

Contractors Liability Extension Endorsement

Attached to and forming part of this Policy

Words and phrases in quotation marks are defined in the applicable form or in this endorsement. Various provisions in this endorsement restrict coverage. Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

This endorsement changes the Policy. Please read it carefully. Attached to and forming part of the Commercial General Liability form as shown on the policy declaration page.

Except as otherwise provided in the form, the following Extensions of Coverage are subject to all terms, condition, exclusions, and provisions applicable to the Commercial General Liability form.

SUMMARY OF COVERAGES

Unless specifically endorsed on the "Declarations Page", the Limits stated below are the maximum amounts payable under this Policy. Should any coverage be more specifically covered elsewhere in the policy, that coverage shall apply and the coverage under this extension endorsement shall be null and void.

<u>COVERAGE</u>	<u>LIMIT OF LIABILITY</u>	<u>PAGE</u>
Crane Operators Legal Liability	\$50,000	2
Contractors Errors and Omissions Liability	\$50,000	3
Rip and Tear Extension	\$50,000	8
Voluntary Property Damage	\$10,000	9
Broad Form Completed Operations	Included	10

CRANE OPERATORS' LEGAL LIABILITY

This extension covers the legal liability of the insured for accidental loss or damage to the property of others in the custody of the insured and occurring while the property is being lifted, lowered, or moved by the insured by the use of cranes or other equipment owned by or rented or loaned to the insured. Coverage attaches from the time the lifting, lowering or moving begins and continues only until the property is set down in place at its designated point or destination or until the hook or sling is detached from the property, whichever occurs first.

Additional Exclusions

This extension does not cover the legal liability of the insured for any loss, damage or expense caused by or resulting from:

- (a) any stevedoring operations;
- (b) the failure of the insured to keep cranes and other equipment in an adequate state of repair, as per manufacturers' recommendations;
- (c) the use of cranes while on ice, muskeg or while waterborne;
- (d) operating contrary to any instructions or recommendations as per the manufacturer's specifications or capacity tables.
- (e) criminal or willful acts or omissions of an Insured;
- (f) The weight of any load, including the load block and all rigging, exceeding any or all of:
 - The maximum allowable load;
 - The lifting capacity;
 - The rated load; or
 - Eighty-five percent (85%) of the minimum tipping load;

any or all of which may be set out in the manufacturer's specifications, capacity tables or rating sheets for the particular unit involved;

Limit of Insurance

The insurer shall not be liable hereunder for more \$50,000 (Fifty thousand dollars) in any one loss, either in the case of partial or total loss, legal expenses, salvage charges, sue and labour or any other expense; or all such combined.

Additional Conditions

- (a) This insurance covers the legal liability of the insured arising out of the use of cranes on land only and only while within the territorial limits of Canada unless otherwise endorsed hereon.
- (b) The insured shall not in any way acknowledge or admit any liability from any accident, or settle, negotiate settlement of any claim or suit resulting therein.
- (c) This insurance shall not cover any liability assumed by the insured under any agreement oral or written, for any expense, nor the amount of any settlements incurred or made by the insured on account of any claim unless such expense or settlement is incurred or made by written consent of the insurer. The insured shall not interfere in any negotiations for settlement in any legal proceedings, but shall upon request of the insurer aid in securing information and evidence, the attendance of witnesses and in effecting settlement and prosecuting appeals.
- (d) The insurer shall be subrogated to all rights which the insured may have against any person or other entity, in respect of any claims or payments made under this and the insured shall execute all papers required by the insurer and shall co-operate with the insurer to secure their rights.
- (e) It is warranted that the insured hereunder does not hold any agreement and will not enter into any agreement with any corporation, concern or Individual to relieve said corporation, concern or individual from any liability which the law of custom may impose upon them.
- (f) This extension shall not increase the limits of liability, if applicable, shown on the "declarations" for the Contractor's Equipment Floater Broad Form.

