishes such a wilful violation;

***ForeFront Portfolio  
Miscellaneous Professional Liability (MPL)  
Coverage Part***

---

(M) Competition Act, Antitrust or Unfair Trade Practices

based upon, arising from or in consequence of price fixing, restraint of trade, monopolization, interference with economic relations (including interference with contractual relations or with prospective advantage), unfair competition, unfair business or unfair trade practices, or any violation of:

- (1) in Canada: the Competition Act of Canada or any provincial or territorial statutory law provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade, unfair competition, unfair business or unfair trade practices, and any amendments thereto or any rules or regulations promulgated thereunder or in connection with such statutes; or any similar provisions of any federal, provincial, territorial, state, local statutory, civil or common law anywhere in the world;
- (2) in the United States of America: the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other federal, state or local statutory provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade, unfair competition, unfair business or unfair trade practices, and any amendments thereto or any rules or regulations promulgated thereunder or in connection with such statutes; or any similar provisions of any federal, state, local statutory law or common law anywhere in the world; or
- (3) any similar law to (1) or (2) above anywhere in the world;

(N) Intellectual Property

based upon, arising from or in consequence of any infringement of copyright, patent, trademark, trade name, trade dress or service mark; any misappropriation of ideas, trade secrets or other intellectual property rights; any false patent marking; or any violation of a federal, provincial, territorial, state, local or foreign intellectual property law, or a rule or regulation promulgated under such intellectual property law;

(O) Unsolicited Communications

based upon, arising from or in consequence of any violation of:

- (1) in Canada:
  - (a) the Canadian Anti-Spam Act S.C. 2010 c. 23 or any amendments thereto or any rules or regulations promulgated thereunder;
  - (b) the Canadian Radio-television and Telecommunications Commission Unsolicited Telecommunications Rules or any amendments thereto or any rules or regulations promulgated thereunder;or any similar provisions of any federal, provincial, territorial, state or local statutory, civil or common law anywhere in the world;
- (2) in the United States of America:
  - (a) the United States of America CAN-SPAM Act of 2003 or any amendments thereto or any rules or regulations promulgated thereunder,
  - (b) the United States of America Telephone Consumer Protection Act (TCPA) of 1991 or any amendments thereto or any rules or regulations promulgated thereunder;or any similar provisions of any federal, state, or local statutory, civil or common law anywhere in the world;
- (3) any similar law to (1) or (2) above anywhere in the world; or

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (4) any other law, ordinance, regulation or statute used to impose liability in connection with any unsolicited communication, distribution, publication, sending or transmission via telephone, telephone facsimile machine, computer or other telephonic or electronic devices;
- (P) Governmental, Regulatory or Administrative Entity  
brought or maintained by or on behalf of any governmental or quasi-governmental entity, regulatory or administrative agency or authority, provided that this Exclusion (P) shall not apply to **Loss** if such entity, agency or authority brings the **Claim** solely in its capacity as the client or customer of any **Insured** for **Professional Services**;
- (Q) Fees, Charges or Cost Over-runs  
solely involving any **Insured's** fees, charges or cost over-runs;
- (R) Guarantee of Costs or Cost Savings  
based upon, arising from or in consequence of any guarantee, promise or warranty, either express or implied, whether oral or written, with respect to costs or cost savings;
- (S) Guarantee of Value  
based upon, arising from or in consequence of any guarantee, promise or warranty, either express or implied, whether oral or written, with respect to the future value of any real, personal or intellectual property;
- (T) Investment Performance and Commingling  
based upon, arising from or in consequence of any **Insured's** advice about, promise or guarantee of the future performance or value of investments, or rate of return or interest; or any **Loss** resulting from fluctuation in the value of any investment; or any failure of investments to perform as expected or desired; or any improper use or commingling of any funds or monies;
- (U) Unauthorized Network Access and Unlawful Collection  
based upon, arising from or in consequence of any:  
  - (1) unauthorized or exceeded authorized access to, use of or alteration of, any computer program, software, computer, computer system or any input, output, processing, storage and communication devices that can be connected thereto;
  - (2) unauthorized or unlawful collection, use or dissemination of Internet or user information; or
  - (3) failure by any **Insured** to provide individuals with the ability to opt-in or opt-out from the collection, acquisition or retention of personal information; or
- (V) Conduct  
based upon, arising from or in consequence of:  
  - (1) any deliberately fraudulent act or omission, or any wilful violation of any statute or regulation, by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding brought by or against the Company) establishes such an act or omission or violation; or
  - (2) an **Insured** having gained any profit, remuneration or other advantage to which such **Insured** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding brought by or against the Company) establishes the gaining of such profit, remuneration or advantage.
-



#### IV. SEVERABILITY OF EXCLUSIONS

With respect to Exclusion III (V), in this Coverage Part: (i) no fact or conduct pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available; and (ii) only facts or conduct pertaining to and knowledge possessed by any past, present or future chief financial officer, chief executive officer, chief operating officer, in-house general counsel, or manager of the Board of Managers (or any equivalent position to any of the foregoing) of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** to determine if coverage is available.

---

#### V. REPORTING

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after the chief executive officer, president, chief financial officer, in-house general counsel, risk manager, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**, but in no event later than:
- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
  - (2) the expiration of the Extended Reporting Period, if applicable.
- (B) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Year** in which such circumstances were first reported to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after the chief executive officer, president, chief financial officer, in-house general counsel, risk manager, or any person with the responsibility for the management of insurance claims (or any equivalent position to any of the foregoing) of an **Organization** becomes aware of such **Claim**.
- (C) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require and shall include in any notice under Subsections (A) or (B) above a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**.
- 

#### VI. RETENTION

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is excess of the applicable Retention set forth in Item 3 of the MPL Declarations, and such Retention shall be borne by the **Insureds** uninsured and at their own risk. In the event that any **Insured** is unwilling or unable to bear the Retention, it shall be the obligation of the **Parent Organization** to bear such Retention uninsured and at its own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.

**ForeFront Portfolio**  
**Miscellaneous Professional Liability (MPL)**  
**Coverage Part**

---

- (C) **Claims** shall be subject to the Retention applicable to the **Policy Year** during which such **Claims** are made or deemed to have been made.
- 

**VII. DEFENCE AND SETTLEMENT**

- (A) The Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** it deems appropriate.
- (C) No **Insured** shall settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.
- (D) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the Maximum Aggregate Limit of Liability set forth in Item 2 of the MPL Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the applicable premium shall be deemed fully earned.
- (E) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agrees to do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- (F) The Company shall not seek repayment from an **Insured Person** of any **Defence Costs** paid by the Company that are deemed uninsured pursuant to Exclusion III(V), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication or other determination standard) set forth in such Exclusion has been met.
- 

**VIII. ALLOCATION**

If the **Insureds** who are afforded coverage for a **Claim** incur an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defence Costs**: one hundred percent (100%) of **Defence Costs** incurred by such **Insured** on account of such **Claim** shall be considered covered **Loss**, provided that the foregoing shall not apply with respect to any **Insured** for whom coverage is excluded pursuant to Subsection XI(C), Representations and Severability. Such **Defence Costs** shall be allocated between covered **Loss** and non-covered loss based on the relative legal exposures of the parties to such matters; and
- (B) loss other than **Defence Costs**: all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.
-

**IX. OTHER INSURANCE**

If any **Loss** under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

---

**X. SUBROGATION**

- (A) In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.
- (B) It is understood and agreed that the Company shall have no rights of subrogation against any **Insured** under this Coverage Part and that an **Organization** may, on behalf of the Company, waive the Company's subrogation rights against any third party under this Coverage Part, provided that such waiver of subrogation is executed in writing prior to any **Wrongful Act**.
- 

**XI. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.
- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**, no knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person**.
- (C) However, in the event that such **Application** contains any misrepresentations made with the actual intent to deceive or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by the Company under this Coverage Part, then no coverage shall be afforded for any **Claim** based upon, arising from or in consequence of any such misrepresentations with respect to:
- (1) any **Insured Person** who knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations); or
  - (2) any **Organization** if any past or present chief executive officer, chief financial officer, in-house general counsel or manager of the Board of Managers (or any equivalent position to any of the foregoing) of the **Parent Organization** knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations).
- (D) The Company shall not be entitled under any circumstances to void or rescind this Coverage Part with respect to any **Insured**.

**ForeFront Portfolio  
Employed Lawyers Liability (ELL)  
Coverage Part**

ELL DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

**Item 1. Parent Organization:** <InsuredName>

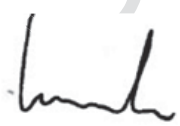
**Item 2. Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_ELL\_AggLimit\_X>

**Item 3. Retentions:**  
 (A) Insuring Clause (A): Individual Non-Indemnified Liability Coverage: <CUR\_RetentionA\_X>  
 (B) Insuring Clause (B): Individual Indemnified Liability Coverage: <CUR\_RetentionB\_X>

**Item 4. Pending or Prior Proceedings Date:** <ELL\_Pending\_1>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**




**Authorized Representative**

**President**

**ForeFront Portfolio  
Employed Lawyers Liability (ELL)  
Coverage Part**

---

<Today>

---

**Date**

SPECIMEN

**ForeFront Portfolio  
Employed Lawyers Liability (ELL)  
Coverage Part**

---

**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

**I. INSURING CLAUSES**

**Insuring Clause (A): Individual Non-Indemnified Liability Coverage**

- (A) The Company shall pay, on behalf of an **Insured Person**, **Loss** on account of a **Claim** first made against the **Insured Person** during the **Policy Period**, or the Extended Reporting Period if applicable, to the extent that such **Loss** is not indemnified by an **Organization**.

**Insuring Clause (B): Individual Indemnified Liability Coverage**

- (B) The Company shall pay, on behalf of an **Organization**, **Loss** on account of a **Claim** first made against the **Insured Person** during the **Policy Period**, or the Extended Reporting Period if applicable, to the extent the **Organization** indemnifies the **Insured Person** for such **Loss** as permitted or required by law.
- 

**II. DEFINITIONS**

For purposes of this Coverage Part:

**Application** means:

- (A) any portion of an application given to the Company for this Policy, including any attachments, written information or materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part; and
- (B) any warranty provided to the Company within the past three (3) years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.

**Benefit Law** means:

- (A) in Canada:
- (1) the Pension Benefit Standards Act, R.S.C, 1985, c. 32, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable;
  - (2) the Income Tax Act, R.S.C, 1985, c. 1, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, in connection with any obligations or duties of fiduciaries with respect to any employee benefit plan;
  - (3) any common, civil or statutory law or regulation applicable to fiduciaries of any employee benefit plan; or
  - (4) any similar federal, provincial, territorial or local law or regulation or any amendment thereunder as (1), (2) or (3) above;
- (B) in the United States of America: the Employee Retirement Income Security Act of 1974, as amended, and any rules or regulations promulgated thereunder (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996); or
- (C) any similar employee benefit law to (A) or (B) above anywhere in the world.

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

**Canadian Securities Legislation** means the Securities Act of Ontario R.S.O., 1990, c. S.5 and any amendments thereto or any rules or regulations promulgated thereunder or any similar provision of any federal, provincial or territorial Canadian legislation, rules or regulations, as amended or as applicable.

**Claim** means any:

- (A) written demand first received by an **Insured Person** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or similar pleading, or any foreign equivalent thereof;
- (C) criminal proceeding commenced by: (a) an arrest; (b) a summons to appear; (c) a return of an indictment, information or foreign equivalent thereof; or (d) receipt of an official request for **Extradition**;
- (D) administrative or regulatory proceeding commenced by the service of a notice of charges, or other originating process or foreign equivalent thereof; or
- (E) arbitration or mediation proceeding commenced by receipt of a demand for arbitration or a demand for mediation;

against an **Insured Person** for a **Wrongful Act**, including any appeal therefrom;

- (G) judicial, administrative, law society, bar association or other proceeding against an **Employed Lawyer** which concerns the eligibility or license of such **Employed Lawyer** to practice law;
- (H) civil, criminal, administrative or regulatory investigation or interview of an **Employed Lawyer** for a **Wrongful Act**, once such **Employed Lawyer** is identified in writing by any investigative authority as a target of such investigation or interview, including when such **Employed Lawyer** is served with a target letter or similar document; or
- (I) written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Claim** described in Subsections (A) through (H) above.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of an **Insured Person**, **Executive** or employee of an **Organization**) incurred in investigating, defending, opposing or appealing any **Claim** and the premium for appeal, attachment or similar bonds.

**Employed Lawyer** means any person admitted to practice law anywhere in the world who is, was or becomes a full-time or part-time employee of an **Organization** for the purpose of providing legal services to the **Organization**.

**Executive** means any natural person who is, was or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto director*); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

**Extradition** means: (A) any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation; or (B) the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.

**Financial Impairment** means the status of an **Organization** resulting from:

- (A) the appointment by any federal, provincial, territorial or state court, agency or official of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**;
- (B) such **Organization** operating as a debtor as that term is defined and used in Canada within the provisions of the Bankruptcy and Insolvency Act, rules, regulations, orders and orders in council promulgated thereunder and amendments thereto, and, including when any receiver, conservator, liquidator, trustee, sequestrator or similar official has been appointed by a federal, provincial or state court, agency or official or by a creditor to take control of, supervise, manage or liquidate such **Organization**; or
- (C) such **Organization** operating under protection of the Companies' Creditor Arrangement Act of Canada or becoming a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country,

provided that, the court or other judicial or administrative body overseeing the restructuring, receivership, conservatorship, liquidation, rehabilitation, bankruptcy or equivalent proceeding has denied a request by the **Organization**, or other party determined to have standing, for authorization of the **Organization** to indemnify an **Insured Person** for **Loss**; provided further that, the Company may, in its sole discretion, waive the foregoing requirement.

**First Inception Date** means the inception date of the first Employed Lawyers Professional Liability policy or coverage part issued by the Company and continuously renewed by the Company until the inception date of this current Policy.

**Independent Contractor Lawyer** means any person admitted to practice law who provides legal services to an **Organization**, is indemnified by the **Organization** under an independent contractor services agreement, and is not employed by a law firm.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means any:

- (A) **Employed Lawyer**;
- (B) **Legal Assistant**;
- (C) person who is, was or becomes a full-time or part-time employee of an **Organization** whose duties include serving as a notary public, but only while acting in his or her capacity as a notary public under the supervision of an **Employed Lawyer**;
- (D) **Temporary Lawyer**;
- (E) **Independent Contractor Lawyer**; and
- (F) a holder of an equivalent position to Subsections (A), (B) or (C) above in any **Organization** incorporated, formed or organized anywhere in the world,

provided that **Insured Person** shall not include any **Secondment Lawyer**.

**Legal Assistant** means any person who is, was or becomes a full-time or part-time employee of an **Organization** who supports an **Employed Lawyer** in the performance of **Professional Services**.

**Loss** means the amount which any **Insured Person** becomes legally obligated to pay as a result of any **Claim**, including:

- (A) compensatory damages;



**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

- (B) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favourable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or to the **Claim** giving rise to such damages;
- (C) civil fines or civil penalties assessed against an **Employed Lawyer** pursuant to the Corruption of Foreign Public Officials Act of Canada and 15 U.S.C. §78dd-2(g)(2)(B) of the Foreign Corrupt Practices Act of the United States of America, provided that such violation is neither intentional or willful and such fines or penalties are insurable under the law pursuant to which this Policy is construed.
- (D) judgments, including pre-judgment and post-judgment interest;
- (E) settlements; and
- (F) **Defence Costs**,

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) tax, fine, sanction or penalty imposed by law; except as provided in Subsections (B) and (C) above with respect to punitive, exemplary or multiplied damages or civil penalties;
- (4) amount incurred by an **Insured** in the defence or investigation of any action, proceeding or demand that was not then a **Claim**, even if (a) such amount also benefits the defence of a covered **Claim**; or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
- (5) amount that represents or is substantially equivalent to an increase in the consideration paid (or proposed to be paid) by an **Organization** in connection with its purchase of any securities or assets;
- (6) any salary, wages, commissions, benefits or monetary payments owed to any **Insured Person, Executive**, or employee of an **Organization**; or
- (7) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.

**Moonlighting Legal Services** means legal services performed by an **Employed Lawyer** for others outside the scope of his or her employment with an **Organization**, including legal services rendered to an **Executive** or employee of the **Organization**, solely while such **Employed Lawyer** is a full-time or part-time employee of the **Organization**, provided that **Moonlighting Legal Services** shall not include such services performed by an **Employed Lawyer**: (A) in his or her capacity as an owner, principal, partner, director, officer, member, manager, employee or any equivalent position of an entity that is not the **Organization**; or (B) in connection with a trust or estate when such **Employed Lawyer** is also a beneficiary of such trust or estate.

**Personal Injury** means:

- (A) libel, slander, product disparagement, trade libel or other form of defamation;
- (B) invasion or infringement of the right of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness;
- (C) malicious prosecution or abuse of process;
- (D) false arrest, detention or imprisonment; or
- (E) wrongful entry or eviction, or other invasion of the right of private occupancy.

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Professional Services** means:

- (A) legal services and notary public services, rendered to an **Organization** by an **Employed Lawyer** solely while acting in his or her capacity as such;
- (B) legal services and notary public services, rendered to an **Organization** by an **Independent Contractor Lawyer, Temporary Lawyer** or **Legal Assistant** solely while acting: (1) in his or her capacity as such; and (2) under the supervision and direction of an **Employed Lawyer**;
- (C) **Moonlighting Legal Services**; or
- (D) pro bono legal services rendered by an **Employed Lawyer** without compensation to indigent clients or for non-profit public interest groups solely while such **Employed Lawyer** is a full-time or part-time employee of an **Organization**.

**Secondment Lawyer** means any person admitted to practice law anywhere in the world employed by an outside law firm and temporarily assigned by agreement between such law firm and an **Organization** to provide legal services.

**Temporary Lawyer** means any person admitted to practice law anywhere in the world provided by a temporary employment agency through a service agreement between an **Organization** and the temporary employment agency to provide legal services to the **Organization**, but only if the **Organization** agrees in writing no later than thirty (30) days after a **Claim** is reported in accordance with Section V, Reporting, to indemnify the **Temporary Lawyer** for **Loss** arising out of such **Claim**.

**Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or **Personal Injury** committed, attempted, or allegedly committed or attempted solely in the performance of or failure to perform **Professional Services** by an **Insured Person** while acting in his or her capacity as such.

---

### III. EXCLUSIONS

The Company shall not be liable for **Loss** on account of any **Claim**:

- (A) Prior Notice  
based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the inception date set forth in Item 2 of the GTC Declarations, was the subject of any notice accepted under any policy or coverage part of which this Coverage Part is a direct or indirect renewal or replacement;
- (B) Pending or Prior Proceedings  
based upon, arising from or in consequence of any written demand, suit or other proceeding pending against, or order, decree or judgment entered for or against, any **Insured Person**, on or prior to the Pending or Prior Proceedings Date set forth in Item 4 of the ELL Declarations, or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
- (C) Bodily Injury or Property Damage  
for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed, provided that this Exclusion (C) shall not apply to **Loss** for any mental anguish or emotional distress or humiliation resulting from **Personal Injury**;

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

(D) Pollution

based upon, arising from or in consequence of any:

- (1) discharge, emission, release, dispersal or escape of any **Pollutants** or any threat thereof;
- (2) treatment, removal or disposal of any **Pollutants**; or
- (3) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**,

including any **Claim** for financial loss to an **Organization**, its security holders or its creditors based upon, arising from or in consequence of any matter described in Paragraphs (1), (2) or (3) of this Exclusion (D),

provided that, this Exclusion (D) shall not apply to **Loss** which an **Insured Person** becomes legally obligated to pay and for which such **Insured Person** is not indemnified by an **Organization** either because the **Organization** is not permitted by common, civil or statutory law to grant such indemnification or because of the **Financial Impairment** of the **Organization**, provided that this exception shall only apply to **Claims** first made during the **Policy Period** or the Extended Reporting Period, if applicable;

(E) Benefit Law

for any violation of the responsibilities, obligations or duties imposed by any **Benefit Law**, provided that this Exclusion (E) shall not apply to **Loss** arising out of the performance of **Professional Services** rendered to a fiduciary of a plan sponsored by an **Organization** for the benefit of the employees and **Executives** of the **Organization**;

(F) Prior Knowledge

based upon, arising from or in consequence of any **Wrongful Act** first committed before the **First Inception Date**, if, on or before such date, any **Insured Person** knew or could have reasonably foreseen that such **Wrongful Act** did or could result in a **Claim** against any **Insured**;

(G) Insured v. Insured

- (1) brought by an **Insured Person**, provided that this Exclusion (G)(1) shall not apply to a **Claim**:
  - (a) for contribution or indemnity arising from another **Claim** otherwise covered under this Coverage Part;
  - (b) brought by any **Insured Person** who has ceased serving in his or her capacity as an **Insured Person** for at least one (1) year; or
  - (c) brought in such **Insured Person's** capacity as a whistleblower as defined under any federal, provincial, territorial, state, local or foreign law;

- (2) brought by an **Organization**, provided that this Exclusion (G)(2) shall not apply to **Loss** in the event of **Financial Impairment** of the **Organization**.

For all other **Claims** brought by an **Organization**, this Exclusion (G)(2) shall not apply to **Defence Costs**; provided further that the Company's maximum aggregate limit of liability for such **Defence Costs** on account of all such **Claims** shall be equal to eighty percent (80%) of the Maximum Aggregate Limit of Liability stated in Item 2 of the ELL Declarations and shall be part of, not in addition to, such Maximum Aggregate Limit of Liability; or

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

- (3) brought by any security holder of the **Organization** on behalf of the **Organization** as a derivative action, provided this Exclusion (G)(3) shall not apply to a **Claim** brought without the solicitation, assistance, active participation, or intervention of: (a) the **Organization**; and (b) any **Insured Persons** and **Executives** who are serving or have served in such capacity within the past two (2) years;

(H) Publicly Traded Securities

based upon, arising from or in consequence of (1) any public offering of securities issued by any **Organization**, or (2) the purchase or sale of any publicly traded securities for which the **Organization** is subject to **Canadian Securities Legislation** or the United States Securities Act of 1934, provided that this Exclusion (H) shall not apply to **Loss**:

- (a) based upon, arising from or in consequence of a private offering, sale or purchase of private securities that is not required to be qualified by a prospectus under **Canadian Securities Legislation** or any similar law that regulates the private offering, sale or purchase of private securities;
- (b) based upon, arising from or in consequence of an offering, sale or purchase of securities that are not required to be registered under the United States Securities Act of 1933 or any similar foreign law that regulates the offering, sale or purchase of securities;
- (c) on account of a **Claim** made by any securityholder of an **Organization** for the failure of the **Organization** to undertake or complete the initial public offering or sale of securities of the **Organization**; or
- (d) for any **Wrongful Act** relating to an **Organization's** preparation for any public offering, including any road show presentation to potential investors or other similar presentation, made by the **Organization** and its **Executives** via any medium in connection with such public offering, if such offering does not occur;

(I) Wage and Hour

for any violation of the responsibilities, obligations or duties imposed by any federal, provincial, territorial, state, or local statutory, civil or common law anywhere in the world (including that part of the Canadian Labour Code Part III or the United States Fair Labor Standards Act and the Equal Pay Act) or amendments to or regulations promulgated under any such law that governs wage, hour and payroll policies and practices ("Wage and Hour Laws"), provided that this Exclusion (I) shall not apply to **Defence Costs**;

(J) NLRA, WARN, COBRA and OSHA

for any violation of the responsibilities, obligations or duties imposed by the Canada Labour Code Parts I, II, and III and in the United States of America, the National Labour Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, or any amendments thereto or any rules or regulations promulgated thereunder, or any similar provisions of any federal, provincial, territorial, state, or local statutory, civil or common law anywhere in the world, provided that this Exclusion (J) shall not apply to **Defence Costs**;

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

(K) Employment Practices

based upon, arising from or in consequence of any employment practice not included in Exclusions (I) and (J) above, including discrimination, harassment, retaliation, breach of employment contract, or wrongful dismissal, discharge or termination; provided that this Exclusion (K) shall not apply to **Loss** for any violation of such employment practice committed by an entity or person, other than an **Employed Lawyer**, to the extent that such employment practice was committed in reliance upon **Professional Services** performed by an **Insured Person**;

(L) Patent and Trade Secret

based upon, arising from or in consequence of any infringement of patent, false patent marking, or misappropriation of trade secrets;

(M) Other Insurance

for which an **Insured Person** has coverage under any valid and collectible Directors and Officers Liability policy, Employment Practices Liability policy, Errors and Omissions policy, Media Liability policy, Lawyers Professional Liability policy, third party coverage for environmental exposures any similar insurance policy; whether or not the retention or deductible of such policy has been exhausted, and regardless of whether such policy is stated to be primary, contributory, excess, contingent or otherwise. This Exclusion (M) shall not apply to the amount of **Loss** that is in excess of both the amount of any retention or deductible and the limit or remaining limit of liability of such other policy;

(N) Notary

based upon, arising from or in consequence of any **Insured Person** notarizing any signature not made in the presence of such **Insured Person** at that time of such notarization; or

(O) Conduct

based upon, arising from or in consequence of:

- (1) any deliberately fraudulent act or omission, or any wilful violation of any statute or regulation, by an **Insured Person**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes such an act or omission or violation; or
- (2) an **Insured Person** having gained any personal profit, remuneration or other financial advantage to which such **Insured Person** was not legally entitled, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or against the Company) establishes the gaining of such profit, remuneration or advantage.

---

**IV. SEVERABILITY OF EXCLUSIONS**

With respect to the Exclusions, where applicable, in this Coverage Part: (i) no fact or conduct pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available.

---

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

**V. REPORTING**

- (A) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company written notice of any **Claim** as soon as practicable after an **Insured Person** or any person with the responsibility for the management of insurance claims of an **Organization** becomes aware of such **Claim**, but in no event later than:
- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
  - (2) the expiration date of the Extended Reporting Period, if applicable.
- (B) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claim** subsequently arising from such circumstances shall be deemed made against the **Insured** during the **Policy Year** in which such circumstances were first reported to the Company, provided any such subsequent **Claim** is reported to the Company as soon as practicable, but in no event later than ninety (90) days after an **Insured Person** or any person with the responsibility for the management of insurance claims of an **Organization** becomes aware of such **Claim**.
- (C) An **Insured** shall, as a condition precedent to exercising any right to coverage under this Coverage Part, give to the Company such information, assistance and cooperation as the Company may reasonably require, and shall include in any notice under Subsections (A) or (B) above of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**.

---

**VI. RETENTION AND PRESUMPTIVE INDEMNIFICATION**

- (A) The Company's liability under this Coverage Part shall apply only to that part of each **Loss** which is in excess of the applicable Retention set forth in Item 3 of the ELL Declarations, and such Retention shall be borne by the **Insureds** uninsured and at their own risk.
- (B) If different parts of a single **Claim** are subject to different Retentions in different Insuring Clauses within this Coverage Part, the applicable Retentions shall be applied separately to each part of such **Claim**, but the sum of such Retentions shall not exceed the largest applicable Retention.
- (C) If different parts of a single **Claim** are subject to different Retentions in different Coverage Parts, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such retentions shall not exceed the largest applicable Retention.
- (D) **Claims** shall be subject to the Retention(s) applicable to the **Policy Year** during which such **Claims** are made or deemed to have been made.
- (E) If an **Organization** fails or refuses, other than for reasons of **Financial Impairment**, to indemnify an **Insured Person** for **Loss** to the fullest extent permitted by statutory, civil or common law, then any payment by the Company of such **Loss** shall be excess of the Insuring Clause (B), Individual Indemnified Liability Coverage, Retention set forth in Item 3 of the ELL Declarations.
-

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

**VII. DEFENCE AND SETTLEMENT**

- (A) The Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) The Company may make any investigation it deems necessary and may, with the consent of the **Insured Persons** against whom a **Claim** is made, make any settlement of any **Claim** it deems appropriate.
- (C) No **Insured** shall settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.
- (D) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the Maximum Aggregate Limit of Liability set forth in Item 2 of the ELL Declarations or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Loss** and the premium shall be deemed fully earned.
- (E) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agrees they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- (F) The Company shall not seek repayment from an **Insured Person** of any **Defence Costs** paid by the Company that are deemed uninsured pursuant to Exclusion III (O), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication or other determination standard) set forth in such Exclusion has been met.

---

**VIII. ALLOCATION**

- (A) If an **Insured** who is afforded coverage for a **Claim** incurs an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then such **Insureds** and the Company shall allocate such amount between covered **Loss** (including an allocation of **Defence Costs**) and uncovered loss based upon the relative legal exposure of the parties to such matters. The Company shall not be liable under this Policy for the portion of such amount allocated to uncovered loss.
- (B) If such **Insured** and the Company agree on an allocation of **Defence Costs**, then the Company shall pay, on behalf of such **Insured**, **Defence Costs** allocated to covered **Loss**. If such **Insured** and the Company cannot agree on an allocation of **Defence Costs**:
  - (1) no presumption as to allocation of **Loss**, including **Defence Costs**, shall exist in any arbitration, suit or other proceeding;
  - (2) the Company shall pay, on behalf of such **Insureds**, **Defence Costs** which the Company believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined; and

**ForeFront Portfolio**  
**Employed Lawyers Liability (ELL)**  
**Coverage Part**

---

- (3) the Company, if requested by such **Insureds**, shall submit the dispute regarding the allocation of **Defence Costs** to binding arbitration. In Canada, the rules of the Ontario Arbitration Act 1991 S.O. 1991, c. 17 shall apply. In the United States of American, the rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by such **Insureds**, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators.
- 

**IX. PRIORITY OF PAYMENTS**

- (A) In the event of **Loss** arising from a **Claim** for which payment is concurrently due under Insuring Clauses (A), Individual Non-Indemnified Liability Coverage, and (B), Individual Indemnified Liability Coverage, the Company shall:
- (1) first, pay **Loss** for which coverage is provided under Insuring Clause (A), Individual Non-Indemnified Liability Coverage, then
  - (2) with respect to whatever remaining amount of the Limit of Liability is available after payment under Subsection (A) above, pay such **Loss** for which coverage is provided under Insuring Clause (B), Individual Indemnified Liability Coverage.
- (B) Except as otherwise provided in this Subsection (A) above, the Company may pay covered **Loss** as it becomes due under this Coverage Part without regard to the potential for other future payment obligations under this Coverage Part.
- 

**X. OTHER INSURANCE**

- (A) If any **Loss** under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- (B) Nothing in this Section X shall be construed to limit or impair the operation of Exclusion IV(M), Other Insurance.
- 

**XI. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**; provided that it is understood and agreed that the Company shall not subrogate against natural persons who are **Insured Persons** under this Coverage Part.

---

**XII. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.



***ForeFront Portfolio  
Employed Lawyers Liability (ELL)  
Coverage Part***

---

- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application** no fact pertaining to or knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available.
- (C) The **Company** shall not be entitled under any circumstances to void or rescind Insuring Clause (A) of this this Coverage Part with respect to any **Insured Person**.

SPECIMEN

CYBER ERM  
 DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
 herein called the Company

Policy Number: <PolicyNumber>

**NOTICE: THIS COVERAGE PART PROVIDES CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. EXCEPT AS REQUIRED BY THE LAW OF THE PROVINCE OF QUEBEC, THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENCE COSTS", AND "DEFENCE COSTS" WILL BE APPLIED AGAINST THE RETENTION. IN NO EVENT, WILL THE COMPANY BE LIABLE FOR "DEFENCE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE POLICY CAREFULLY.**

IF YOU NEED URGENT CRISIS  
 MANAGEMENT OR LEGAL ADVICE, PLEASE  
 CONTACT:

**Cyber Incident Response Coach Hotline at:**  
 +1-800-567-4300 or [cyberalertcanada@chubb.com](mailto:cyberalertcanada@chubb.com)

**Item 1. Parent Organization:** <InsuredName>

**Item 2A Maximum Single Limit of Liability** <CUR\_Cyber\_SingleLimit\_1>

**Item 2B Maximum Aggregate Limit of Liability for this Coverage Part:** <CUR\_Cyber\_AggLimit\_2>

**Item 3. Limits of Liability, Retentions and Insuring Clauses.**

First Party Insuring Clauses				
A. Cyber Incident Response Fund	Each <b>Cyber Incident</b> Limit	Aggregate Limit for all <b>Cyber Incidents</b>	Each <b>Cyber Incident</b> Retention	
1. <b>Cyber Incident Response Team</b>	\$ [Limit3]	\$ [Limit4]	\$ [Retention1]	
			Except <b>Cyber Incident Response Coach:</b>	\$NIL
<b>NOTE:</b> The <b>Insured</b> is under no obligation to use or contract for services with the <b>Cyber Incident Response Team</b> . However, if the <b>Insured</b> elects not to use or contract with the <b>Cyber Incident Response Team</b> but elects to use or contract with a <b>Non-Panel Response Provider</b> , then the Each <b>Cyber Incident</b> Limits and Aggregate Limit for all <b>Cyber Incidents</b> specified in Item 3A2 below apply.				
2. <b>Non-Panel Response Provider</b>	\$ [Limit5]	\$ [Limit6]	\$ [Retention2]	

**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

Insuring Clauses	Each <b>Cyber Incident</b> Limit	Aggregate Limit for all <b>Cyber Incidents</b>	Each <b>Cyber Incident</b> Retention
B. Business Interruption and Extra Expenses			
1. <b>Business Interruption Loss And Extra Expenses</b>	\$ [Limit7]	\$ [Limit8]	\$ [Retention3] <b>Waiting Period: [#] Hours</b>
2. <b>Contingent Business Interruption Loss And Extra Expenses</b>	\$ [Limit9]	\$ [Limit10]	\$ [Retention4] <b>Waiting Period: [#] Hours</b>
a. Scheduled Providers Limit (if scheduled by endorsement)	\$ [Limit11]	\$ [Limit12]	\$ [Retention5] <b>Waiting Period: [#] Hours</b>
C. Digital Data Recovery	\$ [Limit13]	\$ [Limit14]	\$ [Retention6]
D. Network Extortion	\$ [Limit15]	\$ [Limit16]	\$ [Retention7]

Third Party Liability Insuring Clauses			
Insuring Clauses	Each <b>Claim</b> Limit	Aggregate Limit for all <b>Claims</b>	Each <b>Claim</b> Retention
E. Cyber, Privacy And Network Security Liability	\$ [Limit17]	\$ [Limit18]	\$ [Retention8]
1. <b>Payment Card Loss</b>	\$ [Limit19]	\$ [Limit20]	\$ [Retention9]
2. <b>Regulatory Proceeding</b>	\$ [Limit21]	\$ [Limit22]	\$ [Retention10]
F. Electronic, Social And Printed Media Liability	\$ [Limit23]	\$ [Limit24]	\$ [Retention11]

**Item 4. Pending or Prior Proceedings Date:**

(only applicable to Third Party Insuring Clauses)

<Cyber\_Pending\_1>

**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

**Item 5. Retroactive Date:**

(only applicable to Third Party Insuring  
Clauses)

<Cyber\_Retroactive\_1>

**Item 6. Cyber Incident – Additional Ways to Provide Notice to the Company**

Notice of **Incident, Claim**, or potential **Claim** as set forth in section VIII, subsection (B) of the GTC:  
By Email:

[cyberalertcanada@chubb.com](mailto:cyberalertcanada@chubb.com) OR

[canadaclaims@chubb.com](mailto:canadaclaims@chubb.com) OR

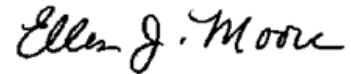
visit the Policyholder Services Website at

[www.chubbcyber.com](http://www.chubbcyber.com) and 'submit claim' OR

Press your 'Report Cyber Incident' button on the Chubb Cyber Alert Mobile application.

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



**Authorized Representative**

**President**

<Today >

**Date**

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

---

## I. INSURING CLAUSES

### FIRST PARTY INSURING CLAUSES

#### **Insuring Clause (A): Cyber Incident Response Fund**

- (A) The Company shall pay **Cyber Incident Response Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered by any **Control Group Member** during the **Policy Period**.

#### **Insuring Clause (B): Business Interruption and Extra Expenses**

- (B) The Company shall pay:
- (1) the **Business Interruption Loss** and **Extra Expenses** incurred by an **Insured** during the **Period of Restoration** resulting directly from a **Cyber Incident** which first occurs during the **Policy Period**; and
  - (2) the **Contingent Business Interruption Loss** and **Extra Expenses** incurred by an **Insured** during the **Period of Restoration** resulting directly from a **Cyber Incident** which first occurs during the **Policy Period**.

#### **Insuring Clause (C): Digital Data Recovery**

- (C) The Company shall pay the **Digital Data Recovery Costs** incurred by an **Insured** resulting directly from a **Cyber Incident** first discovered by any **Control Group Member** during the **Policy Period**.

#### **Insuring Clause (D): Network Extortion**

- (D) The Company shall reimburse **Extortion Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered by any **Control Group Member** during the **Policy Period**.

### THIRD PARTY LIABILITY INSURING CLAUSES

#### **Insuring Clause (E): Cyber, Privacy and Network Security Liability**

- (E) The Company shall pay on behalf of an **Insured**, **Loss** on account of a **Claim** first made against an **Insured** during the **Policy Period**, or Extended Reporting Period if applicable, for a **Cyber Incident** which first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

#### **Insuring Clause (F): Electronic, Social and Printed Media Liability**

- (F) The Company shall pay on behalf of an **Insured**, **Loss** on account of a **Claim** first made against an **Insured** during the **Policy Period**, or Extended Reporting Period if applicable, for a **Media Incident** which first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period**.
- 

## II. DEFINITIONS

For purposes of this Coverage Part:

**Act of Cyber-Terrorism** means:

- (A) any act, including force or violence, or the threat thereof, expressly directed against a **Computer System** operated by an **Insured**, by an individual or any group of individuals, whether acting alone, on behalf of or in connection with any entity or

government to damage, destroy or access a **Computer System** without authorization; or,

- (B) a targeted denial of service attack or transmittal of corrupting or harmful software code at or into the **Insured's Computer System** for social, ideological, religious, economic or political reasons, including intimidating or coercing a government, a civilian population or disrupting any segment of an economy.

**Application** means:

- (A) any portion of an application given to the Company for this Policy including any attachments, written information and materials provided to the Company by or on behalf of an **Insured** for the purposes of the Company's underwriting of this Coverage Part; and
- (B) any warranty provided to the Company within the past three (3) years in connection with any coverage part or policy of which this Coverage Part is a renewal or replacement.

**Benefit Law** means:

- (A) in Canada:
  - (1) the Pension Benefit Standards Act, R.S.C, 1985, c. 32, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable;
  - (2) the Income Tax Act, R.S.C, 1985, c. 1, including any rules or regulations thereunder, as amended, or the same or similar provisions of any legislation, rules or regulations in each of the provinces or territories of Canada, as amended or as applicable, in connection with any obligations or duties of fiduciaries with respect to any employee benefit plan;
  - (3) any common, civil or statutory law or regulation applicable to fiduciaries of any employee benefit plan; or
  - (4) any similar federal, provincial, territorial or local law or regulation or any amendment thereunder as described in (1), (2) or (3) above; or
- (B) in the United States of America: the Employee Retirement Income Security Act of 1974, as amended, and any rules or regulations promulgated thereunder (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, and the Health Insurance Portability and Accountability Act of 1996); or
- (C) any similar employee benefit law to (A) or (B) above anywhere in the world.

**Business Interruption Loss** means:

- (A) the **Insured's** continuing normal operating and payroll expenses; and
- (B) the **Insured's** net profit before income taxes that would have been earned had no **Interruption in Service** of the **Insured's Computer System** occurred.

**Claim** means any:

- (A) written demand first received by an **Insured** for monetary or non-monetary relief, including injunctive relief;
- (B) civil proceeding commenced by the service of a statement of claim, complaint or a similar pleading or any foreign equivalent;
- (C) criminal proceeding commenced by: (a) an arrest; (b) a summons to appear; (c) a return of an indictment, information or foreign equivalent thereof;
- (D) arbitration, mediation, proceeding commenced by the receipt of a demand for arbitration, demand for mediation or foreign equivalent thereof;

against an **Insured** for an **Incident** including any appeal therefrom; or

- (E) written request first received by an **Insured** to toll or waive a limitation period or statute of limitations relating to a potential **Claim** described in Subsections (A) through (D) above; or
- (F) notice of a **Regulatory Proceeding** against an **Insured**.

**Computer System** means computer hardware, software, **Telephone System**, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, mobile devices, networking equipment and storage area network or other electronic data backup facilities. The terms referenced herein include Industrial Control Systems.

**Consumer Redress Fund** means a sum of money which an **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a **Regulatory Proceeding**. **Consumer Redress Fund** shall not include any amounts paid which constitute taxes, fines, penalties, injunctive relief or sanctions.

**Contingent Business Interruption Loss** means:

- (A) the **Insured's** continuing normal operating and payroll expenses; and
- (B) the **Insured's** net profit before income taxes that would have been earned had no **Interruption in Service** of a **Shared Computer System** occurred.

**Control Group Member** means, as applicable, an **Organization's** Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Technology Officer, General Counsel, Risk Manager, or the organizational or functional equivalent of such positions.

**Cyber Incident** means:

- (A) with respect to Insuring Clause (A) Cyber Incident Response Fund,
  - (1) any actual or reasonably suspected **Network Security Failure**;
  - (2) any actual or reasonably suspected failure by an **Insured**, or any independent contractor for whom or for which an **Insured** is legally responsible, to properly handle, manage, store, destroy, protect, use or otherwise control **Protected Information**;
  - (3) any unintentional violation by an **Insured** of any **Privacy or Cyber Law**, including the unintentional wrongful collection of **Protected Information** by an **Insured**;
  - (4) any reasonably suspected **Interruption in Service**, provided a Limit of Liability is shown in the Cyber ERM Declarations applicable to Insuring Clause (B) Business Interruption And Extra Expenses; or
  - (5) any reasonably suspected **Network Extortion Threat**, provided a Limit of Liability is shown in the Cyber ERM Declarations applicable to Insuring Clause (D) Network Extortion;
- (B) with respect to Insuring Clause (B) Business Interruption and Extra Expenses, an actual **Interruption in Service**;
- (C) with respect to Insuring Clause (C) Digital Data Recovery, an actual **Network Security Failure** resulting in **Digital Data Recovery Costs**;
- (D) with respect to Insuring Clause (D) Network Extortion, an actual **Network Extortion Threat**; or,

- (E) with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, any error, misstatement, misleading statement, act, omission, neglect, breach of duty or other offence actually or allegedly committed or attempted by any **Insured**, resulting in or based upon a **Cyber Incident** as referenced in paragraphs (A) – (D) immediately above.

**Cyber Incident Response Coach** means the law firm within the **Cyber Incident Response Team**, designated for consultative and pre-litigation legal services provided to an **Insured**.