(g) Should the insured hire a sub-contractor crane operator to lift property belonging to others on their behalf, this form will insure those losses on an excess basis only. This insurance will be excess over and above all other valid and collectible crane operators legal liability insurance for that said sub-contractor that may be in force at the time of the loss.

CONTRACTORS' ERRORS AND OMISSIONS LIABILITY (Claims-Made) ENDORSEMENT

This coverage endorsement is attached to, forms part of and modifies the insurance provided under the Commercial General Liability Form, and is subject to the definitions, exclusions, provisions and conditions of the Commercial General Liability Form.

This endorsement provides claims made coverage. "Claims" must first be made against an insured during the policy period and must be reported to us during the policy period or during the period described in Section V - Extended Reporting Period.

Where legally permissible, the payment of "defence costs" shall reduce the limit of insurance.

A Deductible as indicated in Section 2. applies to each "claim." It shall apply to "defence costs" and "damages" where permissible.

Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine rights, duties and what is and is not covered.

Where any provision of this Endorsement conflicts with a similar provision in the Commercial General Liability Form, the provisions of this Endorsement take precedence.

SECTIONS

1. Insuring Agreement

(a) We will pay those sums that you become legally obligated to pay as "damages" arising out of a "claim" from an "error" in "your work", first made against any insured and reported to us during the policy period to which this insurance applies. We will have the right and duty to defend you against any "claim" seeking "damages" arising out of an "error" in "your work" to which this insurance applies. We may, at our discretion, investigate and settle any "claim" to which this insurance applies. However, we will have no duty to defend you against any "claim" to which this insurance does not apply.

Further:

- I. The amount we will pay for the sum of "damages" and "defence costs" is limited as described in Section 2. LIMIT OF INSURANCE, DEDUCTIBLE AND REDUCTION OF LIMIT; and
- II. Our duty to defend any "claim" or to pay any "damages" or any "defence costs" for such "claim" ends when the applicable Limit of Insurance shown in the "schedule" has been exhausted.

(b) This insurance applies only if:

- (i) The "error" takes place in the "coverage territory";
- (ii) The "error" is committed:
 - (1) on or after the Retroactive Date shown on the "schedule"; and
 - (2) before the end of the policy period; and

(iii) A “claim” is first made against any insured during the policy period and reported during the policy period or during the Extended Reporting Period described in Section 5. EXTENDED REPORTING PERIOD and reported to us pursuant to Section 4. ADDITIONAL CONDITIONS.

(c) A “claim” will be deemed to have been first made at the earlier of the following times:

- (i) When notice of such “claim” is first received by any insured; or
- (ii) When a “claim” against an insured is made directly to us in writing.

2. Limit of Insurance, Deductible, And Reduction of Limit

(a) The most we will pay for “damages” and “defence costs” in any one policy period is \$50,000 (Fifty thousand dollars), regardless of the number of “claims” made or brought.

The inclusion of more than one insured in any “claim”, or the making of “claims” by more than one person or entity will not increase the Limit of Insurance. All “claims” arising out of the same “error” and all “interrelated errors” will be deemed one “claim”, and all such “claims” will be deemed to be first made when the earliest of such “claims” is first made during the policy period and reported during the policy period or during the Extended Reporting Period described in Section 5. EXTENDED REPORTING PERIOD and reported to us pursuant to Section

4. ADDITIONAL CONDITIONS.

The Limit of Insurance of this Endorsement applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

(b) Deductible

Subject to applicable law, our obligations to pay “damages” and “defence costs” for any one “claim”, apply only in excess of \$2,500. With respect to each “claim” to which this insurance applies, we will not be liable for more than the difference between the applicable Limit of Insurance and the Deductible, subject to the following provisions:

- I. The terms of this Endorsement, including those with respect to our right and duty to defend any “claim” and your duties in the event of a “claim”, apply irrespective of the application of the Deductible.
- II. We may pay any part or all of the Deductible as “damages” or “defence costs” to effect settlement of any “claim” and, upon notification of the action taken, you will promptly reimburse us for such part of the Deductible as has been paid by us.

(c) Reduction of Limit

Subject to applicable law, “defence costs” are part of and not in addition to the Limit of Insurance.

The Limit of Insurance will be reduced by the sum of:

- i. The amounts we pay as “damages”; and
- ii. The amounts we pay as “defence costs”.

3. Exclusions

This insurance does not apply to:

- a) Any “claim” brought by or on behalf of any insured against any other insured;

- b) Any “claim” for costs or expenses incurred by you to make “your work” comply with the “written specifications”;
- c) Any “claim” for costs or expenses incurred by you for the repair or replacement of defective materials or workmanship in “your work”;
- d) Any “claim” arising out of an “error”:
 - i. in the preparation of estimates of probable job costs, or cost estimates being exceeded or estimates of profit or return on capital;
 - ii. in advising or failure to advise on financing of the work or project; or
 - iii. in advising or failing to advise on any legal work, title checks, form of insurance or suretyship;
- e) Any “claim” for the return of all or any part of payments made to you by your customers for “your work”;
- f) Any liability assumed by you under any written contract or agreement;
- g) Any wilful, dishonest, fraudulent, criminal or malicious act by or on behalf of any insured or any person or organization for which the insured is legally responsible;
- h) Any “claim” based upon or arising out of “bodily injury”, “property damage”, or “personal and advertising injury”;
- i) Any “claim” based upon or arising out of a delay in the performance of any contract or agreement.;
- j) Your loss of profit or expected profit;
- k) Taxes, fines or penalties imposed by law or by any contract;
- l) Any “claim” based upon or arising out of engineering, design, architectural, draftsperson or surveying services, including:
 - i. The preparing, approval or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
 - ii. Supervisory, inspection, architectural, design or engineering activities;

However, this exclusion shall not apply to "claims" based upon or arising from engineering, design, architectural or drafting services if such services are incorporated into "your work".

- m) Any “claim” based upon or arising out of the failure to prevent any “damages”, expense or “error” incurred by any person or organization. This exclusion does not apply to “damages” sustained by others arising out of:
 - i. “Your work”;
 - ii. Property containing or incorporating “your work”; or
 - iii. Property on which “your work” was performed;
- n) Any “claim” based upon or arising out of a decision to:
 - i. substitute a material or product for one specified in “written specifications”;
 - ii. to not use a material or product specified in “written specifications”; or
 - iii. to use a lesser amount of material or product than was requested in “written specifications”;
- o) Any “claim” based upon or arising out of “your work”, which has not been completed. “Your work” will be deemed to be completed at the earliest of the following times:

- i. When all the work called for in the insured's contract has been completed;
 - ii. When all of the work to be done at a particular job site has been completed, only that particular job site will be deemed completed, if the insured's contract calls for work at more than one job site;
or
 - iii. When that part of the work to be done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair, or replacement, but which is otherwise complete, will be treated as completed;
- p) Any "claim" based upon or arising out of or attributable to any "error" which has been the subject of any notice given under any policy or endorsement of which this Endorsement is a successor, renewal or replacement or any policy expiring prior to the inception date of this Endorsement;
 - q) Any "claim" which has been reported, or for which, in any circumstance, notice has been given, under any prior insurance policy or endorsement providing essentially the same type of coverage; or
 - r) As excluded under the Commercial General Liability Form, Section I – COMMON EXCLUSIONS.

4. Additional Conditions

Under Commercial Common Agreements, Definitions, Exclusions and Conditions form – Liability Forms – General Conditions (3) Duties In The Event of Occurrence, Offense, Claim or Action is expanded to include the following:

- a) When an insured is reporting a "claim" to us, the insured must provide effective written notice to us, and this may also require proof of transmittal.
 - i. Notice of Claim
The insured will give to us written notice of any "claim" first made against any insured as soon as practicable but in no event later than the terms of Section 5. Extended Reporting Period.
 - ii. Notice of an Error
If during the policy period the insured becomes aware of a specific "error", which could give rise to a "claim", and the insured gives written notice of such specific "error" to us during the policy period, then any "claim" subsequently arising from such "error" will be considered to have been made during the policy period in which such "error" was first reported to us.