**Cyber Incident Response Expenses** means those reasonable expenses paid or incurred by an **Insured** as a result of a **Cyber Incident**. Such expenses are as follows:

- (A) retaining the services of the **Cyber Incident Response Coach**;
- (B) retaining the services of third party forensic firms, including a PCI Forensic Investigator, to determine the cause and scope of a **Cyber Incident**;
- (C) retaining the services of a public relations or crisis communications firm for the purpose of protecting or restoring the reputation of, or mitigating financial harm to, an **Insured**;
- (D) retaining the services of a law firm to determine the **Insured's** rights under the indemnification provisions of a written agreement between the **Insured** and any other person or entity with respect to a **Cyber Incident** expressly covered under Insuring Clauses (A) – (E) of this Coverage Part;
- (E) retaining the services of a third party notification firm in order to notify natural persons whose **Protected Information** has been wrongfully disclosed or otherwise compromised, including the services of a call centre;
- (F) expenses required to comply with **Privacy or Cyber Laws**, including:
  - (1) retaining the services of a law firm to determine the applicability of and actions necessary to comply with **Privacy or Cyber Laws** including reporting and communicating as required with any regulatory, administrative or supervisory authority;
  - (2) call centre services, mailing services or costs, and other related services for notification as required by law; or
  - (3) providing credit monitoring, credit freezing or credit thawing.

For purposes of this paragraph (F), compliance with **Privacy or Cyber Laws** shall follow the law of the applicable jurisdiction that most favours coverage for such expenses;

- (G) expenses not required to comply with **Privacy or Cyber Laws**, and with the Company's prior consent, for:
  - (1) providing credit monitoring, credit freezing, credit thawing, healthcare record monitoring (where available), social media monitoring, password management service, or fraud alert services for those natural persons who accept an offer made by or on behalf of the **Insured** for, and receive, such services;
  - (2) retaining the services of a licenced investigator or credit specialist to provide fraud consultation to the natural persons whose **Protected Information** has been wrongfully disclosed or otherwise compromised;
  - (3) retaining the services of a third party identity restoration service for natural persons identified by a licenced investigator as victims of identity theft directly resulting from a **Cyber Incident** expressly covered under Insuring Clauses (A) Cyber Incident Response Fund, or (E) Cyber, Privacy and Network Security Liability;
  - (4) paying any reasonable amount to an informant for information not otherwise available which leads to the arrest and conviction of a natural person or an entity responsible for a **Cyber Incident**; and



- (5) other services that are deemed reasonable by the Company;  
provided that **Cyber Incident Response Expenses** shall not include:
- (1) costs or expenses incurred to update or improve privacy or network security controls, policies or procedures, or compliance with **Privacy or Cyber Laws**, to a level beyond that which existed prior to the applicable **Cyber Incident**;
  - (2) taxes, fines, penalties, amounts for injunctive relief, or sanctions;
  - (3) the **Insured's** money or any money in the **Insured's** care, custody, or control; or
  - (4) wages, salaries, and other compensation of directors, officers, similar executives, or employees of an **Organization**, or internal operating costs, expenses, or fees of any **Organization**.

**Cyber Incident Response Team** means **Pre-Approved Response Providers** who provide services as defined in **Cyber Incident Response Expenses**.

**Defence Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of **Insured Persons**) incurred in investigating, defending, opposing or appealing any **Claim** and the premium for appeal, attachment or similar bonds.

**Digital Data** means software or other information in electronic form which is stored on an **Insured's Computer System** or **Shared Computer System**. **Digital Data** shall include the capacity of an **Insured's Computer System** or **Shared Computer System** to store information, process information, and transmit information over the Internet. **Digital Data** shall not include or be considered tangible property.

**Digital Data Recovery Costs** means:

- (A) the reasonable costs incurred by an **Insured** to replace, restore, recreate, re-collect or recover **Digital Data** from written records or from partially or fully matching electronic records due to their corruption, theft, or destruction, caused by a **Network Security Failure**, including disaster recovery or computer forensic investigation efforts. However, in the event that it is determined that the **Digital Data** cannot be replaced, restored, recreated, re-collected, or recovered, **Digital Data Recovery Costs** shall be limited to the reasonable costs incurred to reach such determination; or
- (B) **Telephone Fraud Financial Loss**,

including reasonable expenses incurred to mitigate or reduce any costs or loss in paragraphs (A) and (B) immediately above. **Digital Data Recovery Costs** shall not include:

- (1) costs or expenses incurred to update, replace, restore, recreate or improve **Digital Data** to a level beyond that which existed prior to the applicable **Cyber Incident**;
- (2) costs or expenses incurred to identify or remediate software program errors or vulnerabilities, or costs to update, replace, restore, upgrade, maintain, or improve a **Computer System**;
- (3) costs incurred to research and develop **Digital Data**, including **Trade Secrets**;
- (4) the economic or market value of **Digital Data**, including **Trade Secrets**; or
- (5) any other consequential loss or damages.

**Employee** means any natural person whose labour or service is, was or will be engaged and directed by an **Organization**, including a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any **Independent Contractor**.

**Executive** means any natural person who is, was or will be:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Expenses** means:

- (A) **Cyber Incident Response Expenses;**
- (B) **Business Interruption Loss;**
- (C) **Contingent Business Interruption Loss;**
- (D) **Extra Expenses;**
- (E) **Digital Data Recovery Costs;** or
- (F) **Extortion Expenses.**

**Extortion Expenses** means reasonable expenses incurred by an **Insured** resulting directly from a **Network Extortion Threat**, including money, cryptocurrencies (including Bitcoin), or other consideration surrendered as payment by an **Insured** to a natural person or group believed to be responsible for a **Network Extortion Threat**. **Extortion Expenses** shall also include reasonable expenses incurred to mitigate or reduce any of the foregoing expenses.

**Extra Expenses** means the reasonable:

- (A) expenses incurred by an **Insured** to the extent such expenses mitigate, reduce, or avoid an **Interruption in Service**, provided they are in excess of expenses that an **Insured** would have incurred had there been no **Interruption in Service**;
- (B) expenses incurred by an **Insured** to the extent such expenses reduce the **Period of Restoration**;
- (C) with the Company's prior consent, costs incurred by an **Insured** to retain the services of a third party forensic accounting firm to determine the amount of **Business Interruption Loss** or **Contingent Business Interruption Loss**.

provided that **Extra Expenses** shall not include:

- (1) costs or expenses incurred to prevent a loss or correct any deficiencies or problems with an **Insured's Computer System** or **Shared Computer System** that might cause or contribute to a **Claim**;
- (2) costs or expenses incurred to update, restore, replace, upgrade, maintain, or improve any **Computer System**; or
- (3) penalties of any nature, however denominated, arising by contract.

**Incident** means **Cyber Incident** or **Media Incident**.

**Independent Contractor** means any past, present or future independent contractor of an **Organization** who is a natural person, agent or single person entity, but only with respect to the commission of an **Incident** within the scope of such natural person's, agent's, or single person entity's duties performed on behalf of such **Organization**.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means any **Executive, Employee** or **Independent Contractor** of an **Organization** acting in his or her capacity as such.

**Insured's Computer System** means a **Computer System** leased, owned or operated by an **Insured** or operated solely for the benefit of an **Insured** by a third party under written contract with an **Insured**.

**Interrelated Incidents** means all **Incidents** that have as a common nexus any act, fact, circumstance, situation, event, transaction, cause or the same or related series of acts, facts, circumstances, situations, transactions, events, or causes.

**Interruption in Service** means a detectable interruption or degradation in service of:

- (A) with respect to Insuring Clause (B)(1), an **Insured's Computer System**; or
- (B) with respect to Insuring Clause (B)(2), a **Shared Computer System**;

caused by a **Malicious Computer Act**.

**Liquidated Damages** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.

**Loss** means the amount which an **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- (A) compensatory damages;
- (B) punitive, exemplary or multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favourable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the **Insured**, the Company or to the **Claim** giving rise to such damages;
- (C) judgments, including pre-judgment and post-judgment interest;
- (D) settlements;
- (E) **Defence Costs**; and
- (F) **Regulatory Fines, Payment Card Loss** or **Consumer Redress Fund**;

provided that **Loss** does not include any portion of such amount that constitutes any:

- (1) cost or expense incurred to replace, upgrade, update, improve, or maintain a **Computer System**;
- (2) amount uninsurable under the law pursuant to which this Coverage Part is construed;
- (3) taxes, fines, penalties or sanctions imposed by law against an **Insured**, except as provided in Subsection (B) above with respect to punitive, exemplary or multiple damages or for **Payment Card Loss** or **Regulatory Fines** otherwise covered under Insuring Clause (E) Cyber, Privacy and Network Security Liability;
- (4) amount incurred by an **Insured** in the defence or investigation of any action, proceeding or demand that was not then a **Claim** even if (a) such amount also benefits the defence of a **Claim**; or (b) such action, proceeding or demand subsequently gives rise to a **Claim**;
- (5) return of fees, charges, commissions or other compensation paid to an **Insured**;
- (6) cost or expense incurred to perform any obligation assumed by, on behalf of, or with the consent of any **Insured**;
- (7) cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief;

- (8) consideration owed or paid by or to an **Insured**, including any royalties, restitution, reduction, disgorgement or return of any payment, charges, or fees; or costs to correct or re-perform services, or for the reprint, recall, or removal of **Media Content**, by or on behalf of an **Insured**;
- (9) **Liquidated Damages**; or
- (10) penalties against an **Insured** of any nature, however denominated, arising by contract, except for **Payment Card Loss** otherwise covered under Insuring Clause (E) Cyber, Privacy and Network Security Liability.

**Malicious Computer Act** means malicious or fraudulent:

- (A) unauthorized access to or use of a **Computer System**;
- (B) alteration, corruption, damage, manipulation, misappropriation, theft, deletion, or destruction of **Digital Data**;
- (C) creation, transmission, or introduction of a computer virus or harmful code into a **Computer System**; or
- (D) restriction or inhibition of access, including denial of service attacks, upon or directed against a **Computer System**.

**Media Content** means any data, text, sounds, images, graphics, music, photographs, or advertisements, and shall include video, streaming content, webcasts, podcasts, blogs, online forums, and chat rooms. **Media Content** shall not include computer software, software technology, or the actual goods, products or services described, illustrated or displayed in such **Media Content**.

**Media Incident** means any error, misstatement, misleading statement, act, omission, neglect, breach of duty or other offence actually or allegedly committed or attempted by any **Insured**, or by any person or entity for whom an **Insured** is legally responsible, in the public display of:

- (A) **Media Content** on an **Insured's** website or printed material, or
- (B) **Media Content** posted by or on behalf of an **Insured** on any social media site or anywhere on the Internet,

which results in the following:

- (1) copyright infringement, passing-off, plagiarism, piracy, or misappropriation of property rights;
- (2) infringement or dilution of title, logo, slogan, domain name, metatag, trademark, trade name, service mark, or service name;
- (3) defamation, libel, slander, or any other form of defamation or harm to the character, reputation or feelings of any person or entity, including product disparagement, trade libel, outrage, infliction of emotional distress, or *prima facie* tort;
- (4) invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
- (5) false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
- (6) improper deep linking or framing; or
- (7) unfair competition or unfair trade practices, including misrepresentations in advertising, solely when alleged in conjunction with the alleged conduct referenced in items (1)–(6) immediately above.

**Network Extortion Threat** means any credible threat or series of related threats directed at an **Insured** to:

- (A) release, divulge, disseminate, destroy or use **Protected Information**, or confidential corporate information of an **Insured**, as a result of the unauthorized access to or unauthorized use of an **Insured's Computer System** or **Shared Computer System**;
- (B) cause a **Network Security Failure**;
- (C) alter, corrupt, damage, manipulate, misappropriate, encrypt, delete or destroy **Digital Data**; or
- (D) restrict or inhibit access to an **Insured's Computer System** or **Shared Computer System**;

where a demand is made for the **Insured** to make a payment or a series of payments, or otherwise meet a demand, in exchange for the mitigation or removal of such threat or series of related threats. Furthermore, **Network Extortion Threat** includes a threat or series of related threats connected to any of the acts above that have already commenced.

**Network Security** means those activities performed by an **Insured**, or by others on behalf of an **Insured**, to protect an **Insured's Computer System** or **Shared Computer System**.

**Network Security Failure** means a failure in **Network Security**, including the failure to prevent a **Malicious Computer Act**.

**Non-Panel Response Provider** means any firm providing the services shown in the definition of **Cyber Incident Response Expenses** to an **Insured** that is not a **Pre-Approved Response Provider**.

**Payment Card** means an authorized account, or evidence of an account, for a credit card, debit card, charge card, fleet card or stored value card between the **Payment Card Brand** and its customer.

**Payment Card Brand** means any payment provider whose payment method is accepted for processing, including Visa Inc. International, MasterCard Worldwide, Discover Financial Services, American Express Company, and JCB International.

**Payment Card Industry Data Security Standards** means the rules, regulations, standards or guidelines adopted or required by the **Payment Card Brand** or the Payment Card Industry Data Security Standards Council relating to data security and the safeguarding, disclosure and handling of **Protected Information**.

**Payment Card Loss** means monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries, including card reissuance costs, which an **Insured** becomes legally obligated to pay as a result of an **Insured's** actual or alleged failure:

- (A) of **Network Security**; or
- (B) to properly protect, handle, manage, store, destroy, or otherwise control **Payment Card** data, including **Protected Information**,

where such amount is determined pursuant to a payment card processing agreement between an **Organization** and a **Payment Card Brand**, or a merchant agreement between an **Organization** and a payment services provider, including for mobile payment services, or demanded in writing from an issuing or acquiring bank that processes **Payment Card** transactions, due to an **Insured's** actual or alleged non-compliance with applicable **Payment Card Industry Data Security Standards**, EMV specifications, or mobile payment security requirements;

provided that **Payment Card Loss** shall not include:

- (1) subsequent fines or assessments for non-compliance with the **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement unrelated to a specific **Claim**; or

- (2) costs or expenses incurred to update or improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the applicable **Cyber Incident** or to be compliant with applicable **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement.

**Period of Restoration** means the continuous period of time that:

- (A) begins with the earliest date of an **Interruption in Service**; and
- (B) ends on the date when an **Insured's Computer System** or **Shared Computer System** is or could have been repaired or restored with reasonable speed to the same functionality and level of service that existed prior to the **Interruption in Service**. In no event shall the **Period of Restoration** exceed sixty (60) days.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Pre-Approved Response Provider** means any firm listed on the Company's pre-approved response provider list available on request from the Company or on the pre-approved response provider list specified on the website shown in Item 6 of the Cyber ERM Declarations.

**Privacy or Cyber Laws** means any federal, provincial, state, local, and foreign identity theft and privacy protection laws, legislation, statutes, or regulations that require commercial entities that collect **Protected Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Protected Information** has potentially been compromised.

**Protected Information** means the following, in any format:

- (A) a natural person's name, e-mail address, social insurance number, social security number, medical or healthcare data, other protected health information, driver's licence number, federal, provincial, state or personal identification number, credit card number, debit card number, address, telephone number, account number, account histories, personally identifiable photos, personally identifiable videos, Internet browsing history, biometric records, passwords or other non-public personal information as defined in any **Privacy or Cyber Laws**; or
- (B) any other third party confidential or proprietary information:
- (1) that is not available to or known by the general public; or
  - (2) which an **Organization** is legally responsible to maintain in confidence.

**Regulatory Fines** means any civil monetary fine or penalty imposed by a federal, provincial, state, local or foreign governmental entity in such entity's regulatory or official capacity as a result of a **Regulatory Proceeding**. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement, punitive, exemplary damages, or the multiple portion of any multiplied damage award.

**Regulatory Proceeding** means a suit, civil investigation or civil proceeding by or on behalf of a government agency, government licensing entity, or regulatory authority, commenced by the service of a complaint, notice or similar pleading based on an alleged or potential violation of **Privacy or Cyber Laws** as a result of a **Cyber Incident**, and which may reasonably be expected to give rise to a **Claim** under Insuring Clause (E) Cyber, Privacy and Network Security Liability.

**Retroactive Date** means the date set forth in Item 5 of the Cyber ERM Declarations, provided that if Item 5 of the Cyber ERM Declarations is left blank or contains the phrases "Full Prior Acts", "N/A", "Not Applicable", or "None", then **Retroactive Date** means the beginning of time.

**Securities Laws** means:

- (A) in Canada: the Securities Act of Ontario, R.S.O. 1990 c.S.5 and any amendments thereto or any rules or regulations promulgated thereunder or any similar provision of any federal, provincial or territorial legislation, rules or regulations, as amended or as applicable;
- (B) in the United States of America: the Securities Act of 1933, Securities Exchange Act of 1934, Investment Advisors Act of 1940, the Investment Company Act of 1940, the Investment Advisors Act, or any other federal, state or local securities law or any amendments thereto or any rules or regulations promulgated thereunder or any other provision of statutory or common law used to impose liability in connection with the offer to sell or purchase, or the sale or purchase of securities; or
- (C) any similar securities law to (A) or (B) above anywhere in the world.

**Shared Computer System** means a **Computer System**, other than an **Insured's Computer System**, operated for the benefit of an **Insured** by a third party under written contract with an **Insured**, including data hosting, cloud services or computing, co-location, data back-up, data storage, data processing, platforms, software, and infrastructure-as-a-service.

**Telephone Fraud Financial Loss** means toll and line charges which an **Insured** incurs, solely as a result of the fraudulent infiltration and manipulation of the **Insured's Telephone System** from a remote location to gain access to outbound long distance telephone service.

**Telephone System** means PBX, CBX, Merlin, VoIP, remote access (including DISA), and all related peripheral equipment or similar systems owned or leased by an **Insured** for purposes of voice-based telecommunications.

**Trade Secret** means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives actual or potential economic value, from not being generally known to or readily ascertainable by other persons who can obtain value from its disclosure or use, so long as reasonable efforts have been made to maintain its secrecy.

**Waiting Period** means the number of hours shown in Item 3 of the Cyber ERM Declarations.

---

**III. EXCLUSIONS****(A) EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES**

The Company shall not be liable for **Expenses** or **Loss** on account of any **Incident** or **Claim**:

**(1) Prior Notice**

based upon, arising from or in consequence of any act, fact, circumstance, situation, event, transaction, cause or **Incident** that, before the inception date set forth in Item 2 (A), Policy Period, of the GTC Declarations, was the subject of any notice accepted under any policy of which this Coverage Part is a direct or indirect renewal or replacement;

**(2) Prior Knowledge**

based upon, arising from or in consequence of any **Incident** that first occurred, arose or took place prior to the earlier of the effective date of this Coverage Part or the effective date of any policy issued by the Company of which this Coverage Part is a continuous renewal or a replacement, and any **Control Group Member** knew of such **Incident**; and, with respect to Insuring Clauses (E) Cyber, Privacy and Network Security Liability, and (F) Electronic, Social and Printed Media Liability, any **Control Group Member** reasonably could have foreseen that such **Incident** did or could lead to a **Claim**;

**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

---

- (3) **Pending or Prior Proceedings**  
based upon, arising from or in consequence of any written demand, suit or other proceeding pending against, or order, decree or judgment entered for or against any **Insured**, on or prior to the applicable Pending or Prior Proceedings Date set forth in Item 4 of the Cyber ERM Declarations, or the same or substantially the same act, fact, circumstance, situation, event, transaction, or cause underlying or alleged therein;
- (4) **Bodily Injury/Property Damage**  
for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion shall not apply to **Loss** for any mental anguish, humiliation or emotional distress resulting from an **Incident**;
- (5) **Pollution**  
based upon, arising from or in consequence of any:  
(a) discharge, emission, release, dispersal or escape of any **Pollutants** or any threat thereof;  
(b) treatment, removal or disposal of any **Pollutants**; or  
(c) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**;  
including any **Claim** for financial loss to an **Organization**, its security holders or its creditors based upon, arising from or in consequence of any matter described in Subparagraphs (a), (b) or (c) of this Exclusion;
- (6) **Infrastructure Outage**  
based upon, arising from or in consequence of any electrical or mechanical failure or interruption, electrical disturbance, surge, spike, brownout, blackout, or outages to electricity, gas, water, Internet access service provided by the Internet service provider that hosts an **Insured's** website, telecommunications or other infrastructure. Provided that, this Exclusion shall not apply to failures, interruptions, disturbances or outages of telephone, cable or telecommunications systems, networks or infrastructure:  
(a) under an **Insured's** operational control which are a result of a **Network Security Failure**;  
(b) solely with respect to Insuring Clause (B) Business Interruption and Extra Expenses, which are the result of a **Cyber Incident** impacting a **Shared Computer System**; or  
(c) solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, which are the result of a **Cyber Incident**;
- (7) **Contract**  
for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise, including any actual or alleged liability assumed by an **Insured**, unless such liability would have attached to the **Insured** even in the absence of such contract, warranty, guarantee, or promise. Provided that, this Exclusion shall not apply to:  
(a) solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, **Payment Card Loss**;



**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

---

- (b) an **Insured's** contractual obligation to maintain the confidentiality or security of **Protected Information**;
  - (c) an unintentional violation by an **Insured** to comply with an **Organization's** Privacy Policy; or
  - (d) solely with respect to Insuring Clause (F) Electronic, Social and Printed Media Liability, misappropriation of idea under implied contract;
- (8) **Conduct**
- based upon, arising from or in consequence of:
- (a) any deliberately fraudulent act or omission or any wilful violation of any statute or regulation, by an **Insured**, if a final, non-appealable adjudication in any underlying proceeding or action (other than a declaratory proceeding or action brought by or on behalf of the Company) establishes such an act or omission or violation;
  - (b) the gaining in fact of any profit, remuneration or financial advantage to which any **Insured** was not legally entitled; or
  - (c) any electronic, oral, written, or other publication of information by, on behalf of, or with the consent of any **Insured**:
    - (i) with the knowledge of its falsity; or
    - (ii) if a reasonable person in the circumstances of such **Insured** would have known such to be false;
- (9) **Unsolicited Communications**
- based upon, arising from or in consequence of any unsolicited electronic dissemination of faxes, e-mails or other communications by or on behalf of an **Insured**, including actions brought under:
- (a) in Canada:
    - (1) the Canadian Anti-Spam Act (CASL) or any amendments thereto or any rules or regulation promulgated thereunder;
    - (2) the Canadian Radio-television and Telecommunications Commission Unsolicited Telecommunications Rules or any amendments thereto or any rules or regulations promulgated thereunder; or
  - (b) in the United States of America:
    - (1) the Telephone Consumer Protection Act (TCPA) or any amendments thereto or any rules or regulations promulgated thereunder; or
    - (2) any federal or state anti-spam statutes;
  - (c) any similar law to (a) or (b) above anywhere in the world including Canada and the United States of America; or
  - (d) any other law, ordinance, regulation or statute used to impose liability in connection with any unsolicited communication, distribution, publication, sending or transmission, of a person's or entity's right of seclusion;
- provided that solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to a **Claim** resulting from a **Cyber Incident** as defined under subparagraph A (1) or A (3) of such definition;

**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

---

(10) Consumer Protection Laws

based upon, arising from or in consequence of any violation of:

- (a) in Canada: the Consumer Reporting Act, R.S.O. 1990 C.33; or any amendments thereto or any rules or regulations promulgated thereunder or any similar provisions of any federal, provincial, territorial, state, or local statutory, civil or common law;
- (b) in the United States of America: the Fair Debt Collection Practices Act (FDCPA) or the Fair Credit Reporting Act (FCRA) or any amendments thereto or any rules or regulations promulgated thereunder, including the Fair and Accurate Credit Transactions Act (FACTA) or any similar provisions of any federal, provincial, territorial, state, or local statutory, civil or common law; or
- (c) any similar law to (a) or (b) above anywhere in the world;

provided that solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to a **Claim** arising out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Cyber Incident**;

(11) Unlawful Collection of Personal Information

based upon, arising from or in consequence of:

- (a) the unlawful collection or unlawful intentional use of **Protected Information**; or
- (b) the failure to provide adequate notice that **Protected Information** is being collected or used,

by an **Insured**, with knowledge of any **Control Group Member** at the time of the **Incident**;

(12) War

based upon, arising from or in consequence of war, invasion, acts of foreign enemies, terrorism, hijacking, hostilities or warlike operations (whether war is declared or not), military or usurped power, civil commotion assuming the proportions of or amounting to an uprising, strike, lock-out, riot, civil war, rebellion, revolution, or insurrection. Provided that, other than for acts of declared war, this Exclusion shall not apply to an **Act of Cyber-Terrorism** that results in a **Cyber Incident**;

(13) Nuclear

based upon, arising from or in consequence of any radioactive, toxic, explosive or other hazardous properties of any nuclear material, nuclear assembly, or nuclear component thereof;

(14) Fees or Chargebacks

based upon, arising from or in consequence of:

- (a) any fees, expenses, or costs paid to or charged by an **Insured**; or
- (b) chargebacks, chargeback fees, interchange fees or rates, transfer fees, transaction fees, discount fees, merchant service fees, or prospective service fees;

provided that solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to **Payment Card Loss**;

**ForeFront Portfolio**  
**Cyber Enterprise Risk Management (Cyber ERM)**  
**Coverage Part**

---

(15) Intellectual Property

based upon, arising from or in consequence of any infringement of, violation of, misappropriation of, or assertion of any right to or interest in a patent or **Trade Secret** by any **Insured**. Solely with respect to Insuring Clauses (A) - (D), this Exclusion shall not apply to the actual or alleged theft of a **Trade Secret** resulting from a **Cyber Incident**; provided that this exception to the Exclusion shall not apply to any **Expenses** or **Loss** on account of any **Claim** or **Cyber Incident** for the economic or market value of **Trade Secrets**.

Further, solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to any **Claim**:

- (a) arising out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Network Security Failure**; or
- (b) arising out of any actual or reasonably suspected failure by an **Insured** to properly handle, manage, store, destroy, protect, use or otherwise control **Protected Information**;

(16) Competition Act, Antitrust or Unfair Trade Practices

based upon, arising from or in consequence of any price fixing, restraint of trade, monopolization, interference with economic relations (including interference with contractual relations or with prospective advantage), unfair competition, unfair business or unfair trade practices, or any violation of:

- (a) in Canada: the Competition Act of Canada or any federal, provincial or territorial statutory law provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade, unfair competition, unfair business or unfair trade practices, and any amendments thereto or any rules or regulations promulgated thereunder or in connection with such statutes; or any similar provisions of any federal, provincial, territorial, state, local statutory, civil or common law;
- (b) in the United States of America: the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other federal, state or local statutory provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade, unfair competition, unfair business or unfair trade practices, and any amendments thereto or any rules or regulations promulgated thereunder or in connection with such statutes; or any similar provisions of any federal, provincial, territorial, state, local statutory, civil or common law; or
- (c) any similar law to (a) or (b) above anywhere in the world;

provided that this Exclusion shall not apply to:

- (1) solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, a **Claim** resulting directly from a violation of **Privacy or Cyber Laws**; or
- (2) solely with respect to Insuring Clause (F) Electronic, Social and Printed Media Liability, a **Claim** for a **Media Incident** as defined in paragraph (7) of such definition;

(17) Benefit or Securities Law Violation

based upon, arising from or in consequence of an **Insured's** violation of:

- (a) any **Benefit Law**; or

(b) any **Securities Law**;

provided that solely with respect to Insuring Clause (A) Cyber Incident Response Fund, or Insuring Clause (E) Cyber, Privacy and Network Security Liability, paragraph (a), of this Exclusion, shall not apply;

(18) Discrimination or Employment Practices

based upon, arising from or in consequence of any illegal discrimination of any kind, or any employment relationship, or the nature, terms or conditions of employment, including claims for workplace torts, wrongful termination, dismissal or discharge, or any discrimination, harassment, breach of employment contract or defamation. Provided that solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to that part of any **Claim** alleging employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such **Claim** arises out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Cyber Incident**.

**(B) EXCLUSIONS APPLICABLE TO SPECIFIC INSURING CLAUSES**

In addition to the Exclusions in Section III(A) above, the Company shall not be liable for **Expenses** or **Loss** on account of any **Incident** or any **Claim**:

Solely with respect to Insuring Clauses (B) Business Interruption and Extra Expenses and (C) Digital Data Recovery:

(1) Force Majeure

based upon, arising from or in consequence of fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God (which does not include acts by actors purporting to be God), nature or any other physical event, however caused and whether contributed to, made worse by, or in any way results from any such events. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently with or in any sequence to the **Expenses** or **Loss** on account of any **Incident** or any **Claim**;

Solely with respect to Insuring Clauses (C) Digital Data Recovery, and (D) Network Extortion:

(2) Governmental Authority

based upon, arising from or in consequence of any action of a public or governmental authority, including the seizure, confiscation or destruction of an **Insured's Computer System**, a **Shared Computer System** or an **Insured's Digital Data**;

Solely with respect to Insuring Clauses (E) Cyber, Privacy and Network Security Liability and (F) Electronic, Social and Printed Media Liability:

(3) Insured versus Insured

brought or maintained by, on behalf of, or in the right of any **Insured**. Provided that solely with respect to Insuring Clause (E) Cyber, Privacy and Network Security Liability, this Exclusion shall not apply to that part of any **Claim** alleging employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such **Claim** arises out of the loss of **Protected Information** resulting from a **Cyber Incident**;

Solely with respect to Insuring Clause (F) Electronic, Social and Printed Media Liability:

(4) Licensing Entities

based upon, arising from or in consequence of any action brought by or on behalf of the Canadian Radio-television and Telecommunications Commission, Federal Trade Commission, the Federal Communications Commission, or any other federal, provincial, territorial, state, or local government agency or SOCAN, ASCAP, SESAC, BMI or other licensing or rights entities in such entity's regulatory, quasi-regulatory, or official capacity, function or duty;

(5) False Advertising or Misrepresentation

based upon, arising from or in consequence of any inaccurate, inadequate, or incomplete description of the price of goods, products or services, disclosure of fees, representations with respect to authenticity of any product, or the failure of any goods, product or services to conform with advertised quality or performance;

(6) Contest or Game of Chance

based upon, arising from or in consequence of any gambling, contest, game of chance or skill, lottery, or promotional game, including tickets or coupons or over-redemption related thereto.

---

#### IV. SEVERABILITY OF EXCLUSIONS

With respect to Exclusion III(A)(8) Conduct in this Coverage Part: (i) no fact or conduct pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available; and (ii) only facts or conduct pertaining to and knowledge possessed by any past, present or future **Control Group Member**, other than a Rogue Actor, of an **Organization** shall be imputed to such **Organization** and its **Subsidiaries** to determine if coverage is available. For purposes of that Exclusion, "Rogue Actor" means a **Control Group Member** acting outside his or her capacity as such.

---

#### V. LIMIT OF LIABILITY

Regardless of the number of Insuring Clauses purchased under this Coverage Part, or the number of **Incidents**, **Insureds** against whom **Claims** are brought, **Claims** made or persons or entities making **Claims**:

(A) MAXIMUM AGGREGATE LIMIT OF LIABILITY

The Company's maximum limit of liability under all Insuring Clauses resulting from all **Claims** first made and **Incidents** first discovered during the **Policy Year** is shown in Item 2B of the Cyber ERM Declarations, Maximum Aggregate Limit of Liability of this Coverage Part.

(B) AGGREGATE LIMIT FOR ALL INCIDENTS OR CLAIMS UNDER ANY ONE INSURING CLAUSE

The Company's maximum limit of liability for all **Incidents** or **Claims** under any one Insuring Clause shall be the applicable Aggregate Limit for all **Incidents** or **Claims** shown in Item 3 of the Cyber ERM Declarations, which shall be part of, and not in addition to, the Maximum Aggregate Limit of Liability of this Coverage Part shown in Item 2B of the Cyber ERM Declarations.

- (C) **MAXIMUM LIMIT OF LIABILITY FOR EACH INCIDENT OR CLAIM UNDER ANY ONE INSURING CLAUSE**
- The Company's maximum limit of liability for each **Incident** or **Claim** under any one Insuring Clause shall be the applicable Each **Incident** or **Claim** Limit shown in Item 3 of the Cyber ERM Declarations, which shall be part of, and not in addition to, the applicable Aggregate Limit for all **Incidents** or **Claims** shown in Item 3 of the Cyber ERM Declarations, and the Maximum Aggregate Limit of Liability of this Coverage Part shown in Item 2B of the Cyber ERM Declarations.
- (D) **MAXIMUM LIMIT OF LIABILITY FOR ALL INTERRELATED INCIDENTS AND CLAIMS**
- All **Claims** arising out of the same **Incident** and all **Interrelated Incidents** shall be deemed to be one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Year**.
- All **Interrelated Incidents** shall be deemed to be one **Incident**, and such **Incident** shall be deemed to be first discovered, on the date the earliest of such **Incidents** is first discovered, regardless of whether such date is before or during the **Policy Year**.
- The maximum limit of liability for all **Interrelated Incidents** and **Claims** arising out of such **Interrelated Incidents** shall be the Maximum Single **Incident** or **Claim** Limit of Liability shown in Item 2A of the Cyber ERM Declarations, regardless of whether **Expenses**, or **Loss** from a single **Incident** or **Claim** are covered under more than one Insuring Clause. Notwithstanding anything in this paragraph to the contrary, in no event shall the Company pay more than the applicable:
- (1) Maximum Aggregate Limit of Liability of this Coverage Part shown in Item 2B of the Cyber ERM Declarations
  - (2) Aggregate Limit for all **Incidents** or **Claims** under any one Insuring Clause shown in Item 3 of the Cyber ERM Declarations, and
  - (3) Each **Incident** or **Claim** Limit under any one Insuring Clause shown in Item 3 of the Cyber ERM Declarations.
- (E) **Expenses** and **Loss** shall be part of and not in addition to the applicable Limit of Liability shown in the Cyber ERM Declarations, and shall reduce such applicable Limit of Liability. If the applicable Limit of Liability is exhausted by payment of **Expenses** and **Loss**, the obligations of the Company under this Coverage Part shall be completely fulfilled and extinguished.
- (F) Any sub-limits shown in the Cyber ERM Declarations or added by endorsement to this Coverage Part shall be part of and not in addition to the applicable Limit of Liability shown in the Cyber ERM Declarations, and shall reduce such applicable Limit of Liability.

---

## VI. RETENTION

- (A) The liability of the Company shall apply only to that part of **Expenses**, and **Loss** which are in excess of the applicable Retention amount shown in Item 3 of the Cyber ERM Declarations. Such Retention shall be borne uninsured by the **Parent Organization** and at the risk of all **Insureds**.

- (B) With respect to Insuring Clause (B) Business Interruption and Extra Expenses, the Company will pay:
- (1) actual **Business Interruption Loss**, and **Contingent Business Interruption Loss** incurred by an **Insured**:
    - (a) once the applicable **Waiting Period** shown in Item 3B of the Cyber ERM Declarations has expired; and
    - (b) which is in excess of the applicable Retention amount shown in Item 3B of the Cyber ERM Declarations.
- and
- (2) **Extra Expenses** incurred by an **Insured**:
    - (a) as of the start of the **Interruption in Service**; and
    - (b) which are in excess of the applicable Retention amount showed in Item 3B of the Cyber ERM Declarations.
- The **Waiting Period** and Retention amounts shall be computed as of the start of the **Interruption in Service**.
- Any **Business Interruption Loss**, **Contingent Business Interruption Loss**, or **Extra Expenses** incurred by an **Insured** during the **Waiting Period** shall reduce and may exhaust any applicable Retention.
- (C) A single Retention amount shall apply to **Expenses**, and **Loss**, arising from all **Incidents** or **Claims** alleging an **Interrelated Incident**.
- (D) If a single **Incident** or **Claim**, or **Interrelated Incidents** are subject to different Retentions, the applicable Retention shall be applied separately to each part of the **Expenses**, and **Loss** but the sum of such Retentions shall not exceed the largest applicable Retention.

---

## VII. REPORTING

- (A) Urgent crisis management assistance by the **Cyber Incident Response Coach** is available at the hotline number shown in the Cyber ERM Declarations. Use of the services of the **Cyber Incident Response Coach** for a consultation DOES NOT constitute notice under this Coverage Part of a **Cyber Incident** or **Claim**
- (B) An **Insured** shall, as a condition precedent to such **Insured's** rights under this Coverage Part, give to the Company written notice of any **Incident** or **Claim** as soon as practicable after any **Control Group Member** discovers such **Incident** or becomes aware of such **Claim**, but in no event later than:
- (1) if this Coverage Part expires (or is otherwise terminated) without being renewed with the Company, ninety (90) days after the effective date of such expiration or termination; or
  - (2) the expiration of the Extended Reporting Period, if applicable,
- If the **Insured** is unable to provide notification required under this Coverage Part due to a prohibition by any law enforcement or governmental authority, the **Insured** will use its best efforts to provide the Company with information to make the Company aware of a future notice of an **Incident** or **Claim** until written notice can actually be provided.
- (C) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Control Group Member** becomes aware of any specific **Incident** which may reasonably give rise to a future **Claim** under this Coverage Part and written notice is given to the Company during the **Policy Period**, of the:

- (1) nature of the **Incident**;
- (2) identity of the **Insureds** allegedly involved;
- (3) circumstances by which the **Insureds** first became aware of the **Incident**;
- (4) identity of the actual or potential claimants;
- (5) foreseeable consequences of the **Incident**; and
- (6) nature of the potential **Loss**;

then any **Claim** which arises out of such **Incident** shall be deemed to have been first made during the **Policy Year** in which such circumstances were first reported to the Company at the time such written notice was received by the Company. The Company will not pay for **Loss** incurred prior to the time such **Incident** results in a **Claim**.

---

#### **VIII. PROOF OF LOSS FOR FIRST PARTY INSURING CLAUSES**

- (A) Requests for payment or reimbursement of **Expenses** incurred by an **Insured** shall be accompanied by a proof of loss with full particulars as to the computation of such **Expenses**. Such proof of loss will include in detail how the **Expenses** were calculated, and what assumptions have been made, and shall include documentary evidence, including any applicable reports, books of accounts, bills, invoices and other vouchers or proofs of payment made by an **Insured** in relation to such **Expenses**. Furthermore, the **Insureds** shall cooperate with, and provide any additional information reasonably requested by, the Company in its review of **Expenses**, including the right to investigate and audit the proof of loss and inspect the records of an **Insured**.
- (B) With respect to Insuring Clause (B) Business Interruption and Extra Expenses, the **Business Interruption Loss** or **Contingent Business Interruption Loss** will be determined taking full account and due consideration of an **Insured's** proof of loss and in addition, the trends or circumstances which affect the profitability of the business and would have affected the profitability of the business had the **Business Interruption Loss** or **Contingent Business Interruption Loss** not occurred, including all material changes in market conditions or adjustment expenses which would affect the net profit generated. However, the Company's adjustment will not include the **Insured's** increase in income that would likely have been earned as a result of an increase in the volume of business due to favourable business conditions caused by the impact of a **Malicious Computer Act** on others.

---

#### **IX. DEFENCE AND SETTLEMENT**

- (A) Except as provided in Subsection B of this Section IX, the Company shall have the right and duty to defend any **Claim** covered by this Coverage Part. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (B) The Company shall have the right, but not the duty, to defend any **Regulatory Proceeding**. For such **Claims**, the **Insured** shall select defence counsel from the Company's list of approved law firms, and the Company reserves the right to associate in the defence of such **Claims**.
- (C) The Company may make any investigation it deems necessary and may, with the consent of the **Insureds**, make any settlement of any **Claim** it deems appropriate.



- (D) No **Insured** shall settle any **Claim**, incur any **Defence Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.
- (E) The Company shall have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the Company's applicable Limit of Liability for either Insuring Clause (E), Cyber, Privacy and Network Security Liability, or Insuring Clause (F) Electronic, Social and Printed Media Liability, or the Maximum Aggregate Limit of Liability set forth in Item 2B of the Cyber ERM Declarations, or the Combined Maximum Aggregate Limit of Liability set forth in Item 3 of the GTC Declarations, if applicable, has been exhausted by the payment of **Expenses** or **Loss** and the applicable premium shall be deemed fully earned.
- (F) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree to do nothing that may prejudice the Company's position or its potential or actual rights of recovery.
- (G) With the exception of paragraph (G) of the **Cyber Incident Response Expenses** definition, an **Insured** has the right to incur **Cyber Incident Response Expenses** without the Company's prior consent. Provided that the Company shall, at its sole discretion and in good faith, pay only for such expenses that the Company deems to be reasonable.
- (H) The Company shall not seek repayment from an **Insured Person** of any **Defence Costs** paid by the Company that are deemed uninsured pursuant to Exclusion III(A)(8), Conduct, unless the applicable determination standard (whether a final, non-appealable adjudication or other determination standard) set forth in such Exclusion has been met.

---

## X. ALLOCATION

If the **Insureds** who are afforded coverage for a **Claim** incur an amount consisting of both **Loss** that is covered by this Coverage Part and also loss that is not covered by this Coverage Part because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) **Defence Costs**: one hundred percent (100%) of **Defence Costs** incurred by such **Insured** on account of such **Claim** shall be covered **Loss**; provided that the foregoing shall not apply with respect to:
  - (1) any **Insured** for whom coverage is excluded pursuant to Subsection XV (C), Representations and Severability; or
  - (2) a **Regulatory Proceeding**.Such **Defence Costs** shall be allocated between covered **Loss** and non-covered loss based on the relative legal exposures of the parties to such matters; and
- (B) loss other than **Defence Costs**: all remaining loss incurred by such **Insured** from such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.

**XI. OTHER INSURANCE**

If any **Loss** or **Expenses** covered under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

---

**XII. LIABILITY FOR PRIOR LOSSES**

If before or during the **Policy Period**, an **Organization** acquires voting rights in another entity, such that the acquired entity becomes a **Subsidiary** as described in Subsection VI(A), Acquisition of Another Organization, of the GTC, coverage applies to such **Subsidiary** and its **Insured Persons** only for **Expenses** where all of the circumstances, conditions or acts causing or contributing to such **Expenses** occur on or after such acquisition.

---

**XIII. CESSATION OF SUBSIDIARIES**

With respect to Subsection VI(B), Cessation of Subsidiaries, of the GTC in the event an **Organization** ceases to be a **Subsidiary** before or during the **Policy Period**, coverage with respect to Insuring Clauses (A) Cyber Incident Response Fund; (B) Business Interruption and Extra Expenses; (C) Digital Data Recovery; and (D) Network Extortion, for such **Subsidiary** shall continue until termination of this Coverage Part, but only for **Expense** first incurred while such **Organization** was a **Subsidiary**.

---

**XIV. SUBROGATION**

- (A) In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.
  - (B) It is understood and agreed that the Company shall have no rights of subrogation against any **Insured** under this Coverage Part and that an **Organization** may, on behalf of the Company, waive the Company's subrogation rights against any third party under this Coverage Part, provided that such waiver of subrogation is executed in writing prior to any **Incident**.
- 

**XV. REPRESENTATIONS AND SEVERABILITY**

- (A) In granting coverage to the **Insureds** under this Coverage Part, the Company has relied upon the declarations and statements in the **Application** for this Coverage Part. Such declarations and statements are the basis of the coverage under this Coverage Part and shall be considered as incorporated in and constituting part of this Coverage Part.
- (B) The **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the declarations and statements in such **Application**, no knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person**.

- (C) However, in the event that such **Application** contains any misrepresentations made with the actual intent to deceive or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by the Company under this Coverage Part, then no coverage shall be afforded for any **Claim** based upon, arising from or in consequence of any such misrepresentations with respect to:
- (1) any **Insured Person** who knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations) or any **Organization** to the extent it indemnifies any such **Insured Person**; or
  - (2) any **Organization** if any past or present **Control Group Member** knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations).
- (D) The Company shall not be entitled under any circumstances to void or rescind this Coverage Part with respect to any **Insured**.
- 

#### **XVI. CYBER INCIDENT RESPONSE FUND PROVISIONS**

- (A) With respect to the **Cyber Incident Response Team** or a **Non-Panel Response Provider**:
- (1) The **Insureds** are under no obligation to contract for services with the **Cyber Incident Response Team**. However, if an **Insured** elects to use any **Non-Panel Response Providers** for any **Cyber Incident Response Expenses**, the applicable Limits of Insurance shown in Item 4A2 of the Cyber ERM Declarations of this Coverage Part will apply.
  - (2) The Company shall not be a party to any agreement entered into between any **Cyber Incident Response Team** service provider and an **Insured**.
  - (3) **Cyber Incident Response Team** service providers are independent contractors, and are not agents of the Company. The **Insureds** agree that the Company assumes no liability arising out of any services rendered by a **Cyber Incident Response Team** service provider. The Company shall not be entitled to any rights or subject to any obligations or liabilities set forth in any agreement entered into between any **Cyber Incident Response Team** service provider and an **Insured**. Any rights and obligations with respect to such agreement, including billings, fees and services rendered, are solely for the benefit of, and borne solely by such **Cyber Incident Response Team** service provider and such **Insured**, and not the Company.
  - (4) The Company has no obligation to provide any of the services provided by the **Cyber Incident Response Team**.
- (B) With respect to any other third party vendor, the Company may provide the **Parent Organization** with a list of third-party privacy and network security loss mitigation vendors whom the **Parent Organization**, at its own election and at the **Parent Organization's** own expense, may retain for cyber risk management to inspect, assess, and audit the **Parent Organization's** property, operations, systems, books, and records, including the **Parent Organization's** network security, employee cyber security awareness, incident response plans, services provider contracts, and regulatory compliance. Any loss mitigation inspection, assessment, or audit purchased by the **Parent Organizations**, and any report or recommendation resulting therefrom, shall not constitute an undertaking at the request of or for the benefit of the Company.

CRIME DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Limits of Liability and Retentions:**

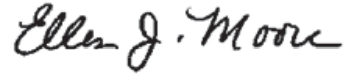
<b>Insuring Clauses Applicable to this Coverage Part:</b>	<b>Limit of Liability:</b>	<b>Retentions:</b>
<input type="checkbox"/> (A) Employee Theft Coverage:	<CUR_Crime_LimitA_X>	<CUR_Crime_RetentionA_X>
<input type="checkbox"/> (B) Premises Coverage:	<CUR_Crime_LimitB_X>	<CUR_Crime_RetentionB_X>
<input type="checkbox"/> (C) In Transit Coverage:	<CUR_Crime_LimitC_X>	<CUR_Crime_RetentionC_X>
<input type="checkbox"/> (D) Forgery Coverage:	<CUR_Crime_LimitD_X>	<CUR_Crime_RetentionD_X>
<input type="checkbox"/> (E) Computer Fraud Coverage:	<CUR_Crime_LimitE_X>	<CUR_Crime_RetentionE_X>
<input type="checkbox"/> (F) Funds Transfer Coverage:	<CUR_Crime_LimitF_X>	<CUR_Crime_RetentionF_X>
<input type="checkbox"/> (G) Money Order and Counterfeit Currency Fraud Coverage:	<CUR_Crime_LimitG_X>	<CUR_Crime_RetentionG_X>
<input type="checkbox"/> (H) Credit Card Fraud Coverage:	<CUR_Crime_LimitH_X>	<CUR_Crime_RetentionH_X>
<input type="checkbox"/> (I) Client Coverage:	<CUR_Crime_LimitI_X>	<CUR_Crime_RetentionI_X>
<input type="checkbox"/> (J) Expense Coverage:	<CUR_Crime_LimitJ_X>	None

**Item 3. Coverage applies as follows:**

- Loss Sustained
- Loss Discovered

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



---

**Authorized Representative**

**President**

---

<Today>

**Date**

SPECIMEN

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

## I. INSURING CLAUSES

### Insuring Clause (A): Employee Theft Coverage

- (A) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by an **Insured** resulting from **Theft** or **Forgery** committed by an **Employee** acting alone or in collusion with others.

### Insuring Clause (B): Premises Coverage

- (B) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from:

- (1) **Robbery, Safe Burglary**, or unlawful taking of **Money** or **Securities** committed by a **Third Party**; or
- (2) actual destruction or disappearance of **Money** or **Securities**, within or from the **Premises** or **Banking Premises**.

Coverage under this Insuring Clause (B) shall also include:

- (3) loss of or damage to **Property** which results from **Robbery** or attempted **Robbery** within the **Premises**;
- (4) loss of or damage to such **Property** contained within any locked vault or safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Premises**;
- (5) damage to a locked safe, cash drawer, cash box or cash register within the **Premises** by felonious entry or attempted felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- (6) damage to the **Premises** or to its exterior resulting from **Safe Burglary** or **Robbery**, committed by a **Third Party**.

### Insuring Clause (C): In Transit Coverage

- (C) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from:

- (1) **Robbery** or unlawful taking of **Money** or **Securities** committed by a **Third Party**; or
- (2) actual destruction or disappearance of **Money** or **Securities**; while **In Transit** or while temporarily within the home of an **Employee** or a partner of an **Organization**.

Coverage under this Insuring Clause (C) shall also include:

- (3) damage to **Property** which results from **Robbery** while **In Transit**; and
- (4) loss by the unlawful taking of **Property** temporarily within the home of an **Employee** or a partner of an **Organization**, committed by a **Third Party**.

**Insuring Clause (D): Forgery Coverage**

- (D) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Forgery** or alteration of a **Financial Instrument** committed by a **Third Party**.

**Insuring Clause (E): Computer Fraud Coverage**

- (E) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by an **Insured** resulting from **Computer Fraud** committed by a **Third Party**.

**Insuring Clause (F): Funds Transfer Fraud Coverage**

- (F) The Company shall pay the **Parent Organization** for direct loss of **Money** or **Securities** sustained by an **Insured** resulting from **Funds Transfer Fraud** committed by a **Third Party**.

**Insuring Clause (G): Money Orders and Counterfeit Currency Fraud Coverage**

- (G) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Money Orders and Counterfeit Currency Fraud** committed by a **Third Party**.

**Insuring Clause (H): Credit Card Fraud Coverage**

- (H) The Company shall pay the **Parent Organization** for direct loss sustained by an **Insured** resulting from **Credit Card Fraud** committed by a **Third Party**.

**Insuring Clause (I): Client Coverage**

- (I) The Company shall pay the **Parent Organization** for direct loss of **Money, Securities** or **Property** sustained by a **Client** resulting from **Theft** or **Forgery** committed by an **Employee** not in collusion with such **Client's** employees.

**Insuring Clause (J): Expense Coverage**

- (J) The Company shall pay the **Parent Organization** for:
- (1) **Investigative Expenses** resulting from any direct loss covered under Insuring Clauses (A), Employee Theft Coverage; (B), Premises Coverage; (C), In Transit Coverage; (D), Forgery Coverage; (E), Computer Fraud Coverage; (F), Funds Transfer Fraud Coverage; (G), Money Orders and Counterfeit Currency Fraud Coverage; (H), Credit Card Fraud Coverage; or (I), Client Coverage; or
  - (2) **Computer Violation Expenses** resulting from any direct loss covered under Insuring Clauses (A), Employee Theft Coverage, (E), Computer Fraud Coverage or (I), Client Coverage;
- incurred by any **Organization** in the amount set forth in Item 2 of the Crime Declarations, solely if such covered direct loss is in excess of the Retention applicable to such covered loss. Such amount shall be part of and not in addition to the Limit of Liability applicable to such covered loss.

---

**II. DEFINITIONS**

For purposes of this Coverage Part:

**Banking Premises** means the interior portion of a building occupied by, or the night depository chute or safe maintained by, any bank, trust company or similar financial institution.

**Client** means a customer of an **Organization** to whom an **Organization** provides goods or services under written contract or for a fee.

**Computer Fraud** means the unlawful taking of **Money**, **Securities** or **Property** resulting from a **Computer Violation**.

**Computer System** means a computer or network of computers, including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.

**Computer Violation** means an unauthorized:

- (A) entry into or deletion of **Data** from a **Computer System**;
- (B) change to **Data** elements or program logic of a **Computer System**, which is kept in machine readable format; or
- (C) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed solely against an **Organization**.

**Computer Violation Expenses** means reasonable expenses, other than an **Organization's** internal corporate costs (such as **Salary**), incurred by an **Organization** with the Company's prior written consent to reproduce or duplicate damaged or destroyed electronic **Data** or computer programs. If such computer programs cannot be duplicated from other computer programs, then **Computer Violation Expenses** shall also include reasonable costs incurred for computer time, computer programmers, technical experts or consultants to restore the computer programs to substantially the same level of operational capability immediately preceding the covered direct loss. **Computer Violation Expenses** shall not include expenses incurred by any **Client**.

**Contractual Independent Contractor** means any natural person independent contractor while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, pursuant to a written contract between such **Organization** and such natural person independent contractor.

**Credit Card Fraud** means the **Forgery** or alteration of, on or in, any written instrument required in connection with any credit card issued to an **Organization** or at the request of an **Organization**, to any partner, officer or **Employee** of an **Organization**.

**Data** means information contained in records, manuscripts, accounts, microfilms, tapes or other records, which are processed and stored in a **Computer System**.

**Discovery** or **Discovered** means knowledge acquired by an **Executive** or **Insurance Representative** of an **Insured** which would cause a reasonable person to believe a covered loss has occurred or an occurrence has arisen that may subsequently result in a covered loss. This includes loss:

- (A) sustained prior to the inception date of any coverage under this Coverage Part;
- (B) which does not exceed the Retention set forth in Item 2 of the Crime Declarations; or
- (C) the exact amount or details of which are unknown,

provided that **Discovery** or **Discovered** shall not include knowledge acquired by an **Executive** or **Insurance Representative** of an **Insured** acting alone or in collusion with an **Employee**, or the knowledge possessed by any **Executive** or **Insurance Representative** who is a participant in the **Theft** or **Forgery**.

**Employee** means any:

- (A) natural person in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** governs and directs in the performance of such service, including a part-time, seasonal, leased and temporary employee, intern or volunteer;
- (B) **Executive** while performing acts within the scope of the usual duties of an **Employee**;



- (C) **Contractual Independent Contractor**;
- (D) natural person fiduciary, trustee, administrator or **Employee**, as defined in Subsections (A) or (B) of this definition, of a **Sponsored Plan**;
- (E) former or retired **Employee**, as defined in Subsections (A) or (B) of this definition, of the **Organization**, retained as a consultant (as evidenced by a written contract for services) to the **Organization**; or
- (F) **Employee**, as defined in Subsections (A) or (B) of this definition, of the **Organization**, while on parental or military services leave.

**ERISA Plan** means any Employee Benefit Plan, Pension Benefit Plan or Welfare Benefit Plan, defined and required to be bonded under Title 1 of the United States Employee Retirement Income Security Act of 1974, as amended, and as amended by the United States Pension Protection Act of 2006, which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization for the benefit of **Employees** and which existed on or before the inception date of this Policy or which is created or acquired after such inception date of this Policy, provided that **ERISA Plan** shall not include any multi-employer plan.

**Executive** means any natural person specified below:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Financial Instrument** means cheques, drafts or similar written promises, orders or directions to pay a sum certain in money, that are made, drawn by or drawn upon an **Organization** or by anyone acting as an **Organization's** agent, or that are purported to have been so made or drawn.

**Forgery** means the signing of another natural person or organization's name with the intent to deceive, but does not mean a signature that includes, in whole or in part, one's own name, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

**Funds Transfer Fraud** means fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions (other than **Forgery**), purportedly issued by an **Organization**, and issued to a financial institution directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Organization** at such institution, without such **Organization's** knowledge or consent.

**Insurance Representative** means an **Employee**, as defined in Subsections (A) or (B) of the definition of **Employee**, including a risk manager, designated to represent an **Insured** for the purpose of effecting and maintaining insurance.

**Insured** means any **Organization** and any **Sponsored Plan**.

**In Transit** means being conveyed outside the **Premises**, from one person or place to another, by the **Organization** within the custody of:

- (A) an **Employee** or a partner of an **Organization**; or
- (B) a person duly authorized by such **Organization** to have custody of **Money**, **Securities** or **Property**,

provided that such conveyance begins immediately upon receipt of **Money**, **Securities** or **Property** by the person(s) described in Subsections (A) or (B) above, from such **Organization**, and ceases immediately upon delivery to the designated recipient or its agent.

**Investigative Expenses** means reasonable expenses, other than an **Organization's** internal corporate costs (such as **Salary**), incurred by an **Organization** with the Company's prior written consent to establish the existence and amount of a covered loss. **Investigative Expenses** shall not include expenses incurred by any **Client**.

**Money** means currency, coin, bank notes and bullion.

**Money Orders and Counterfeit Currency Fraud** means the good faith acceptance by an **Organization**:

- (A) in exchange for merchandise, **Money** or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation; or
- (B) in the regular course of business, of counterfeit paper currency.

**Premises** means the interior portion of a building occupied by an **Organization** in conducting its business.

**Property** means tangible property other than **Money** or **Securities**. **Property** shall not include any **Insured's** or another entity or person's confidential or personal information.

**Robbery** means the unlawful taking of **Money**, **Securities** or **Property** from the custody of an **Employee** or other person (except a person acting as a watchman, porter or janitor) duly authorized by an **Organization** to have custody of such **Money**, **Securities** or **Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other person.

**Safe Burglary** means the unlawful taking of **Money**, **Securities** or **Property** by forcible or violent entry evidenced by visible marks, from a locked vault or safe located within the **Premises**.

**Salary** means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.

**Securities** means any negotiable and non-negotiable instruments representing either **Money** or **Property**, including revenue and other stamps in current use, casino chips, tokens and tickets, provided that **Securities** shall not include **Money**.

**Sponsored Plan** means any:

- (A) Registered Pension Plan, Group Sickness or Accident Insurance Plan, Private Health Services Plan, Supplementary Unemployment Benefit Plan, Deferred Profit-Sharing Plan, Employee's Profit Sharing Plan, Sickness or Accident Insurance Plan, Disability Insurance Plan, Income Maintenance Insurance Plan, Vacation Pay Trust, Employee Trust, Retirement Compensation Arrangement, Salary Deferral Arrangement, Employee Life and Health Trust, all as defined in the Income Tax Act of Canada, which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization for the benefit of the **Employees** and which existed on or before the inception date of this Policy or which is created or acquired after such inception date;
- (B) other employee benefit plan not subject to Title 1 of the United States Employee Retirement Income Security Act of 1974, as amended or the Income Tax Act of Canada, which is operated solely by an **Organization** or jointly by an **Organization** and a labour organization solely for the benefit of the **Employees** and which existed on or before the inception of this Policy or which is created or acquired after such inception date,

provided such **Sponsored Plan** shall not include any multi-employer plan.

**Theft** means the unlawful taking of **Money, Securities** or **Property** to the deprivation of:

- (A) an **Insured**, solely for the purposes of Insuring Clause (A), Employee Theft Coverage; or
- (B) a **Client**, solely for the purposes of Insuring Clause (I), Client Coverage.

**Third Party** means a natural person other than:

- (A) an **Employee**; or
- (B) a natural person acting in collusion with an **Employee**.

---

### III. EXCLUSIONS

(A) No coverage will be available for:

(1) Trading

loss resulting directly or indirectly from any authorized or unauthorized trading of **Money, Securities** or **Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account, provided that this Exclusion (A)(1) shall not apply to direct losses caused by **Theft** or **Forgery** which result in improper financial gain to an **Employee** (direct losses as used herein shall mean only the amount of improper financial gain to such **Employee**, which shall not include **Salary**, commissions, fees or other compensation, including promotions and raises associated with employment, paid by the **Insured** to such **Employee**);

(2) Trade Secrets/Confidential Information

- (a) loss involving the disclosure of an **Insured's** or another entity or person's confidential or personal information while in the care, custody or control of an **Insured**, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any similar type of non-public information;
- (b) loss involving the use of another entity or person's confidential or personal information while in the care, custody or control of an **Insured**, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any similar type of non-public information; or
- (c) fees, costs, fines, penalties or any other expenses incurred by an **Insured** which result, directly or indirectly, from the access to or disclosure of another entity or person's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any similar type of nonpublic information,

provided that this Exclusion (A)(2)(a) and (b) shall not apply to loss that is otherwise covered under any Insuring Clause other than Insuring Clause (J), Expense Coverage.

**ForeFront Portfolio**  
**Crime**  
**Coverage Part**

---

(3) Partner

loss due to **Theft** or **Forgery** committed by a partner of an **Organization**, whether acting alone or in collusion with others, provided that if such **Theft** or **Forgery** would otherwise be covered under Insuring Clause (A), Employee Theft Coverage, or (I), Client Coverage, this Exclusion (A)(3) shall not apply to the extent coverage under this Coverage Part is excess of the amount of such partner's percentage ownership of such **Organization**, on the day immediately preceding the date of **Discovery**, multiplied by such **Organization's** total assets as reflected in such **Organization's** most recent audited financial statements;

(4) War

loss or damage due to declared or undeclared war, civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization, or any act or condition incident to any of the foregoing;

(5) Nuclear

loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination, or any act or condition incident to any of the foregoing;

(6) Potential Income

loss of income not realized as the result of a covered loss;

(7) Indirect or Consequential

indirect or consequential loss of any kind, provided that this Exclusion (A)(7) shall not apply to:

- (a) otherwise covered **Investigative Expenses** and **Computer Violation Expenses** under Insuring Clause (J), Expense Coverage; or
- (b) the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss, provided that the Company's maximum liability for the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss sustained shall be \$25,000, which amount shall be part of, and not in addition to, the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.

(8) Data Fees, Costs or Expenses

fees, costs or expenses incurred or paid:

- (a) as a result of the reconstitution of **Data** if an **Organization** knowingly used illegal copies of programs;
- (b) to render the **Data** usable by replacement processing equipment;
- (c) to design, update or improve software or programs or to perfect their operation or performance; or
- (d) as a result of an alteration in **Data** held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the computer or its facilities;

(9) Fire

loss due to fire, provided that this Exclusion (A)(9) shall not apply to:

- (a) loss of **Money** or **Securities**; or

**ForeFront Portfolio**  
**Crime**  
**Coverage Part**

- (b) damage to any safe or vault caused by the application of fire thereto for the purposes of **Safe Burglary**;
- (10) Legal Fees, Costs or Expenses  
 fees, costs or expenses incurred or paid in defending or prosecuting any legal proceeding or claim, provided that this Exclusion (A)(10) shall not apply to the coverage provided under Section V, Legal Expenses Extension;
- (11) Voluntary Exchange or Purchase  
 loss due to an **Insured** knowingly having given or surrendered **Money, Securities or Property** in any exchange or purchase with a **Third Party**, not in collusion with an **Employee**, provided that this Exclusion (A)(11) shall not apply to otherwise covered loss under Insuring Clauses (A), Employee Theft Coverage, (G), Money Orders and Counterfeit Currency Fraud Coverage, or (I), Client Coverage, or otherwise covered loss of **Property** under Insuring Clause (E), Computer Fraud Coverage;
- (12) Advantage  
 loss sustained by one **Insured** to the advantage of any other **Insured**;
- (13) Custodial  
 loss of or damage to **Money, Securities or Property** while in the custody of any bank, trust company, similar recognized place of safe deposit, armored motor vehicle company or any person who is duly authorized by an **Organization** to have custody of such **Money, Securities or Property**, provided that this Exclusion (A)(13) shall not apply to the extent that coverage under this Coverage Part is excess of the amount recovered or received by such **Organization** under:
- (a) such **Organization's** contract, if any, with, or insurance carried by, any of the foregoing; or
- (b) any other insurance or indemnity in force which would cover the loss in whole or in part; or
- (14) Authorized Representative  
 loss or damage due to **Theft, Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders And Counterfeit Currency Fraud, Credit Card Fraud** or other fraudulent, dishonest or criminal act (other than **Robbery or Safe Burglary**) committed by any authorized representative of an **Insured**, whether acting alone or in collusion with others, provided that this Exclusion (A)(14) shall not apply to otherwise covered loss under Insuring Clauses (A), Employee Theft Coverage, or (I), Client Coverage, resulting from **Theft or Forgery** committed by an **Employee** acting in collusion with such authorized representative.
- (B) In addition to the Exclusions in Subsection (A) above, no coverage will be available under:
- (1) Insuring Clauses (A), Employee Theft Coverage, or (I), Client Coverage, for:
- (a) Broker or Independent Contractor  
 loss caused by any broker, factor, commission merchant, consignee, contractor, independent contractor (other than a **Contractual Independent Contractor**), or other agent or representative of the same general character;

**ForeFront Portfolio**  
**Crime**  
**Coverage Part**

- (b) Prior Dishonesty  
 loss caused by an **Employee** which is sustained by an **Insured**:
- (i) after an **Executive** or **Insurance Representative** becomes aware of a:
- (1) **Theft**;
  - (2) **Forgery**; or
  - (3) other fraudulent, dishonest or criminal act,  
 which is valued at one thousand dollars (\$1,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;
- (ii) after an **Executive** or **Insurance Representative** becomes aware of a **Theft, Forgery** or other fraudulent, dishonest or criminal act, involving:
- (1) **Money**;
  - (2) **Securities**; or
  - (3) other property,  
 which is valued at twenty-five thousand dollars (\$25,000) or more, committed by such **Employee** prior to employment or service with an **Insured**; or
- (iii) more than ninety (90) days following the termination of such **Employee**;
- (2) Insuring Clause (B), Premises Coverage, or (C), In Transit Coverage, for:
- (a) Other Insuring Clauses  
 loss or damage due to **Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Currency Fraud** or **Credit Card Fraud**; or
- (b) Mail or Carrier for Hire  
 loss of or damage to **Money, Securities** or **Property** while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company;
- (3) Insuring Clauses (B), Premises Coverage, (C), In Transit Coverage, (E), Computer Fraud Coverage, or (F), Funds Transfer Fraud Coverage, for:
- (a) Kidnap, Ransom or Extortion  
 loss or damage as a result of a kidnap, ransom or other extortion payment (as distinct from **Robbery**) surrendered to any person as a result of a threat to do bodily harm to any person or a threat to do damage to the **Premises** or other property;
- (4) Insuring Clause (D), Forgery Coverage, for:
- (a) Forgery or Alteration  
 loss due to **Forgery** or alteration of:
- (i) any **Financial Instrument** committed by any **Third Party** in collusion with any **Employee**; or

**ForeFront Portfolio**  
**Crime**  
**Coverage Part**

---

- (ii) any registered or coupon obligations issued or purported to have been issued by the **Insured**, or any coupons whether attached or detached; or
  - (5) Insuring Clause (H), Credit Card Fraud Coverage, for:
    - (a) Forgery or Alteration (Credit Card)  
loss caused by any forgery or alteration of, on or in any written instrument, provided that this Exclusion (B)(5) shall not apply if:
      - (i) the provisions, conditions and other terms under which the involved credit card was issued were fully complied with; and
      - (ii) the **Organization** is legally liable to the issuer of such credit card for such loss.
- (C) Loss Sustained Option  
In addition to the Exclusions in Subsections (A) and (B) above and if the Loss Sustained option is purchased, as set forth in Item 3 of the Crime Declarations, no coverage will be available for:
  - (1) loss unless sustained by any **Insured** during the **Policy Period** and prior to the termination of this Coverage Part as to such **Insured**, and **Discovered** no later than sixty (60) days following such termination;
  - (2) loss unless sustained during the **Policy Period** and prior to the termination of any Insuring Clause or any particular coverage offered under any Insuring Clause, and **Discovered** no later than sixty (60) days following such termination;
  - (3) loss unless sustained during the **Policy Period** and prior to the termination of this Coverage Part in its entirety, and **Discovered** no later than sixty (60) days following such termination; or
  - (4) loss unless sustained during the **Policy Period** and prior to the termination of this Coverage Part in its entirety, and **Discovered** no later than one (1) year following such termination, if the termination results from the voluntary liquidation or voluntary dissolution of the **Parent Organization**,provided this Exclusion (C) shall not apply to any such loss that would otherwise be covered pursuant to the terms and conditions of Section X, Liability for Prior Losses.
- (D) Loss Discovered Option  
In addition to the Exclusions in Subsections (A) and (B) above and if the Loss Discovered option is purchased, as set forth in Item 3 of the Crime Declarations, no coverage will be available for:
  - (1) loss unless sustained by any **Insured**, and **Discovered** prior to the termination of this Coverage Part as to such **Insured**;
  - (2) loss unless sustained and **Discovered** prior to the termination of any Insuring Clause or any particular coverage offered under any Insuring Clause;
  - (3) loss unless sustained and **Discovered** prior to the termination of this Coverage Part in its entirety;
  - (4) loss unless sustained prior to the termination of this Coverage Part and **Discovered** within one (1) year following such termination if the termination results from the voluntary liquidation or voluntary dissolution of the **Parent Organization**; or
  - (5) any loss that an **Insured** is aware of prior to the inception date of this Policy,

provided that in no event will coverage be available under this Coverage Part for such loss if such loss is covered under any renewal or replacement of this Coverage Part or any Insuring Clause or any particular coverage offered under any Insuring Clause.

---

**IV. ERISA PLAN QUOTE GUARANTEE**

At the written request of the **Parent Organization**, and after receipt and review of the applicable application, a quotation for separate coverage for any **ERISA Plan Coverage** (“ERISA Plan Coverage”) shall be provided to the **Parent Organization**. Such ERISA Plan Coverage shall be subject to such other terms, conditions, and limitations of coverage and such additional premium as the Company, in its sole discretion, may require. If the **Parent Organization** accepts the quotation with the terms, conditions and limitations of the ERISA Plan Coverage and pays the additional premium required by the Company, such ERISA Plan Coverage shall be provided by a statutory admitted carrier in the United States of America which is included in the United States Department of the Treasury's Listing of Approved Sureties (Department Circular 570).

---

**V. LEGAL EXPENSES EXTENSION**

In addition to the Limits of Liability set forth in the Crime Declarations, the Company shall pay the **Parent Organization**:

- (A) as a result of loss covered under Insuring Clause (D), Forgery Coverage, reasonable court costs and legal fees incurred and paid, with the Company's prior written consent, in defending an **Organization** or an **Organization's** bank in any legal proceeding brought against it to enforce payment of a **Financial Instrument**; and
- (B) as a result of loss covered under Insuring Clause (H), Credit Card Fraud Coverage, reasonable court costs and legal fees incurred and paid with the Company's prior written consent in defending an **Organization** in any legal proceeding brought against it to enforce payment of a written instrument, required in connection with any credit card.

---

**VI. PROOF OF LOSS AND LEGAL PROCEEDINGS**

- (A) Knowledge possessed by any **Insured** or **Discovery** shall be deemed knowledge possessed by or **Discovery** by all **Insureds**.
- (B) It is a condition precedent to coverage hereunder that, upon **Discovery**, the **Parent Organization** will:
  - (1) (a) give written notice and furnish affirmative proof of loss with full particulars to the Company at the earliest practical moment, and in no event later than one (1) year after such **Discovery** if this Coverage Part expires and is renewed with the Company; or
  - (b) give written notice to the Company at the earliest practicable moment and in no event later than sixty (60) days after such **Discovery** and furnish affirmative proof of loss with full particulars to the Company at the earliest practical moment, and in no event later than one hundred and eighty (180) days after such **Discovery** if this Coverage Part expires (or is otherwise terminated) and is not renewed with the Company;
  - (2) submit to examination under oath at the Company's request;
  - (3) produce all pertinent records at such reasonable times and places as the Company shall designate; and



- (4) provide full cooperation with the Company in all matters pertaining to a loss or claim.
  - (C) The **Parent Organization** may offer a comparison between an **Organization's** inventory records and actual physical count of its inventory to prove the amount of loss, only where an **Organization** establishes wholly apart from such comparison that it has sustained a covered loss, caused by an **Employee**.
  - (D) No **Insured** shall institute legal proceedings against the Company:
    - (1) after two (2) years immediately following any **Discovery**; or
    - (2) to recover a judgment or settlement against it or its bank resulting from **Forgery, Credit Card Fraud** or related legal expenses as set forth in Section V, Legal Expenses Extension, after two (2) years immediately following the date upon which such judgment shall become final or settlement was entered.
- 

#### VII. LIMITS OF LIABILITY

- (A) The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss set forth in Item 2 of the Crime Declarations, regardless of the number of **Insureds** sustaining the loss.
  - (B) If a direct loss is covered under more than one Insuring Clause, the maximum amount payable under this Coverage Part shall not exceed the largest applicable Limit of Liability of any such Insuring Clause.
  - (C) All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability set forth in Item 2 of the Crime Declarations will apply, subject to Section X, Liability for Prior Losses.
- 

#### VIII. RETENTION

- (A) The Company's liability under this Coverage Part shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 2 of the Crime Declarations.
  - (B) If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Retention set forth in Item 2 of the Crime Declarations shall be reduced by the deductible or retention previously applied to such loss.
- 

#### IX. OWNERSHIP

- (A) Solely for the purposes of Insuring Clauses (A), Employee Theft Coverage; (B), Premises Coverage; (C), In Transit Coverage; (D), Forgery Coverage; (E), Computer Fraud Coverage; (F), Funds Transfer Fraud Coverage; (G), Money Orders and Counterfeit Currency Fraud Coverage and (H), Credit Card Fraud Coverage, the Company's liability under this Coverage Part shall only apply to **Money, Securities** or **Property** owned by an **Organization** or for which the **Organization** is legally liable, or held by the **Organization** in any capacity whether or not the **Organization** is liable, provided that:
  - (1) the Company's liability will not apply to damage to the **Premises** unless the **Organization** is the owner of such **Premises** or is legally liable for such damage; or

- 
- (2) with respect to Insuring Clause (A), Employee Theft Coverage, the Company's liability will not apply to **Money, Securities or Property** of a **Client**.
  - (B) Solely for the purposes of Insuring Clause (I), Client Coverage, the Company's liability under this Coverage Part will only apply to **Money, Securities or Property**:
    - (1) owned by a **Client**, which is held by an **Organization** in any capacity or for which the **Organization** is legally liable; or
    - (2) held or owned by a **Client**, for which the **Client** is legally liable.
- 

**X. LIABILITY FOR PRIOR LOSSES**

- (A) If the Loss Sustained option is purchased as set forth in Item 3 of the Crime Declarations:
  - (1) coverage will be available for loss sustained prior to the inception date of this Policy, or the effective date of coverage for any additional **Insureds**, or the effective date of any coverage added by endorsement, subject to the following:
    - (a) an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy, which at the time such prior loss was sustained, afforded some or all of the coverage of an Insuring Clause under this Coverage Part applicable to such prior loss;
    - (b) such coverage continued without interruption from the time such loss was sustained until the inception date or effective date(s) specified above;
    - (c) such prior loss was first **Discovered** by an **Insured** after the time allowed for discovery under the last such bond or policy; and
    - (d) some or all of the coverage of an Insuring Clause under this Coverage Part would be applicable to such prior loss;
  - (2) if such prior bond or policy carried by an **Insured** or predecessor in interest of such **Insured** was issued by the Company or any subsidiary or affiliate of The Chubb Corporation, such prior bond or policy shall terminate as of the inception of this Policy and such prior bond or policy shall not cover any loss unless such loss is:
    - (a) sustained in its entirety prior to the inception date of this Policy;
    - (b) **Discovered** prior to the inception date of this Policy or within sixty (60) days following termination of the Crime coverage section of such prior bond or policy; and
    - (c) notified to the Company in writing in accordance with any applicable reporting or notice provision of the Crime coverage section of such prior bond or policy; and
  - (3) an **Insured** shall neither be entitled to a separate recovery under each policy in force at the time any part of the prior loss was sustained, nor shall the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability for the prior loss shall not exceed the lesser of either the limit of liability of the bond or policy immediately preceding this Coverage Part under which part of the prior loss was sustained, or the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.

- (B) If the Loss Discovered option is purchased as set forth in Item 3 of the Crime Declarations:
- (1) coverage will be available for loss sustained at any time and **Discovered** during the **Policy Period**, provided that coverage for loss sustained prior to the effective date of this Coverage Part, or the effective date of coverage for any additional **Insureds**, or the effective date of any coverage added by endorsement, is subject to the following:
- (a) if an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy which afforded coverage for a loss sustained during the period of such prior bond or policy and such prior bond or policy was not issued by the Company or any subsidiary or affiliate of The Chubb Corporation and such loss was first **Discovered** by an **Insured** prior to the expiration of the time allowed for discovery under the last such policy, then no coverage shall be available under this Coverage Part, unless the total amount of covered loss exceeds the limit of liability of the last such bond or policy carried by the **Organization** or predecessor in interest of such **Organization**, and the Company's Limit of Liability for any such loss will be in excess of the limit of liability of the last bond or policy subject to all of the terms and conditions of this Coverage Part; or
- (b) if an **Organization** or some predecessor in interest of such **Organization** carried a prior bond or policy which afforded coverage for a loss sustained during the period of such prior bond or policy and such prior bond or policy was issued by the Company or any subsidiary or affiliate of The Chubb Corporation then such prior bond or policy shall terminate as of the inception of this Policy and such prior bond or policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy and then the Company's Limit of Liability for such loss shall be the applicable Limit of Liability set forth in Item 2 of the Crime Declarations.

---

**XI. NON-ACCUMULATION OF LIABILITY**

- (A) When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.
- (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Company with respect to any loss shall not be cumulative from **Policy Year** to **Policy Year** or from **Policy Period** to **Policy Period**.

---

**XII. OTHER INSURANCE**

If an **Insured** or any other party in interest in any loss covered by this Coverage Part has any bond, indemnity or insurance which would cover such loss in whole or in part in the absence of this Coverage Part, then this Coverage Part shall be null and void to the extent of the amount recoverable or received under such other bond, indemnity, or insurance; but this Coverage Part shall cover such loss, subject to its exclusions, conditions and other terms, only to the extent of the amount of such loss in excess of the amount recoverable or received under such other bond, indemnity or insurance.

---

---

**XIII. TERMINATION OF PRIOR BONDS OR POLICIES**

Any prior bonds or policies issued by the Company or any subsidiary or affiliate of The Chubb Corporation shall terminate, if not already terminated, as of the inception of this Policy.

---

**XIV. VALUATION AND FOREIGN CURRENCY**

The Company shall pay:

- (A) the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
- (B) the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
- (C) the least of:
  - (1) the actual cash value of the **Property**; or
  - (2) the cost to repair or replace **Property**, other than precious metals, with that of similar quality and value,at the time the **Parent Organization** complies with Section VI, Proof of Loss and Legal Proceedings, regarding the furnishing of proof of loss;
- (D) the Canadian dollar value of foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving foreign currency is **Discovered**;
- (E) the Canadian dollar value of any precious metals based on the amount published in *The Globe and Mail* Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**; or
- (F) the United States of America dollar value of any foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving foreign currency is **Discovered** if the Limits of Liability and Retentions set forth in Item 2 of the Crime Declarations are clearly expressed in United States of America (U.S.) currency.

---

**XV. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

---

**XVI. RECOVERIES**

- (A) Recoveries for any loss covered under this Coverage Part, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
  - (1) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
  - (2) second, to the Company for the amount of such loss paid to an **Insured** as covered loss;
  - (3) third, to an **Insured** for the Retention applicable to such loss;

- (4) fourth, to an **Insured** for the amount of such loss not covered under this Coverage Part.
- (B) Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.

SPECIMEN

**ForeFront Portfolio  
Kidnap, Ransom and Extortion (KR&E)  
Coverage Part**

KR&E DECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Limits of Liability:**

<b>Insuring Clauses Applicable to this Coverage Part:</b>	<b>Limit of Liability:</b>
<input type="checkbox"/> (A) Kidnapping, Extortion Threat and Express Kidnap Coverage:	<CUR_KRE_LimitA_X>
<input type="checkbox"/> (B) Custody Coverage:	<CUR_KRE_LimitB_X>
<input type="checkbox"/> (C) Expense Coverage:	<CUR_KRE_LimitC_X>
<input type="checkbox"/> (D) Accidental Loss Coverage:	
Types of <b>Accidental Loss</b> :	Benefit Amounts:
(i) <b>Loss of Life Benefit Amount:</b>	<CUR_KRE_LimitDi_X>
(ii) <b>Event Benefit Amount:</b>	<CUR_KRE_LimitDii_X>
(iii) <b>Mutilation:</b>	100% of <b>Loss of Life Benefit Amount</b>
(iv) <b>Accidental Loss</b> other than <b>Mutilation</b> or <b>Loss of Life</b>	100% of <b>Loss of Life Benefit Amount</b>
<input type="checkbox"/> (E) Legal Liability Costs Coverage:	<CUR_KRE_LimitE_X>
<input type="checkbox"/> (F) Emergency Political Repatriation Expense Coverage:	<CUR_KRE_LimitF_X>
<input type="checkbox"/> (G) Disappearance Investigation Expense Coverage:	<CUR_KRE_LimitG_X>
<input type="checkbox"/> (H) Express Kidnap Costs Coverage:	<CUR_KRE_LimitH_X>
<input type="checkbox"/> (I) Hostage Crisis Costs Coverage:	<CUR_KRE_LimitI_X>

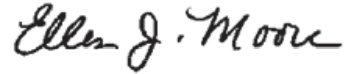
**Item 3. Retention:** <CUR\_KRE\_Retention\_X>

**ForeFront Portfolio  
Kidnap, Ransom and Extortion (KR&E)  
Coverage Part**

---

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



---

**Authorized Representative**

**President**

<Today>

---

**Date**

SPECIMEN

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

---

**I. INSURING CLAUSES**

**Insuring Clause (A): Kidnapping, Extortion Threat and Express Kidnap Coverage**

- (A) The Company shall reimburse the **Parent Organization** for loss of property or other consideration surrendered as payment by or on behalf of an **Organization** resulting from **Kidnapping, Extortion Threat** or **Express Kidnap**.

**Insuring Clause (B): Custody Coverage**

- (B) The Company shall reimburse the **Parent Organization** for loss caused by actual destruction, disappearance, confiscation or unlawful taking of property or other consideration, which is intended as payment for a covered **Kidnapping** or **Extortion Threat** while being held or conveyed by a person authorized by an **Organization**.

**Insuring Clause (C): Expense Coverage**

- (C) The Company shall reimburse the **Parent Organization** for **Expenses** paid by an **Insured** resulting from a covered **Kidnapping** or **Extortion Threat**, or resulting from a **Hijacking, Political Threat** or **Wrongful Detention**.

**Insuring Clause (D): Accidental Loss Coverage**

- (D) The Company shall pay the applicable Benefit Amount set forth in Item 2(D) of the KR&E Declarations for **Accidental Loss** from a covered **Kidnapping**, or resulting from a **Hijacking, Political Threat, Wrongful Detention, Express Kidnap, or Hostage Crisis**.

**Insuring Clause (E): Legal Liability Costs Coverage**

- (E) The Company shall reimburse the **Parent Organization** for **Legal Liability Costs**.

**Insuring Clause (F): Emergency Political Repatriation Expense Coverage**

- (F) The Company shall reimburse the **Parent Organization** for **Repatriation Expenses** incurred by an **Organization** resulting from **Emergency Political Repatriation** in the amount set forth in Item 2(F), Emergency Political Repatriation Expense Coverage, of the KR&E Declarations, which amount is part of and not in addition to the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

**Insuring Clause (G): Disappearance Investigation Expense Coverage**

- (G) The Company shall reimburse the **Parent Organization** for **Expenses** paid by an **Insured** resulting from a covered **Disappearance** in the amount set forth in Item 2(G), Disappearance Investigation Expense Coverage, of the KR&E Declarations, which amount is part of and not in addition to the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

**Insuring Clause (H): Express Kidnap Costs Coverage**

- (H) The Company shall reimburse the **Parent Organization** for **Express Kidnap Costs**.

**Insuring Clause (I): Hostage Crisis Costs Coverage**

- (I) The Company shall reimburse the **Parent Organization** for **Hostage Crisis Costs**.
-



## II. DEFINITIONS

For purposes of this Coverage Part:

**Accidental Loss** means **Loss of Life, Loss of Use, Loss of Sight, Loss of Speech and/or Hearing, or Mutilation** of an **Insured Person** when such **Accidental Loss**:

- (A) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
- (B) happens by chance and arises from a source external to such **Insured Person**.

**Computer System** means any computer or network of computers of an **Organization** including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.

**Computer Violation** means an unauthorized:

- (A) entry into or deletion of data from a **Computer System**;
- (B) change to data elements or program logic of a **Computer System**, which is kept in machine readable format; or
- (C) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed solely against any **Organization**.

**Contaminate** means to introduce a foreign material or substance, which would render any tangible property unfit for use or sale.

**Disappearance** means the unexplained vanishing by an **Insured Person** for a period of longer than thirty-six (36) hours (other than a **Hijacking, Wrongful Detention, Express Kidnap, or Hostage Crisis**), provided the vanishing has been reported to the local authorities, and a ransom demand has not been made in connection therewith. The **Disappearance** of two or more **Insured Persons** last seen or reported together shall be treated as one **Disappearance**.

**Disappearance Investigation** means an investigation launched by an **Organization** as the direct result of a **Disappearance**.

**Emergency Political Repatriation** means the return of an **Insured Person**, who is a temporary resident or temporary business traveler in another country, to his or her **Resident Country** necessitated by:

- (A) an official of the **Resident Country** or the **Temporary Resident Country** issuing, for reasons other than medical, a recommendation that categories of persons which include the **Insured Person** should leave such **Temporary Resident Country**;
- (B) an **Insured Person** being expelled or declared *persona non grata* on the written authority of the recognized government of the **Temporary Resident Country**; or
- (C) wholesale seizure, confiscation or expropriation of the property, plant and equipment of an **Organization**.

**Employee** means any natural person in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** governs and directs in the performance of such service, including any **Executive**, a part-time, seasonal, leased and temporary employee, intern or volunteer; or an **Independent Contractor**, while acting within the scope of his or her duties as an **Independent Contractor**.

**Event Benefit Amount** means the amount set forth in Item 2(D)(ii) of the KR&E Declarations.

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

**Executive** means any natural person specified below:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Expenses** means:

- (A) in connection with **Kidnapping, Extortion Threat, Political Threat, Hijacking, Wrongful Detention or Disappearance Investigation** only the reasonable fees and expenses for, or cost of:
  - (1) an independent security consultant;
  - (2) an independent public relations consultant;
  - (3) travel and accommodations of an **Insured Person**;
  - (4) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage);
  - (5) temporary independent security measures set up solely for protecting an **Insured Person**, or property, in the country where the **Kidnapping, Extortion Threat, Political Threat, Hijacking, Wrongful Detention or Disappearance** has occurred, at the specific direction of The Ackerman Group or any other security consultant, incurred with the Company's prior written approval;
  - (6) independent security guard services for up to ninety (90) days;
  - (7) advertising, communications and recording equipment;
  - (8) an independent forensic analyst;
  - (9) assessment of an **Extortion Threat** or **Political Threat** by an independent security consultant;
  - (10) interest for a loan taken by an **Insured** for property or other consideration surrendered as payment under Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage;
  - (11) a reward paid by an **Organization** to a natural person who provides information leading to the arrest and conviction of the person(s) responsible for **Kidnapping, Extortion Threat, Wrongful Detention, Hijacking or Disappearance**;
  - (12) the **Salary** which an **Organization** continues to pay an **Employee** following the **Kidnapping, Wrongful Detention, Hijacking or Disappearance** of such **Employee**; such coverage shall apply to the **Salary** in effect at the time of such **Kidnapping, Wrongful Detention, Hijacking or Disappearance** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**, or solely with respect to **Wrongful Detention or Hijacking**, for sixty (60) months thereafter; whichever is more recent;

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (13) the **Salary** or wages which an **Organization** pays a newly hired natural person to conduct the duties of an **Employee** following the **Kidnapping, Wrongful Detention, Hijacking** or **Disappearance** of such **Employee**; such coverage shall apply to such **Salary** in effect at the time of such **Kidnapping, Wrongful Detention, Hijacking**, or **Disappearance** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**, or solely with respect to **Wrongful Detention** or **Hijacking**, for sixty (60) months thereafter; whichever is more recent;
- (14) the **Salary** which an **Organization** pays an **Employee** or the amount paid by an **Organization** to a **Relative** equal to the salary or wages of such **Relative**, who assists in negotiations and rehabilitation of the victim during and following an incident of **Kidnapping, Wrongful Detention, Hijacking** or **Disappearance** not to exceed a period of ninety (90) days following the end of the **Kidnapping, Wrongful Detention, Hijacking** or **Disappearance** incident, provided that the **Insured** submits a written account of such **Employee's** or **Relative's** involvement in the negotiation and rehabilitation process, and such **Employee's** or **Relative's** specific compensable services and expenses;
- (15) reasonable fees and expenses for, or cost of retraining, an **Employee** after his or her release from a covered **Kidnapping, Wrongful Detention, Hijacking** or **Disappearance** including the **Salary** that an **Organization** continues to pay such **Employee** while being retrained, and the reasonable fees and expenses for the cost of external training courses;
- (16) consequential personal financial loss which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
- (17) reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following an **Insured Person's** release;
- (18) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to ninety (90) days when such expenses are incurred within twelve (12) months following an **Insured Person's** release; and
- (B) in connection with an **Extortion Threat to Contaminate Merchandise, Recall Expenses**; and
- (C) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

**Express Kidnap** means the unlawful detention of an **Insured Person** (other than a **Kidnapping, Hijacking, Hostage Crisis** or **Wrongful Detention**) that:

- (A) lasts for less than six (6) hours;
- (B) is carried out by violence or threat of violence by a person or group;
- (C) commences while the **Insured Person** is traveling in or entering/exiting a motor vehicle; and
- (D) involves the perpetrator(s)' demand of property or other consideration as a condition of that **Insured Person's** release.

**Express Kidnap Costs** means, in connection with an **Express Kidnap**, only the reasonable fees and expenses for, or cost of:

- (A) an independent security consultant, independent public relations consultant and an independent forensic analyst;
- (B) travel and accommodations of an **Insured Person**;

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (C) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage) and reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following an **Insured Person's** release;
- (D) consequential personal financial loss which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
- (E) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to ninety (90) days when such expenses are incurred within twelve (12) months following an **Insured Person's** release; and
- (F) the **Salary** or wages which an **Organization** pays a natural person temporarily hired to conduct the duties of an **Employee** following the **Express Kidnap** of such **Employee**; such coverage shall apply to such **Salary** or wages in effect at the time of such **Express Kidnap** and will end 180 days after such **Employee** is released or suffers **Loss of Life**.

**Extortion Threat** means a threat or threats against an **Insured** to:

- (A) commit a **Kidnapping** of, do bodily harm to, wrongfully abduct or detain any **Insured Person**;
- (B) damage, destroy or **Contaminate** an **Organization's Property**;
- (C) disseminate, divulge or utilize **Proprietary Information**;
- (D) disseminate or make public negative information regarding **Merchandise**; or
- (E) adulterate or destroy any **Computer System** by a **Computer Violation**,

made by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in exchange for the mitigation or removal of such threats. All such threats:

- (1) related by a common committed, attempted or threatened wrongful act; or
- (2) made contemporaneously against the same **Insured**,

shall be deemed to constitute a single **Extortion Threat**.

**Hijacking** means the unlawful detention of an **Insured Person** (other than a **Kidnapping, Wrongful Detention, Disappearance, Express Kidnap** or **Hostage Crisis**) by violence or threat of violence by a person or group, where such unlawful detention occurs while traveling on or in an aircraft, watercraft, railroad car or motor vehicle.

**Hostage Crisis** means an actual wrongful abduction and holding of an **Insured Person** under duress (other than a **Kidnapping, Hijacking, Wrongful Detention, Disappearance** or **Express Kidnap**) by one party in a conflict with another party, where the holding party demands from the other party satisfaction of specified terms in exchange for the release of such **Insured Person**, and the person from whom such satisfaction of specified terms is demanded is within hearing or sight distance of the **Insured Person**.

**Hostage Crisis Costs** means:

- (A) in connection with a **Hostage Crisis**, only the reasonable fees and expenses for, or cost of:
  - (1) an independent security consultant and independent public relations consultant;
  - (2) travel and accommodations of an **Insured Person**;
  - (3) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage);

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (4) temporary independent security measures set up solely for protecting an **Insured Person**, or property, in the country where the **Hostage Crisis** has occurred, at the specific direction of The Ackerman Group or any other security consultant, incurred with the Company's prior written approval;
  - (5) independent security guard services for up to ninety (90) days;
  - (6) the **Salary** which an **Organization** continues to pay an **Employee** following the **Hostage Crisis** of such **Employee**; such coverage shall apply to the **Salary** in effect at the time of such **Hostage Crisis** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**;
  - (7) the **Salary** or wages which an **Organization** pays a newly hired natural person to conduct the duties of an **Employee** following the **Hostage Crisis** of such **Employee**; such coverage shall apply to such **Salary** in effect at the time of such **Hostage Crisis** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**;
  - (8) the **Salary** which an **Organization** pays an **Employee** or the amount paid by an **Organization** to a **Relative** equal to the salary or wages of such **Relative**, who assists in negotiations and rehabilitation of the victim during and following an incident of **Hostage Crisis** not to exceed a period of ninety (90) days following the end of the **Hostage Crisis** incident, provided that the **Insured** submits a written account of such **Employee's** or **Relative's** involvement in the negotiation and rehabilitation process, and such **Employee's** or **Relative's** specific compensable services and expenses;
  - (9) reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following such **Insured Person's** release; and
- (B) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

**Independent Contractor** means any natural person independent contractor while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, pursuant to a written contract for services between such **Organization** and either (A) such natural person independent contractor or (B) any other entity acting on behalf of such natural person independent contractor, provided that coverage for such **Independent Contractor** is not provided by any other policy of insurance. **Independent Contractor** shall not include any person other than the person who performs the services for the **Organization**, nor shall it include family members or guests or any other individuals in similar relationships to, any **Independent Contractor**.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Event** means **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis**.

**Insured Person** means any:

- (A) **Employee**;
- (B) **Relative** of an **Employee**;
- (C) natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
- (D) natural person who is a normal resident or a guest while in the home of an **Employee**;
- (E) customer or guest of an **Organization** while on the **Premises**;
- (F) guest of an **Employee**, or customer or guest of an **Organization**, while traveling with an **Employee**; or

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (G) natural person who is temporarily retained by any **Insured** or an independent security consultant to deliver a ransom or extortion payment.

**Kidnapping** means an actual or alleged wrongful abduction, and holding under duress or by fraudulent means (other than a **Hijacking, Hostage Crisis** or an **Express Kidnap**), of an **Insured Person**, by a person or a group, whether acting alone or in collusion with others which includes a demand or a series of demands for payment or a series of payments by an **Insured**, in exchange for the release of such **Insured Person**.

**Legal Liability Costs** means the reasonable defence costs incurred by an **Organization** and damages which such **Organization** becomes legally obligated to pay as a result of a judgment or settlement in any suit brought by an **Insured Person** (or the estate, heirs or legal representatives of such **Insured Person**) alleging negligence or legal incompetence:

- (A) in the hostage retrieval operations or negotiations in a covered **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Express Kidnap** or **Hostage Crisis** or a covered event as described in Subsection (A) of the definition of **Extortion Threat** of such **Insured Person**; or
- (B) in the prevention of a covered **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Express Kidnap** or **Hostage Crisis** or a covered event as described in Subsection (A) of the definition of **Extortion Threat** of such **Insured Person**,

provided that the **Organization** agrees as a condition precedent to coverage hereunder to cooperate with the Company in conducting the defence or in negotiating the settlement of such suit.

**Loss of Life** means:

- (A) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
- (B) the absence of communication from an **Insured Person** or those responsible for the **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap** or **Hostage Crisis** of such **Insured Person** for a period of two (2) years following the later of:
- (1) such **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap** or **Hostage Crisis**;
  - (2) the last communication from such **Insured Person**; or
  - (3) the last communication from those responsible for such **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap** or **Hostage Crisis**.

**Loss of Life Benefit Amount** means that amount set forth in Item 2(D)(i) of the KR&E Declarations.

**Loss of Sight** means legal blindness or the permanent total loss of sight.

**Loss of Speech and/or Hearing** means the permanent total loss of the capability of speech and/or hearing.

**Loss of Use** means the permanent total loss of function of a foot, hand or both thumb and index finger.

**Merchandise** means an **Organization's** inventory, raw materials, work in progress or products manufactured or distributed by an **Organization**.

**Mutilation** means the permanent total loss of an entire finger, toe, ear, nose or genital organ.

**Organization's Property** means all **Premises** and **Merchandise** of an **Organization** and any other real or tangible personal property, owned by or leased by an **Organization**, for which an **Organization** is legally liable, or located on such **Premises** or on any land adjacent to or occupied by an **Organization** in conducting its business.

**Political Threat** means the threat to do bodily harm to any **Insured Person** by a person or group:

- (A) acting as an agent of, or with tacit approval of, any government or governmental entity; or
- (B) acting or purporting to act on behalf of any political terrorist or insurgent party, organization or group.

**Premises** means buildings, facilities or properties occupied by an **Organization** in conducting its business.

**Proprietary Information** means any confidential, private or secret information unique to the **Organization's** business including client lists, drawings, negatives, microfilm, tapes, transparencies, manuscripts, prints, computer discs or other records of a similar nature which are protected by physical or electronic control or other reasonable efforts to maintain nondisclosure of such information.

**Recall Expenses** means only the reasonable fees and expenses for, or the costs of:

- (A) transportation; and
- (B) other reasonable expenses, subject to the Company's prior written approval,

incurred by an **Organization** in the withdrawal, physical inspection or destruction of **Merchandise**.

**Relative** means spouse, common law partner, siblings, spouse's siblings, ancestors, spouse's ancestors, lineal descendants or lineal descendants' spouses. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and stepparents.

**Repatriation Expenses** means only the following reasonable fees and expenses incurred by any **Insured Person** who is a temporary resident or temporary business traveler:

- (A) for travel to the nearest place of safety or to his or her **Resident Country**;
- (B) for accommodations for a maximum of seven (7) days;
- (C) the **Salary** which an **Organization** continues to pay an **Employee** who is the subject of an **Emergency Political Repatriation**; provided that such coverage shall apply to the **Salary** in effect at the time of the **Emergency Political Repatriation** and shall end on the earlier of 120 days thereafter, or the date of the return of the **Employee** to his or her **Resident Country**; and
- (D) other reasonable fees and expenses incurred with the Company's prior written approval, resulting from an **Emergency Political Repatriation** of an **Insured Person**.

**Resident Country** means, for the purposes of:

- (A) an **Emergency Political Repatriation**, the country of which the **Insured Person** is a national; or
- (B) a **Wrongful Detention**, the country of which the **Insured Person** is a national or the country where an **Organization** is headquartered.

**Salary** means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments and the cost of health, welfare and pension benefits.

**Temporary Resident Country** means the country in which the **Insured Person** is a temporary resident.

**Wrongful Detention** means wrongful involuntary confinement of an **Insured Person** (other than **Kidnapping**, **Hijacking**, **Express Kidnap** or **Hostage Crisis**) for a period of not less than four (4) hours by others.

### III. EXCLUSIONS

(A) No coverage will be available for:

(1) Fraudulent or Dishonest Acts

(a) loss due to any fraudulent, dishonest or criminal acts of an identifiable **Employee** of an **Organization** acting alone or in collusion with others, unless the loss is in excess of the amount available to the **Organization**, whether collectible or not, under any other bond, insurance or indemnity which would cover the loss in whole or in part, in which case this Coverage Part shall cover only such excess; or

(b) loss sustained by one **Insured** to the advantage of any other **Insured**;

(2) Reasonable Efforts

loss resulting from fraud by an **Insured Person** allegedly the subject of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis**, if an **Organization** had not made reasonable efforts to determine that such a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** was genuine;

(3) Personal Assets

loss of property or other consideration surrendered or intended to be surrendered as payment by or on behalf of an **Insured Person** unless an **Organization** agrees that such payment is on behalf of such **Organization**;

(4) Business Income

loss of income not realized by an **Organization** as the result of a covered loss;

(5) Recall Expenses

**Recall Expenses** caused by:

(a) refunds for, the value of or the cost of replacing any withdrawn, damaged or destroyed **Merchandise**; or

(b) any loss, fees or expenses incurred for any known or suspected defect, deficiency or use of substandard or flawed materials necessitating the withdrawal, physical inspection or destruction of **Merchandise** in the absence of an **Extortion Threat** against such **Merchandise**;

(6) Violation of Law or Regulation

loss from **Wrongful Detention** or **Political Threat** caused by:

(a) any violation of criminal law by an **Insured** if such violation would be considered a criminal violation in such **Insured's Resident Country**, unless it is determined by the Company that such allegations are fraudulent and politically motivated; or

(b) failure of an **Organization** or an **Insured Person** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;



**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

(7) Emergency Political Repatriation

loss from **Emergency Political Repatriation** caused by:

- (a) violation by an **Organization** or an **Insured Person** of the laws or regulations of the country from which the **Insured Person** is repatriated;
- (b) an **Organization** or an **Insured Person** failing to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- (c) a debt, insolvency, commercial failure, repossession of any property by a title holder or any other financial cause;
- (d) an **Insured's** failure to honor any contractual obligation or bond or to obey any conditions in a license;
- (e) any natural disasters, including any earthquake, flood, fire, famine, volcanic eruption or windstorm;
- (f) ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel or nuclear waste; or the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof; or
- (g) the relocation of any **Insured Person** from their **Resident Country**;

(8) Accidental Loss Fraud

loss resulting from fraud by an **Insured Person** allegedly the subject of an **Accidental Loss**; or

(9) Notice

loss, unless the **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** occurs or is directly or indirectly communicated to any **Insured** prior to:

- (a) termination of this Coverage Part as to such **Insured** and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination;
- (b) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination;
- (c) termination in its entirety of this Coverage Part and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination, if this Coverage Part is not renewed with the Company; or
- (d) termination in its entirety of this Coverage Part and is discovered and communicated in writing to the Company prior to such termination, if this Coverage Part is renewed with the Company.

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (B) In addition to the Exclusions in Subsection (A) above, no coverage will be available under:
- (1) Non-Aggregation  
 Insuring Clauses (B), Custody Coverage; (C), Expense Coverage; (D), Accidental Loss Coverage; (E), Legal Liability Costs Coverage; (F) Emergency Political Repatriation Expense Coverage; (G), Disappearance Investigation Expense Coverage; (H), Express Kidnap Costs Coverage; and (I), Hostage Crisis Costs Coverage, for loss of property and other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage;
  - (2) Robbery  
 Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, for loss of property or other consideration surrendered away from any **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee, provided that this Exclusion (B)(2) shall not apply to loss resulting from **Express Kidnap**;
  - (3) Burglary or Armed Robbery  
 Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, for loss of property or other consideration surrendered on any **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the purpose of paying such demand, provided that this Exclusion (B)(3) shall not apply to loss resulting from **Express Kidnap**; or
  - (4) Voluntary Disappearance, Natural Disaster, Unsafe Area  
 Insuring Clause (G), Disappearance Investigation Expense Coverage, for **Expenses** or **Legal Liability Costs** resulting from **Disappearance Investigation** if:
    - (a) an **Insured Person** disappears of his or her own volition, provided that any amounts paid to the **Parent Organization** in connection with such voluntary **Disappearance** shall be refunded by the **Parent Organization** to the Company in the event the **Disappearance** is determined to be voluntary;
    - (b) the **Disappearance** occurs within twenty-four (24) hours of a natural disaster which is reported by local or global media; or
    - (c) the **Disappearance** occurs while an **Insured Person** is located in an area declared unsafe or uninhabitable by a local government.

---

#### IV. PERSONAL ASSETS

In the event of a ransom or extortion demand directed against an **Insured Person** rather than against an **Organization**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and only the:

- (A) **Expenses** set forth in Paragraphs II(A)(1) through (A)(11) and (A)(16) through (A)(18) of the definition of **Expenses**; and

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (B) **Express Kidnap Costs** set forth in Paragraphs II(A) through (E) of the definition of **Express Kidnap Costs**,

incurred by or on behalf of such **Insured Person** shall, at the option of the **Organization**, be considered property or other consideration surrendered or intended to be surrendered on behalf of an **Organization** and **Expenses** incurred by an **Organization**.

---

**V. PROOF OF LOSS AND LEGAL PROCEEDINGS**

- (A) Knowledge possessed by, or discovery by, an **Insured** shall be deemed knowledge possessed by, or discovery by, all **Insureds**.
- (B) It is a condition precedent to coverage that at the earliest practicable moment after the occurrence of any loss hereunder the **Parent Organization** shall give the Company written notice thereof and shall furnish to the Company affirmative proof of loss with full particulars.
- (C) No **Insured** shall institute legal proceedings against the Company after the expiration of a period of two (2) years immediately following the time such loss was sustained.
- 

**VI. LIMITS OF LIABILITY AND RETENTION**

- (A) The Company's maximum liability for each loss shall not exceed the applicable Limits of Liability set forth in Item 2 in the KR&E Declarations, regardless of the number of **Insureds** sustaining the loss.
- (B) The payment of loss under this Coverage Part shall not reduce the liability of the Company for other losses, provided that the maximum liability of the Company will not exceed the dollar amount set forth in Item 2 in the KR&E Declarations:
- (1) applicable to Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage: for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat, Kidnapping or Express Kidnapping** or a series of related **Extortion Threats, Kidnappings or Express Kidnappings**;
  - (2) applicable to Insuring Clause (B), Custody Coverage: for all loss of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat or Kidnapping** or a series of related **Extortion Threats or Kidnappings**;
  - (3) applicable to Insuring Clause (C), Expense Coverage: for all **Expenses** arising from one **Kidnapping, Extortion Threat, Political Threat, Hijacking or Wrongful Detention** or a series of related **Kidnappings, Extortion Threats, Political Threats, Hijackings or Wrongful Detentions**; provided in the event the **Insured** shall select The Ackerman Group as the independent security consultant, the fees and expenses for and costs of such independent security consultant shall be deemed reasonable and unlimited and shall not be subject to the Limit of Liability applicable to Insuring Clause (C), Expense Coverage.
  - (4) applicable to Insuring Clause (D), Accidental Loss Coverage:
    - (a) if an **Insured Person** suffers a covered **Mutilation**, the Company's maximum liability for such **Mutilation** shall be the amount equal to the percentage set forth in Item 2(D)(iii) of the KR&E Declarations of the **Loss of Life Benefit Amount**;

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (b) if an **Insured Person** suffers a covered **Accidental Loss** (other than **Mutilation** or **Loss of Life**) the Company's maximum liability for such **Accidental Loss** shall be the amount equal to the percentage set forth in Item 2(D)(iv) of the KR&E Declarations of the **Loss of Life Benefit Amount**;
  - (c) if an **Insured Person** suffers a covered **Loss of Life** the Company's maximum liability for such **Loss of Life** shall be the **Loss of Life Benefit Amount**;
  - (d) if an **Insured Person** suffers more than one covered **Accidental Loss** the Company's maximum liability for all such **Accidental Loss** shall be calculated based on Subparagraphs (a), (b) and (c) above, provided that in no event shall the Company's maximum liability for all such **Accidental Loss** exceed the **Loss of Life Benefit Amount**; or
  - (e) if more than one **Insured Person** suffers covered **Accidental Loss** resulting from the same **Kidnapping, Wrongful Detention, Extortion Threat, Political Threat** or **Hijacking**, the Company's maximum liability for all such **Accidental Loss** shall be calculated based on Subparagraphs (a), (b), (c) and (d) above, provided that in no event shall the Company's maximum liability for all such **Accidental Loss** exceed the **Event Benefit Amount**;
- (5) applicable to Insuring Clause (E), Legal Liability Costs Coverage: for all **Legal Liability Costs** arising from one **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Hostage Crisis** or **Express Kidnap** or one event described in Subsection (A) of the definition of **Extortion Threat** or a series of related **Kidnappings, Hijackings, Political Threats, Wrongful Detentions, Hostage Crises** or **Express Kidnaps** or a series of related events as described in Subparagraph (A) of the definition of **Extortion Threat**;
- (6) applicable to Insuring Clause (F), Emergency Political Repatriation Expense Coverage: for all **Repatriation Expenses** arising from one **Emergency Political Repatriation** or a series of related **Emergency Political Repatriations**;
- (7) applicable to Insuring Clause (G), Disappearance Investigation Expense Coverage: for all **Expenses** for **Disappearance Investigation** arising from one **Disappearance** or a series of related **Disappearances**;
- (8) applicable to Insuring Clause (H): for all **Express Kidnap Costs** arising from one **Express Kidnap** or a series of related **Express Kidnaps**; or
- (9) applicable to Insuring Clause (I), Hostage Crisis Costs Coverage: for all **Hostage Crisis Costs** arising from one **Hostage Crisis** situation or a series of related **Hostage Crisis** situations
- (C) For all covered **Recall Expenses** occurring during the **Policy Year**, the Company's maximum liability shall be twenty-five percent (25%) of the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations, up to a maximum limit of liability of one million dollars (\$1,000,000), which amount is part of, and not in addition to, the Limits of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (D) For all covered rest and rehabilitation expenses incurred during the **Policy Year**, the Company's maximum liability shall be one hundred thousand dollars (\$100,000), which amount is part of, and not in addition to, the Limits of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.
  - (E) The Company's liability under this Coverage Part shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 3 of the KR&E Declarations.
  - (F) If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Retention set forth in Item 3 of the KR&E Declarations shall be reduced by the deductible or retention previously applied to such loss.
- 

**VII. LIABILITY FOR PRIOR LOSSES**

- (A) Coverage shall be available for loss as a result of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** which occurred or was communicated to the **Organization**, prior to the inception date of this Policy, prior to the effective date of coverage for any additional **Insureds** or prior to the effective date of any coverage added by endorsement, if:
  - (1) an **Organization** or some predecessor in interest of such **Organization** carried a prior policy, which at the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** occurred or was communicated, afforded some or all of the coverage of an Insuring Clause under this Coverage Part applicable to such prior loss;
  - (2) such coverage continued without interruption from the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** occurred or was communicated, until the inception date or effective date(s) as described above; and
  - (3) such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** was first discovered by an **Organization** after the time allowed for discovery under the last such policy.
- (B) If such prior policy carried by an **Organization** or predecessor in interest of such **Organization** was issued by the Company or any subsidiary or affiliate of The Chubb Corporation, such prior policy shall terminate as of the inception of this Policy and such prior policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy.

- (C) The **Insured** will neither be entitled to a separate recovery under each policy in force at the time the **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, sustained or discovered, nor will the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability shall not exceed the lesser of the limit of liability of the policy in force at the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, or the applicable Limit of Liability set forth in Item 2 of the KR&E Declarations.
- 

#### VIII. BENEFICIARY

- (A) The **Loss of Life Benefit Amount** for **Loss of Life** shall be paid to an **Insured Person's** designated beneficiary. The Benefit Amount set forth in Item 2(D) of the KR&E Declarations for all other **Accidental Loss** shall be paid to the **Insured Person**, unless otherwise directed by the **Insured Person**.
- (B) If an **Insured Person** suffers **Loss of Life** and has not designated a beneficiary, or if the designated beneficiary is not alive, the Company shall pay covered loss in the following order:
- (1) to the spouse or common law partner;
  - (2) in equal shares to the surviving children;
  - (3) in equal shares to the surviving parents;
  - (4) in equal shares to the surviving brothers and sisters; or
  - (5) to the estate,
- of the **Insured Person**.
- 

#### IX. NON-ACCUMULATION OF LIABILITY

- (A) When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.
- (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Company with respect to any loss shall not be cumulative from **Policy Year** to **Policy Year** or from **Policy Period** to **Policy Period**.
- 

#### X. LOSS SUSTAINED

A loss shall be deemed to have been sustained under:

- (A) Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, at the time of surrender of the ransom or extortion payment;
- (B) Insuring Clause (B), Custody Coverage, at the time of actual destruction, disappearance, confiscation or wrongful abstraction of the property or other consideration;
- (C) Insuring Clause (C), Expense Coverage, at the time of payment of incurred **Expenses** by an **Organization**;
- (D) Insuring Clause (D), Accidental Loss Coverage, at the time of **Accidental Loss**;

**ForeFront Portfolio**  
**Kidnap, Ransom and Extortion (KR&E)**  
**Coverage Part**

---

- (E) Insuring Clause (E), Legal Liability Costs Coverage, at the time an **Organization** has made payment for any incurred expense, judgment or settlement;
  - (F) Insuring Clause (F), Emergency Political Repatriation Expense Coverage, at the time of payment of incurred **Repatriation Expenses** by an **Organization**;
  - (G) Insuring Clause (G), Disappearance Investigation Expense Coverage, at the time of payment of incurred **Disappearance Investigation Expenses** by an **Organization**;
  - (H) Insuring Clause (H), Express Kidnap Costs Coverage, at the time of payment of incurred **Express Kidnap Costs** by an **Organization**; or
  - (I) Insuring Clause (I), Hostage Crisis Costs Coverage, at the time of payment of incurred **Hostage Crisis Costs** by an **Organization**.
- 

**XI. OTHER INSURANCE**

- (A) If any loss under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
  - (B) The Company's liability under this Coverage Part for any loss of personal assets under Section IV, Personal Assets, other than a loss sustained by an **Employee**, shall be reduced by any amount paid or payable on account of such loss under such other insurance issued by the Company or any subsidiary or affiliate of The Chubb Corporation.
- 

**XII. VALUATION AND FOREIGN CURRENCY**

The Company shall pay:

- (A) the least of:
  - (1) the actual market value of lost, damaged or destroyed securities at the closing price of such securities on the business day immediately preceding the day on which a loss is discovered;
  - (2) the cost of replacing securities; or
  - (3) the cost to post a Lost Instrument Bond,such cost shall be paid by the Company on behalf of an **Organization**; or
- (B) the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records; or
- (C) the least of:
  - (1) the actual cash value of any other property or other consideration at the time of loss; or
  - (2) the actual cost to repair or replace such other property or consideration with that of similar quality and value; or
- (D) the Canadian dollar value of foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving foreign currency is discovered.

- (E) the United States of America dollar value of any foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving foreign currency is discovered if the Limits of Liability and Retention set forth in Item 2 and Item 3 of the KR&E Declarations are clearly expressed in United States of America (U.S.) currency.
- 

### **XIII. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

---

### **XIV. RECOVERIES**

- (A) Recoveries for any loss covered under this Coverage Part, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
- (1) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
  - (2) second, to the Company for the amount of such loss paid to an **Insured** as covered loss;
  - (3) third, to an **Insured** for the Retention applicable to such loss;
  - (4) fourth, to an **Insured** for the amount of such loss not covered under this Coverage Part.
- (B) Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.



**ForeFront Portfolio  
Workplace Violence Expense (WPV)  
Coverage Part**

WPVDECLARATIONS

CHUBB INSURANCE COMPANY OF CANADA  
herein called the Company

Policy Number: <PolicyNumber>

**Item 1. Parent Organization:** <InsuredName>

**Item 2. Limit of Liability for this Coverage Part:** <CUR\_WPV\_Limit\_X>

**Item 3. Retention:** <CUR\_WPV\_Retention\_X>

In witness whereof, the Company issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.

**CHUBB INSURANCE COMPANY OF CANADA**



**Authorized Representative**

**President**

<Today>

**Date**

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

**In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:**

---

**I. INSURING CLAUSES**

**Insuring Clause (A): Expense Coverage**

- (A) The Company shall reimburse the **Parent Organization** for:
- (1) **Workplace Violence Expenses** incurred by an **Organization** resulting from **Workplace Violence**; or
  - (2) **Stalking Threat Expenses** incurred by an **Organization** resulting from a **Stalking Threat**.

**Insuring Clause (B): Business Income Coverage**

- (B) The Company shall reimburse the **Parent Organization** for the actual lost **Business Income** incurred by an **Organization** due to:
- (1) the actual suspension of **Operations** during the **Period of Restoration**; or
  - (2) an order by a civil authority prohibiting access to the **Premises**, in whole or in part,  
resulting from **Workplace Violence**.

**Insuring Clause (C): Loss of Life Coverage**

- (C) The Company shall pay a **Benefit Amount** for **Loss of Life** of an **Employee** resulting from **Workplace Violence**.

---

**II. DEFINITIONS**

For purposes of this Coverage Part:

**Benefit Amount** means the amount of fifty thousand dollars (\$50,000), which the Company shall pay as a result of **Loss of Life** of an **Employee**.

**Business Income** means:

- (A) the sum of:
- (1) net profit before income taxes that would have been earned had no **Workplace Violence** occurred;
  - (2) the actual cost of continuing, on a curtailed basis, activities which are necessary for an **Organization** to resume operations with substantially the same quality of service which existed immediately preceding the **Workplace Violence**; and
  - (3) reasonable expenses which would not have been incurred except for such **Workplace Violence** and which were incurred by the **Organization** for the sole purpose of reducing loss described in Paragraph (A)(1) and Paragraph (A)(2) of this definition, not to exceed the amount of actual reduction of such loss;
- (B) less the sum of:
- (1) all recoveries, insurance, suretyship and other indemnity which would cover loss described in Subsection (A) of this definition in the absence of this coverage; and
  - (2) the amount by which the **Organization** fails to reduce loss described in Subsection (A) of this definition through any reasonable measures.

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

**Employee** means any natural person in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** governs and directs in the performance of such service, including any **Executive**, a part-time, seasonal, leased and temporary employee, intern or volunteer. **Employee** shall not include any independent contractor.

**Executive** means any natural person specified below:

- (A) a duly elected or appointed: (1) director (including a *de facto* director); (2) officer; (3) trustee; (4) governor; (5) member of the Advisory Board; or (6) in-house general counsel of any **Organization** incorporated in Canada or the United States of America;
- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) member of the Advisory Board; or (3) in-house general counsel, of any **Organization** formed as a limited liability company in Canada or the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

**Guest** means any natural person visiting the **Premises** for a lawful purpose.

**Insured** means any **Organization** and any **Insured Person**.

**Insured Person** means:

- (A) any **Employee**; or
- (B) any customer or **Guest** of an **Organization** on the **Premises**.

**Loss of Life** means death, including clinical death, determined by a medical examiner or similar local governing medical authority.

**Operations** means business activities of an **Organization** at the **Premises** prior to the **Workplace Violence**.

**Period of Restoration** means the period of time which begins twenty-four (24) hours following the actual suspension of **Operations** as described in Insuring Clause (B), Business Income Coverage, and ends on the earlier of:

- (A) the date **Operations** are restored by an **Organization**, with due diligence and dispatch, to the level that existed prior to the **Workplace Violence**;
- (B) ninety (90) days after such suspension of **Operations**; or
- (C) thirty (30) days after a civil authority denies an **Insured** access to the **Premises**,

provided that termination of this Coverage Part shall not reduce the **Period of Restoration**.

**Premise** means buildings, facilities or properties occupied by an **Organization** in conducting its business.

**Relative** means spouse, common law partner, sibling, spouse's sibling, ancestors, spouse's ancestor, lineal descendant or lineal descendants' spouse. Lineal descendant include adopted children, foster children and stepchildren. Ancestor includes adoptive parent and stepparent.

**Salary** means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments and the cost of health, welfare and pension benefits.

**Stalking Threat** means conduct, other than **Workplace Violence**, which demonstrates intent to harm an **Employee** or an **Organization**.

**Stalking Threat Expense** means reasonable fees and expenses for, or cost of:

- (A) an independent threat management consultant to assess and help diffuse the **Stalking Threat**;

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

- (B) independent security guard services for up to ninety (90) days; and
- (C) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

**Workplace Violence** means any intentional and unlawful:

- (A) act of potentially deadly force involving the use of a lethal weapon; or
- (B) threat of deadly force involving the display of a lethal weapon,

which occurs on or in the **Premise** and which did or could result in bodily injury or death to an **Insured Person**.

**Workplace Violence Expense** means reasonable fees and expenses for, or cost of:

- (A) an independent crisis management consultant for ninety (90) days following the date the **Workplace Violence** occurs;
- (B) an independent public relations consultant for ninety (90) days following the date the **Workplace Violence** occurs;
- (C) independent crisis mental health specialists for ten (10) days following the date the **Workplace Violence** occurs;
- (D) independent security guard services for up to ninety (90) days;
- (E) an independent forensic analyst;
- (F) the **Salary** which an **Organization** continues to pay an **Employee** who has been a victim of **Workplace Violence**; coverage shall apply to the **Salary** in effect at the time of such **Workplace Violence** and will end ninety (90) days following the date such **Workplace Violence** occurs;
- (G) the **Salary** or wages which an **Organization** pays a newly hired **Employee** to conduct the duties of an **Employee** who has been a victim of **Workplace Violence**; coverage shall apply to such **Salary** in effect at the time of such **Workplace Violence** and will end ninety (90) days following the date such **Workplace Violence** occurs;
- (H) a reward paid by an **Organization** to a natural person who provides information leading to the arrest and conviction of the person(s) responsible for the **Workplace Violence**;
- (I) reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, for an **Insured Person** who is a victim of **Workplace Violence**;
- (J) reasonable expenses of rest and rehabilitation of an **Insured Person** and the **Insured Person's Relatives**, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following the date the **Workplace Violence** occurs; and
- (K) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

---

### III. EXCLUSIONS

No coverage will be available for:

- (A) Off Premise

**Workplace Violence** which occurs at any location other than the **Premise**;

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

- (B) War  
loss arising from declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization;
- (C) Legal Costs  
legal costs, judgments and settlements incurred as the result of any claim, suit or judicial action brought against an **Organization** in connection with **Workplace Violence** or **Stalking Threat**;
- (D) Robbery  
loss resulting from the use or threat of force or violence occurring on the **Premise** for the purpose of demanding money, securities or property; or
- (E) Notice  
loss unless the **Workplace Violence** or **Stalking Threat** occurs or is directly or indirectly communicated to any **Insured** prior to the:
- (1) termination of this Coverage Part as to such **Insured** and is discovered and communicated in writing to the Company within sixty (60) days following the effective date of such termination;
  - (2) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the Company within sixty (60) days following the effective date of such termination;
  - (3) termination of this Coverage Part in its entirety and is discovered and communicated in writing to the Company within sixty (60) days following the effective date of such termination, if this Coverage Part is not renewed with the Company; or
  - (4) termination of this Coverage Part in its entirety and is discovered and communicated in writing to the Company prior to such termination, if this Coverage Part is renewed with the Company.
- 

**IV. PROOF OF LOSS AND LEGAL PROCEEDINGS**

- (A) As a condition precedent to coverage hereunder:
- (1) a loss must be sustained or communicated to an **Insured**; and
  - (2) the **Parent Organization** must furnish a proof of loss with full particulars to the Company within six (6) months after such loss is sustained or communicated to an **Insured**.
- (B) No **Insured** shall institute legal proceedings against the Company after the expiration of a period of two (2) years immediately following the time such loss was sustained.
- 

**V. LIMITS OF LIABILITY AND RETENTION**

- (A) The Company's maximum liability for each loss shall not exceed the Limit of Liability set forth in Item 2 of the WPV Declarations, regardless of the number of **Insureds** sustaining the loss.

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

- (B) The payment of loss under this Coverage Part will not reduce the liability of the Company for other losses, provided that the Company's maximum liability for each loss shall not exceed the Limit of Liability set forth in Item 2 of the WPV Declarations.
- (C) All loss resulting from a single act or series of related acts committed by a person or group in which the same **Insured** is concerned or implicated, whether loss covered under Insuring Clauses (A), Expense Coverage, (B), Business Income Coverage, or (C), Loss of Life Coverage, will be treated as a single loss.
- (D) The maximum liability of the Company for each **Employee's Loss of Life** will be the **Benefit Amount**, which amount is part of, and not in addition to, the Limit of Liability set forth in Item 2 of the WPV Declarations. If more than one **Employee** suffers a covered **Loss of Life** from a single act or a series of related acts of **Workplace Violence**, the Company's maximum liability for all **Benefit Amount(s)** shall be the Limit of Liability set forth in Item 2 of the WPV Declarations, provided that if such total **Benefit Amount(s)** exceed the available Limit of Liability of this Coverage Part, such available Limit of Liability shall be divided proportionately among such **Employees'** beneficiaries.
- (E) The Company's maximum liability for **Business Income** covered from a single act of **Workplace Violence** or series of related acts of **Workplace Violence** shall be twenty five percent (25%) of the Limit of Liability set forth in Item 2 of the WPV Declarations up to a maximum of \$1,000,000, which amount is part of, and not in addition to, the Limit of Liability set forth in Item 2 of the WPV Declarations.
- (F) The Company's maximum aggregate liability for all rest and rehabilitation **Workplace Violence Expenses** covered from a single act of **Workplace Violence** or series of related acts of **Workplace Violence** shall be fifty thousand dollars (\$50,000), which amount is part of, and not in addition to, the Limit of Liability set forth in Item 2 of the WPV Declarations.
- (G) The Company's liability under this Coverage Part shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 3 of the WPV Declarations.
- (H) If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Retention set forth in Item 3 of the WPV Declarations shall be reduced by the deductible or retention previously applied to such loss.

---

**VI. LIABILITY FOR PRIOR LOSSES**

- (A) Coverage shall be available for loss as a result of **Workplace Violence** or **Stalking Threat** which occurred or was communicated, prior to the inception date of this Policy, prior to the effective date of coverage for any additional **Insureds** or prior to the effective date of any coverage added by endorsement, if:
  - (1) an **Organization** or some predecessor in interest of such **Organization** carried a prior policy, which at the time such **Workplace Violence** or **Stalking Threat** occurred or was communicated, afforded some or all of the coverage of an Insuring Clause under this Coverage Part applicable to such prior loss;
  - (2) such coverage continued without interruption from the time such loss was sustained until the inception date or effective date(s) as described above; and
  - (3) such loss was first discovered by an **Insured** after the time allowed for discovery under the last such policy.

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

- (B) If such prior policy carried by an **Organization** or predecessor in interest of such **Organization** was issued by the Company or any subsidiary or affiliate of The Chubb Corporation, such prior policy shall terminate as of the inception of this Policy and such prior policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy.
  - (C) The **Insured** will neither be entitled to a separate recovery under each policy in force at the time such **Workplace Violence** or **Stalking Threat** occurred or was communicated, sustained or discovered, nor will the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability will not exceed the lesser of the limit of liability of the policy in force at the time such **Workplace Violence** or **Stalking Threat** occurred or was communicated or the Limit of Liability set forth in Item 2 of the WPV Declarations.
- 

**VII. BENEFICIARY**

The **Benefit Amount** for **Loss of Life** shall be paid to an **Employee's** designated beneficiary. If such **Employee** has not designated a beneficiary, or if the designated beneficiary is not alive, the Company will pay the **Benefit Amount** in the following order:

- (A) to the spouse or common law partner;
- (B) in equal shares to the surviving children;
- (C) in equal shares to the surviving parents;
- (D) in equal shares to the surviving brothers and sisters; or
- (E) to the estate,

of the **Employee**.

---

**VIII. NON-ACCUMULATION OF LIABILITY**

- (A) When there is more than one **Insured**, the maximum limit of liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.
  - (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Company with respect to any loss shall not be cumulative from **Policy Year** to **Policy Year** or from **Policy Period** to **Policy Period**.
- 

**IX. LOSS SUSTAINED**

All loss shall be deemed to have been sustained under:

- (A) Insuring Clause (A), Expense Coverage, at the time of the payment of incurred **Workplace Violence Expenses** or **Stalking Threat Expenses** by the **Organization**;
  - (B) Insuring Clause (B), Business Income Coverage, upon the expiration of the **Period of Restoration**; or
  - (C) Insuring Clause (C), Loss of Life Coverage, at the time the **Loss of Life** occurs.
-

**ForeFront Portfolio**  
**Workplace Violence Expense (WPV)**  
**Coverage Part**

---

**X. OTHER INSURANCE**

If any loss under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

---

**XI. FOREIGN CURRENCY**

The Company shall pay the Canadian dollar value of foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving such foreign currency is discovered. The United States of America dollar value of any foreign currency based on the rate of exchange published in *The Globe and Mail* on the day loss involving foreign currency is discovered if the Limit of Liability and Retention set forth in Item 2 and Item 3 of the WPV Declarations are clearly expressed in United States of America (U.S.) currency.

---

**XII. SUBROGATION**

In the event of any payment under this Coverage Part, the Company shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery. As a condition precedent to the Company's payment under this Coverage Part, the **Insureds** agree to execute all papers required and shall take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the Company to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

---

**XIII. RECOVERIES**

- (A) Recoveries for any loss covered under this Coverage Part, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
- (1) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
  - (2) second, to the Company for the amount of such loss paid to an **Insured** as covered loss;
  - (3) third, to an **Insured** for the Retention applicable to such loss;
  - (4) fourth, to an **Insured** for the amount of such loss not covered under this Coverage Part.
- (B) Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.