5. Extended Reporting Period

In the case we or the first Named insured shown in the Declarations, cancels, terminates or non-renews this Endorsement, for any reasons other than the non-payment of your premium, the first Named insured shown in the Declarations will have the right to:

- a) Give us written notice of a "claim" first made against you for any "error" that occurred prior to the earlier of the end of the policy period or the date of the cancellation, termination or non-renewal of this Endorsement, for a period of 60 days following the effective date of such cancellation, termination or non-renewal; or
- b) Upon the payment of an additional premium of 75% of the last annual premium, to give us written notice of a "claim" first made against you for any "error" that occurred prior to the earlier of the end of

the policy period or the date of the cancellation, termination or non-renewal of this Endorsement, for a period of 365 days following the effective date of such cancellation, termination or non-renewal.

Your right to an Extended Reporting Period as provided in paragraph (b) above will end unless we received within 60 days after the effective date of cancellation, termination or non-renewal:

- i. Your written notice to elect your right; and
- ii. Payment of the additional premium.

A change in this Endorsement's terms, conditions, exclusions and premiums shall not be considered a non-renewal for the purpose of triggering rights to this Extended Reporting Period.

The Extended Reporting Period is non-cancellable and the additional premium shall be fully earned.

The Limit of Liability for any Extended Reporting Period will be part of and not in addition to the Limit of Liability for the policy period.

6. Definitions

Wherever used in this Endorsement:

- 1) "Claim" means
 - i. A written demand for "damages";
 - ii. A civil proceeding commenced by the service of a statement of claim or similar pleading and in which "damages" are alleged; and
 - iii. An arbitration proceeding or any other alternative dispute resolution proceeding in which "damages" are claimed and to which the insured must submit or does submit with our consent.

- 2) "Damages" means
Monetary damages you are legally liable for, arising out of an "error" in "your work", including any resulting "loss of use".
"Damages" do not include:
 - i. Costs and expenses incurred by you as the result of:
 - a) the recall or withdrawal of "your work" from the marketplace or from use by any person or organization; or
 - b) the inspection of "your work", or any part of such work, or work in which "your work" is incorporated.

However, this provision does not apply to "damages" from an "error" resulting from such recall, withdrawal, or inspection;

- i. Voluntary payments made by you without our prior consent;
- ii. Costs, expenses, or refunds to your customers that result from any promise, representation, or warranty made or provided by or for you in connection with "your work";
- iii. Any punitive, aggravated or exemplary damages or the multiple portion of any multiplied damage award; or
- iv. Costs or expenses arising from matters uninsurable under the law pursuant to which this Endorsement is governed.
- v. Prejudgment interest awarded against an insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance shown on the "schedule", we will not pay any prejudgment interest based on the period of time after our offer to pay;
- vi. All interest on the full amount of any judgment that accrues after the entry of the judgment and before we have paid, or deposited in the court the part of the judgment that is within the applicable Limit of Insurance

- 3) "Defence costs" means:
 - i. Fees charged by any lawyer appointed by us or fees charged by any lawyer you appoint with our consent;
 - ii. Reasonable expenses incurred by you at our request to assist us in the investigation or defence of a "claim", including your actual loss of earnings up to \$1,000 a day with an aggregate maximum limit of \$10,000 because of time off from work;
 - iii. All court costs awarded against an insured by a court of law in a civil proceeding;
 - iv. The premium on bonds to release attachments, but only for premium amounts within the applicable Limit of Insurance shown on the "schedule". We do not have to furnish these bonds; and
 - v. All other fees, costs, and expenses resulting from the investigation, adjustment, defence, and appeal of a "claim", if incurred by us.
- 4) "Error" means any error, omission or negligent act by you or on your behalf which results in the failure of "your work" to meet "written specifications" of the person or organization for whom the work was completed, after installation, testing and final acceptance of "your work" by your customer.
- 5) "Income" means the difference between the net profit before income taxes that would have been earned during the period of "loss of use" and the net profit before incomes taxes actually earned during the period of "loss of use", less the salvage value of any property suffering the "loss of use".
- 6) "Interrelated errors" means all "errors" that are related, including "errors" that have as a common nexus any event, transaction, cause or series of related events, transactions, or causes.
- 7) "Loss of use" means loss of use of tangible property, arising out of an "error" in "your work".
- 8) "Written specifications" means written specifications as to the nature and content of "your work" to be purchased from the insured, which are provided in advance by you to the customer to whom "your work" is being offered for sale.

All other terms and conditions remain unchanged.

RIP AND TEAR EXTENSION ENDORSEMENT

Attached to and forming part of the Commercial General Liability Form

This endorsement modifies insurance provided under the General Liability Rider attached to the Policy. This insurance applies to:

Liability arising out of "expenses" the Insured is legally obligated to pay because of intentional destruction of wall, partition, floor, or ceiling materials during the removal of a "defective product" which formed part of "your work".

Definitions

For the purpose of this endorsement only:

- 1) "Defective Product" means "your product" which does not meet the contractual specifications required which relate to strength or performance for the specific construction project in which "your product" was used.
- 2) "expenses" mean costs paid by the Insured for:

- a) removal of a "defective product", however, the actual cost of the "defective product" or of any defective work done by the Insured or by any other entity on behalf of the Insured is not covered hereunder.
- b) replacement of forms, reinforcements, piping, wiring and other materials necessarily damaged during the removal of the "defective product"; and
- c) returning the structure in which the "defective product" was installed to the same condition in which it existed at the time any such product was determined to be defective.

Limit of Liability

The Limit of Insurance for this coverage shall be \$50,000 in the aggregate. This is the maximum amount we will pay under this Coverage for all losses arising in any one policy term. Our obligation under this form applies only to the amount of "expenses" in excess of a deductible amount of \$1,000 applicable to this coverage and the Limit of Insurance applicable to this coverage shall not be reduced by the application of said deductible amount.

The Limit of Insurance for this Coverage shall be in addition to the Limit of Insurance stated in the Declarations as applicable to Coverages A, B, C and D.

Except as otherwise provided in this form, all terms, provisions and conditions of the policy shall have full force and effect.

VOLUNTARY PROPERTY DAMAGE

1. Insuring Agreement

We will pay for unintentional direct damage you cause to property of others even though you are not legally liable. The limit of insurance for this coverage shall be \$10,000 in the aggregate amount for any policy period and is in addition to, and not part of the Each Occurrence Limit applicable to the Commercial General Liability form. The amount we will pay for unintentional direct damage you cause to property of others will not exceed, whichever is the least of:

- a) the actual cash value of the property at the time of loss; or
- b) what it would cost to repair or replace the property with property of similar quality at the time of loss; or
- c) the amount of insurance shown in the "Declarations"

2. Exclusions

This coverage does not apply to:

- a) loss of use, disappearance or theft of property;
- b) losses resulting from the ownership, use or operation of automobiles or watercraft;
- c) property you or your tenants own or rent;
- d) losses which are insured elsewhere under this Policy.
- e) losses which were prior to the effective date of this endorsement.

3. Basis of Payment:

We reserve the right to pay for the loss in money or we may repair or replace the property. We may settle any claim for loss of property with either you or the owner of the property.

4. Deductible

The coverage under this extension is subject to a deductible of \$1,000 – which amount shall be deducted from each claim payable under this coverage.

BROAD FORM COMPLETED OPERATIONS

Section I, Coverage A. Bodily Injury and Property Damage Liability, 2. Exclusions (i). Damage to Your Work is deleted and replaced with the following:

i. **Damage to Your Work**

"Property damage" to that particular part of "your work" which is defective and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor