



2020 General Insurance Program TRI-COUNTY WATER BOARD

Renewal Report for the Policy Term December 17, 2020 to December 17, 2021

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ABOUT FRANK COWAN COMPANY

Frank Cowan Company is a leader in providing specialized insurance programs, including risk management and claims services to municipalities, healthcare, education, community, children's and social service organizations across Canada. Proven industry knowledge, gained through over nine decades of partnering with insurance companies and independent brokers, gives Frank Cowan Company the ability to effectively manage the necessary risk, advisory and claims services for both standard and complex issues.

Frank Cowan Company is a Managing General Agent (MGA) with the authority to write and service business on behalf of strategic partners who share our commitment and dedication to protecting specialized organizations. Because our partners are long-term participants on our program, they understand the nature of fluctuating market conditions and complex claims and are prepared to stay the course.

CANADIAN OWNED COMPANY WITH 90+ YEARS OF CONTINUOUS OPERATION

MARKET LEADER

MUNICIPAL & SPECIALTY CLIENTS

Municipal market share leader in Ontario with strong representation of public entity and specialty clients across Canada.

INNOVATIVE

NEW PRODUCTS & SERVICES

Active Assailant
Cyber Risk Insurance
Fraudulently Induced Transfer
Road Reviews
Fleet Management

IN-HOUSE

CLAIMS & RISK MANAGEMENT

In-house claims management = faster turn around, single point of contact, specialized expertise in the municipal claims environment.

Go above and beyond with complimentary risk management services such as contract reviews, inspections and the Centre of Excellence.



THE ADVANTAGE OF A MANAGING GENERAL AGENT

The MGA model is different than a traditional broker/insurer arrangement in that an MGA provides specialized expertise in a specific, niche area of business. As an MGA we also offer clients additional and helpful services in the area of risk management, claims and underwriting. And unlike the reciprocal model, a policy issued by an MGA is a full risk transfer vehicle not subject to retroactive assessments but rather a fixed term and premium.

We invite you to work with a partner who is focused on providing a complete insurance program specific to your organization that includes complimentary value-added services that help drive down the cost of claims and innovative first to market products and enhancements. You will receive personalized service and expertise from a full-service, local and in-house team of risk management, claims, marketing and underwriting professionals.

As a trusted business partner, we believe in participating in and advocating for the causes that affect our clients. For this reason, we affiliate with and support key provincial and national associations. In order for Frank Cowan Company to be effective in serving you, we, as an MGA, believe in fully understanding your needs, concerns and direction. Our support is delivered through thought leadership, financial resources, advocacy, services, education and more.

RISK MANAGEMENT SERVICES

We are the leader in specialized risk management and place emphasis on helping your organization develop a solid plan to minimize exposure before potential incidents occur. Risk management is built into our offerings for all clients, fully integrated into every insurance program. Our risk management team is comprised of analysts, inspectors and engineers who use their expertise to help mitigate risk. We do everything we can to minimize your exposure before potential incidents occur. This includes providing education, road reviews, fleet reviews, contract analysis and property inspections.

CLAIMS MANAGEMENT SERVICES

Our in-house team of experts has the depth of knowledge, experience and commitment to manage the complicated details of claims that your organization may experience. You deal with the public often in sensitive instances where serious accusations can be made. Your claims are often long-tail in nature and can take years to settle. Some claims aren't filed until years after the occurrence or accident. You want a team of professionals on your side that will vigorously defend your reputation. We understand your risks and your exposures and have maintained a long-term commitment to understanding the complex issues your organization may face so that we can better service your unique claims requirements.



***Please note that the information contained in this document is proprietary and confidential and is to be used for the sole purpose of determining the successful proponent. Permission must be obtained from Frank Cowan Company prior to the release of any information contained herein for any other purpose than evaluating this submission.**

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Casualty

Coverage Description	(\$) *Deductibles	(\$) Limit of Insurance
General Liability (Occurrence Form) <i>Broad Definition of Insured</i>	5,000	15,000,000 Per Claim No Aggregate
Wrongful Dismissal (Legal Expense – Claims Made)	5,000	250,000 Per Claim 250,000 Aggregate
Forest Fire Expense	Nil	1,000,000 1,000,000 Aggregate
Sewer Backup	5,000 Per Claimant	Included
Errors & Omissions Liability (Claims Made Form)	5,000	15,000,000 Per Claim No Aggregate
Non-Owned Automobile Liability		15,000,000
Legal Liability for Damage to Hired Automobiles	1,000	250,000
*Your deductible may be a Deductible and Reimbursement Clause (including expenses) refer to Policy Wordings		

Crime

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Employee Dishonesty –Form A (Commercial Blanket Bond)		1,000,000
Loss Inside the Premises (Broad Form Money & Securities)		200,000
Loss Outside the Premises (Broad Form Money & Securities)		200,000
Audit Expense		200,000
Money Orders and Counterfeit Paper Currency		200,000
Forgery or Alteration (Depositors Forgery)		1,000,000

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Property

**Coverage is on an All Risk Basis unless otherwise specified.
Basis of Settlement is Replacement Cost unless otherwise specified
The Deductible is on a Per Occurrence Basis**

Coverage Description	(\$) Deductibles	Basis	(\$) Limit of Insurance
Property of Every Description - Blanket	5,000	RC	22,122,900

Property Supplemental Coverage

(Included in the Total Sum Insured unless otherwise specified in the wording)

Building By-laws	5,000	Included
Building Damage by theft	5,000	Included
Debris Removal	5,000	Included
Electronic Computer Systems		
Electronic Computer Hardware and Media	5,000	Included
Electronic Computer Systems Breakdown		Not Insured
Electronic Computer Systems – Extra Expense		Not Insured
Extra Expense Period of Restoration	5,000	90 Days
Expediting Expense	5,000	Included
Fire or Police Department Service Charges	5,000	Included
First Party Pollution Clean-up	5,000	Included
Fungi and Spores	5,000	10,000
Furs, Jewellery and Ceremonial Regalia		
Ceremonial Regalia	5,000	Included
Furs and Jewellery	5,000	25,000
Inflation Adjustment	5,000	Included
Live Animals Birds or Fish	5,000	25,000
Newly Acquired Property	5,000	Included

Professional Fees	5,000	Included
Property and Unnamed Locations	5,000	Included
Property Temporarily Removed Including while on Exhibition and during Transit	5,000	Included
Recharge of Fire Protection Equipment Expense	5,000	Included
Sewer Backup and Overflow	5,000	Included

Public Entity Extension Endorsement (In Addition to the Total Sum Insured unless specifically scheduled in the wording)		
Accounts Receivable	5,000	500,000
Bridges and Culverts	5,000	50,000
Buildings Owned due to Non Payment of Municipal Taxes		Not Insured
Buildings in the Course of Construction Reporting Extension	5,000	1,000,000
By Laws – Governing Acts	5,000	25,000
Consequential Loss Caused by Interruption of Services		
On Premises	5,000	Included
Off Premises	5,000	50,000
Cost to Attract Volunteers Following a Loss	5,000	10,000
Docks, Wharves and Piers	5,000	100,000
Errors and Omissions	5,000	Included
Exterior Paved Surfaces	5,000	50,000
Extra Expense	5,000	500,000
Fine Arts		
At Insured's Own Premises	5,000	25,000
On Exhibition	5,000	25,000
Fundraising Expenses	5,000	10,000
Green Extension	5,000	50,000
Growing Plants		
Any One Item	5,000	1,000
Per Occurrence	5,000	100,000
Ingress and Egress	5,000	Included

Leasehold Interest	5,000	25,000
Master Key	5,000	25,000
Peak Season Increase	5,000	25,000
Personal Effects	5,000	25,000
Property of Others	5,000	25,000
Rewards: Arson, Burglary Robbery and Vandalism	5,000	25,000
Signs	5,000	Included
Vacant Property	5,000	1,000,000
Valuable Papers	5,000	500,000
Business Interruption		
Rent or Rental Value	5,000	500,000
Additional Endorsements		
Virus and Bacteria Exclusion	Not Applicable	Included
Earthquake – Other Property	5,000	Included
Earthquake – Buildings	Not Applicable	Excluded
Flood – Other Property	5,000	Included
Flood – Buildings	Not Applicable	Excluded
(\$ Total Amount of Insurance		24,692,900
RC = Replacement Cost ACV = Actual Cash Value VAL = Valued		

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Equipment Breakdown (TechAdvantage)

Coverage Description	(\$) Deductibles / Waiting Period	(\$) Limit of Insurance
Direct Damage	5,000	50,000,000 Per Accident
Extra Expense		500,000
Spoilage		50,000
Expediting Expense		Included
Hazardous Substances		500,000
Ammonia Contamination		500,000
Water Damage		500,000
Professional Fees		500,000
Civil Authority or Denial of Access		30 days
Errors and Omissions		250,000
Data Restoration		50,000
By-Law Cover		Included
Off Premises Transportable Object		10,000
Brands and Labels		100,000
Green Coverage		50,000
Environmental Efficiency *Will not show on Declarations Page		Up to 150% of Loss
Anchor Locations		Included
Service Interruption *Will not show on Declarations Page		Included Within 1000 metres

Account Premium

<i>Prior Term</i>	<i>Total Annual Premium (Excluding Taxes Payable)</i>	\$ 14,481	Total Annual Premium (Excluding Taxes Payable)	\$ 18,285
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Please refer to the insurance contract for all limits, terms, conditions and exclusions that apply. The premium Quoted is subject to a 15% minimum retained (unless otherwise stated).

Note: Account Is Subject to Response from Covid-19 General Supplemental Application Form.

Cost Analysis

	Expiring Program Term	Renewal Program Term
Casualty		
General Liability	\$ 4,735	\$ 5,445
Errors and Omissions Liability	2,500	2,750
Non-Owned Automobile Liability	100	100
Crime	500	515
Property		
Property	4,736	7,293
Equipment Breakdown	1,910	2,182
<u>Total Annual Premium</u>	\$ 14,481	\$ 18,285
(Excluding Taxes Payable)		

CHANGES TO YOUR INSURANCE PROGRAM

Please be advised of the following changes to your insurance program that now apply:

General Policy Change

- Effective January 1, 2020 we have updated Form GNGX408 which attaches to all policies where Lloyds is a participating carrier. The 'Notice Concerning Personal Information' section has been updated. A Sanctions Limitation and Exclusion clause has also been added to this form.

Property Policy

- Building values have been increased in order to reflect inflationary trends.
- **Virus and Bacteria Exclusion**

Frank Cowan Company is adding a virus and bacterial exclusion to property policies effective August 1st, 2020 for new business and October 1st, 2020 for renewals.

Previously we've communicated that our property coverage requires there to be a direct physical loss or direct physical damage subject to the policy terms and conditions and that business interruption coverage will not be triggered for a loss caused by a virus or bacteria.

The endorsement now clarifies that we exclude any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease. The exclusion also stipulates that this exclusion supersedes any exclusion or coverage granted relating to 'pollutants' or 'contagions'.

The exclusion applies to all locations and all property policies and coverage including business interruption coverage, builders risk coverage, miscellaneous or other property coverage "form(s)" and any extensions, clauses or additions of coverage attached to and forming part of this policy, including exceptions to exclusions attached to these policies.

PROGRAM OPTIONS

1. **Crime Coverage – Other Optional Coverages**

Other Optional Coverages are also available. See attached Crime Cover Options page for further details.

Quote is available on request (completed application is required).

2. **Crime Coverage – Fraudulently Induced Transfer Coverage**

Fraudulently Induced Transfer Coverage is now available. Covers a loss when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured has transferred, paid or delivered money or securities to this third party.

For Coverage information and available options refer to the Fraudulently Induced Transfer Endorsement Coverage Highlights Sheet.

3. **Remotely Piloted Aircraft Systems (UAV) Coverage**

Property and/or Liability Cover may be available for Remotely Piloted Aircrafts (UAV).

Application required to quote.

For Coverage information refer to the Remotely Piloted Aircraft (UAV) Highlight Sheet.

4. **Active Assailant and Associated Coverages**

Frank Cowan Company has partnered with XLCatlin, a market leader in writing Terrorism Risk, to offer a suite of Terrorism and Associated Coverages.

You have the option to select one or any combination of the following (Separate Policies):

- Active Assailant Event Insurance
- Chemical, Biological, Radiological and Nuclear (CBRN) Insurance
- Terrorism Property Insurance
- Terrorism Liability Insurance

For coverage information, please refer to the Terrorism and Associated Coverage Options.

An application is required to quote.

5. **Property Coverage – Earthquake and Flood Extension to Buildings/Property Insurance**

Earthquake coverage on other property (property other than buildings) is currently included subject to a deductible of \$ 5,000. Earthquake coverage is available on buildings for an additional annual premium.

Flood coverage on other property (property other than buildings) is currently included subject to a deductible of \$ 5,000. Flood coverage is available on buildings for an additional annual premium

Quote is available upon request.

Description of Coverage

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

"Your Insurance Coverage" provides a schedule of proposed coverages, limits and deductibles included in this proposal.

Highlights of coverage follow providing a summary of coverage. Highlight pages may include description of optional coverages.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

GENERAL LIABILITY HIGHLIGHTS

OVERVIEW

- Insures against liability imposed by law for damages because of bodily injury or death to any person resulting from the operations of the Corporation and for damages to or destruction of property of others caused by an accident.
- Insures against liability imposed by law for damages because of Personal Injury sustained by any person caused by false arrest, detention or imprisonment, malicious prosecution, libel, slander, defamation of character, humiliation, invasion of privacy, wrongful eviction, wrongful entry and discrimination.

FEATURES

- No annual aggregate limits.
- Bodily Injury, Property Damage, Products & Completed Operations Liability.
- Included as Insured's are Board Members, Employees, Volunteers while performing their duties as such.
- Blanket Tenants' Legal Liability included.
- Abuse Liability Extension (Occurrence Form, Aggregate Limit).
- Advertisers Liability included.
- Employers Liability included.
- Forest Fire Expense.
- Medical Payments.
- Environmental Liability Exclusion.
- If Applicable, refer to the attached Additional Insured(s) form.

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PUBLIC ENTITY ERRORS AND OMISSIONS LIABILITY COVERAGE HIGHLIGHTS

PUBLIC ENTITY ERRORS AND OMISSIONS INSURANCE

Public Entity Errors and Omissions Insurance (E&O) Coverage protects risks from civil litigation caused by allegations of professional negligence or failure to perform professional duties. Errors and Omissions focuses on providing coverage when there is financial loss to a third party (rather than bodily injury or property damage as general liability does).

FEATURES

Limits	Typically limits follow that of our Liability. We have the availability to offer up to \$50,000,000.
Defence Costs	Over and above the Limit of Insurance. Whether a potential claim is baseless, or not, mounting legal expense can have serious monetary consequences for an Insured.
No Annual Aggregate	With higher out of court settlements and increased damage awards, large or even a series of small claims can quickly erode an annual aggregate limit.
Claims Made Policy	Pays for claims occurring and reported during the policy period. Our policy provides retroactive coverage (no date need be specified) and stipulates that a claim is first known only when written notice is first received.
Claims Definition	The definition of claim also includes arbitration, mediation or alternative dispute resolution proceedings.
Insured Definition	Includes Councilors, Statutory Officers, Council Committees, Firefighters, Employees and Volunteers.

COVERAGE IS PROVIDED FOR UNIQUE EXPOSURES

Insurance	No exclusion for failure to procure or maintain adequate insurance bonds or coverage (e.g. construction projects).
Benefit Plans	Errors or Omissions in administering Employee Benefit Plans are covered.
Misrepresentations	Municipal governments are required to provide information with respect to local matters and must ensure the information which is provided is accurate, true and not misleading. Our definition of a Wrongful Act covers misstatements or misleading statements.
Other Specialists and Services	Covers errors or omissions when they are rendered in connection with operations that are typical of public sector such as those of building inspections, zoning, planning, developing or regulating by-laws. Officials and employees acting in good faith are often times the subject of lawsuits.

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NON-OWNED AUTOMOBILE COVERAGE HIGHLIGHTS

OVERVIEW

Non-Owned and hired automobile liability insurance covers bodily injury and property damage caused by a vehicle not owned by the Insured (including rented or borrowed vehicles). Coverage is provided for Third Party Liability arising from the use or operation of any automobile not owned or licensed in the name of the Insured if it results in bodily injury (including death), property damage (if the property was not in possession of the Insured) to a third party.

FEATURES

SEF No. 96 Contractual Liability:

- When renting a vehicle you engage in a contractual relationship with the rental company where you assume liability for the operation of the automobile. It is therefore important that contractual coverage is added to the policy by way of an endorsement known as SEF (Standard Endorsement Form) No. 96. Contractual Liability coverage is automatically provided for all written contractual agreements with our Non-Owned Automobile coverage.

SEF No. 99 Long Term Lease Exclusion:

- When Contractual Liability is provided under the policy there is also an exclusion for Long Term Leased vehicles SEF No. 99. This excludes coverage for vehicles hired or leased for longer than a certain period such as 30 days.

Territory:

- The Non-Owned Automobile policy provides coverage while in Canada and United States.

Termination Clause:

- The standard termination clause has been amended in that the Insured may still provide notice of cancellation at any time, however, the Insurer must provide ninety days' notice of cancellation to the Insured rather than the standard 15 or 30 days.

SEF No. 94 Legal Liability (Physical Damage) to a Hired/Rented Automobile:

- We automatically provide coverage for damage to a vehicle that you have hired or rented. Coverage is provided via endorsement SEF No. 94. We automatically provide 'All Perils' coverage. The limit of coverage will vary

ADDITIONAL INFORMATION

Courts have repeatedly held that when an automobile is used on a person's behalf or under a person's direction, that person (or entity) has a responsibility for the operation of the automobile and may be held liable for damages in the event of an accident even though he or she is not the owner or driver of the vehicle. This common law principle has been supported by a number of court decisions making an employer responsible for the use and operation of an automobile when an employee is operating an automobile (not owned by the employer) while being used for the employer's business.

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CRIME COVERAGE HIGHLIGHTS

OVERVIEW

Our crime coverage is one of the broadest and most flexible in the industry. An Insured may elect to purchase any or all of the Standard Crime Coverage we have available. In addition to the Standard crime coverage the Insured may elect to also purchase any of our Optional Coverages.

Optional Crime Coverage Includes:

- Extortion Coverage (Threats to persons and property).
- Pension or Employment Benefit Plan coverage.
- Residential Trust Fund Coverage.
- Credit Card Coverage.
- Client Coverage (Third Party Bond).
- Fraudulently Induced Transfer Coverage (otherwise known as Social Engineering). *Separate Coverage Highlights Sheet for Fraudulently Induced Transfer Coverage is available.*

For more information on our Optional Coverage refer to our Crime Coverage Options Highlight Sheet.

FEATURES OF OUR STANDARD CRIME COVERAGE

Below is a brief description of the Standard Crime Coverage an Insured may elect to purchase:

Employee Dishonesty – Form A Commercial Blanket Bond

- This protects the employer from financial loss due to the fraudulent activities of an employee or group of employees. The loss can be the result of theft of money, securities or other property belonging to the employer.

Loss Inside and Loss Outside the Premises (Broad Form Money and Securities)

- Covers loss by theft, disappearance, or destruction of the Insured's money and securities inside the Insured's premises (or Insured's bank's premises) as well as outside the Insured's premises while in the custody of a messenger.

Money Orders and Counterfeit Paper Currency

Covers Loss

- Due to acceptance of a money order that was issued (or is purported to have been issued) by a post office or express company; and
- From the acceptance of counterfeit paper currency of Canada or the United States.

Forgery and Alteration

- Covers loss due to dishonesty from a forgery or alteration to a financial instrument (cheque, draft or promissory note).

Audit Expense

- Coverage for the expenses that are incurred by the Insured for external auditors to review their books in order to establish the amount of a loss. This is a separate limit of insurance.

Computer and Transfer Fraud (Including Voice Computer Toll Fraud)

- Loss caused when money, securities, or other property is transferred because of a fraudulent computer entry or change. The entry or change must be within a computer system that the Insured owns (and on their premises).
- Loss caused when money or securities are transferred, paid, or delivered from the Insured's account at a financial institution based on fraudulent instructions (at the financial institutions premises).
- Voice computer toll fraud covers the cost of long distance calls if caused by the fraudulent use of an account code or a system password.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

PROPERTY COVERAGE HIGHLIGHTS

OVERVIEW

Property insurance is about planning for the unexpected and protecting your physical assets in order to minimize your business disruption should a loss occur. It is important that your property insurance includes broad coverage to protect these assets (e.g. buildings and other property you own, lease or are legally liable for) from direct physical loss.

We will work closely with you to customize a property coverage solution. We cover a wide variety of property, including buildings, inventory and supplies, office furniture and fixtures, computers, electronics, equipment (including unlicensed mobile equipment, maintenance and emergency equipment) and other unique property.

The Frank Cowan Company property wording is flexible and adaptable. Your policy will be comprised of a Base Property Wording and a Public Entity Extension of Coverage Endorsement as well as any miscellaneous or specific endorsements to tailor coverage to meet your needs.

FEATURES AND BENEFITS

Features and Benefits include:

- Coverage is typically written on an all-risk basis including replacement cost.
- Our standard practice is to write property on a Property of Every Description (POED) or blanket basis, however, coverage can be scheduled separately if required.
- No margins clause and no statement of values required.
- We have two Deductible Clauses: A standard Deductible Clause and a Dual Policy Deductible Clause. The Dual Policy Deductible clause states how a deductible will be applied when there is both an automobile policy and a property policy involved in the same loss (when both policies are written with Frank Cowan Company).
- Worldwide Coverage
- Unlicensed Equipment (e.g. Contractors Equipment): Automatically includes Replacement Cost as the basis of settlement regardless of age. This can be amended to an Actual Cash Value (ACV) or Valued basis if required (applicable only if the Insured owns the unlicensed equipment).
- Flood and Earthquake coverage are available.

SUPPLEMENTAL COVERAGE UNDER THE BASE PROPERTY WORDING

The Base Property Wording automatically includes numerous Supplemental Coverages such as:

- | | |
|---|---|
| • Building Bylaws | • Furs, Jewellery and Ceremonial Regalia |
| • Building Damage by Theft | • Inflation Adjustment |
| • Debris Removal Expense | • Live Animals, Birds or Fish |
| • Electronic Computer Systems | • Newly Acquired Property |
| • Expediting Expense | • Professional Fees |
| • Fire or Police Department Service | • Property at Unnamed Locations |
| • First Party Pollution Clean-Up Coverage | • Property Temporarily Removed including while on Exhibition and during Transit |
| • Fungi (covers the expense for any testing, evaluating or monitoring for fungi or spores required due to loss) | • Recharge of Fire Protective Equipment |
| | • Sewer Back Up and Overflow |

Note: The Supplemental Coverage does not increase your Total Sum Insured in most cases.

PUBLIC ENTITY EXTENSIONS OF COVERAGE ENDORSEMENT

Each Extension of Coverage has an individual Limit of Insurance and will be shown on the Summary of Coverage/Declarations Page.

The Limit of Insurance for each Extension of Coverage is over and above the Total Sum Insured (unless shown as 'included' on the declarations or otherwise stipulated within the wording).

Limits of Insurance available for each Extension of Coverage will vary based on the individual risk.

- Accounts Receivable
- Bridges and Culverts
- Building Coverage Owned Due to the Non Payment of Municipal Taxes – *Named Perils Coverage applies.*
- Building(s) in the Course of Construction Reporting Extension
- By Laws – Governing Acts
- Consequential Loss caused by Interruption of Services
- Cost to Attract Volunteers Following a Loss
- Docks, Wharves and Piers
- Errors and Omissions
- Exterior Paved Surfaces
- Extra Expense
- Fine Arts at Own Premises and Exhibition Site
- Fundraising Expenses
- Green Extension
- Growing Plants
- Ingress and Egress
- Leasehold Interest
- Master Key
- Peak Season Increase
- Personal Effects
- Property of Others
- Rewards: Arson, Burglary, Robbery and Vandalism
- Signs
- Vacant Properties – *Named Perils Coverage applies on an Actual Cash Value basis.*
- Valuable Papers

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

EQUIPMENT BREAKDOWN TECHADVANTAGE HIGHLIGHTS

OVERVIEW

Property policies typically exclude losses that Equipment Breakdown Insurance is designed to cover. Equipment Breakdown Coverage insures against losses (property damage and business interruption) resulting from 'accidents' (as defined in the wording) to various types of equipment such as pressure, mechanical, electrical and pressure equipment (called "objects" in the policy). Coverage also extends to electronic equipment for 'electronic circuitry impairment'. Coverage typically extends to production machinery unless specifically excluded.

FEATURES

Coverage is extended to pay for:

Property Damage: The cost to repair or replace damaged equipment or other covered property, including computers, due to a covered accident.

Business Income: The loss of business income due to an interruption caused by a covered accident from the date of loss until such equipment is repaired or replaced or could have been repaired or replaced plus additional time to allow your business to become fully operational.

Extra Expense: Additional costs (e.g., equipment rental) you incur after a covered loss to maintain normal operations.

Expediting Expenses: The cost of temporary repairs or to expedite permanent repairs to restore business operations.

Service Interruption: Business income and extra expense resulting from a breakdown of equipment owned by a supplier with whom the Insured has a contract to supply a service. If there is no contract, the equipment must be within 1000 metres of the location.

Data Restoration: The restoration of data that is lost or damaged due to a covered loss.

Demolition: Building demolition and rebuilding required by building laws.

Ordinance or law: The additional costs (other than demolition) to comply with building laws or codes.

Other Coverage: Spoilage, Hazardous Substances, Ammonia, Water damage, Professional Fees, Errors and Omissions, Newly Acquired Locations, Civil Authority or Denial of Access.

COVERAGE AUTOMATICALLY INCLUDES:

Microelectronics Coverage: Provides insurance when physical damage is not detectable or when firmware or software failure causes non-physical damage. Triggered when covered equipment suddenly stops functioning as it had been and that equipment or a part containing electronic circuitry must be replaced.

Cloud Computing – Service Interruption: Pays for business interruption and extra expense when your cloud computing service provider experiences an outage due to an equipment breakdown.

Cloud Computing – Data Restoration: Pays for data restoration for data lost when stored and managed by a cloud computing service provider that experiences an equipment breakdown.

Off Premises Transportable Objects: Extends coverage to transportable equipment anywhere in North America.

Anchor Location: (when business income coverage is purchased) expands Business Income coverage resulting from a covered accident at an anchor location that attracts customers to an insured location.

Environmental Efficiency and Green Coverage: Pays for upgrades to more energy efficient or environmentally friendly equipment.

Brands and Labels: Pays for the cost of removing labels or additional cost of stamping salvaged merchandise after a loss.

OTHER BENEFITS

Public Relations Coverage: (when business income coverage is purchased other than extra expense) pays for public relations assistance to help manage your reputation that may be damaged by business interruption or data loss.

Contingent Business Interruption: (when business income coverage is purchased other than extra expense) pays for Business Income resulting from a covered accident to property not owned, operated or controlled by the Insured.

OPTIONAL COVERAGE

The coverage is included only if specified limits of insurance are shown on the Schedule of Coverage. A quote may be available (a completed application may be required).

Data Compromise Coverage: Up to \$50,000 (Annual Aggregate) for an Insured affected by a data breach. When a data breach occurs involving personal identifying information (information not typically available to the public) coverage includes expenses you incur for:

- Legal Counsel: to determine how you should best respond to the breach.
- Forensic Services: to help assess the nature and extent of the compromise.
- Regulatory Notification: to provide notification to the Office of the Privacy Commissioner of Canada.
- Notification and Services to Affected Individuals: a packet of customer support information, access to a helpline, fraud alert for the affected individuals, identity restoration case management for victims of identity theft caused by the breach.
- Public Relations Services: to assist in restoring your reputation.

Identity Recovery Coverage: Up to \$15,000 (Annual Aggregate) for an Insured affected by identity theft. Coverage applies to an Insured that is a sole proprietor, a partner if the Insured is a partnership, a chief executive in a corporation or a senior ministerial employee for religious institutions. Coverage is provided for various additional and unexpected expenses an individual will sustain due to an identity theft such as: costs for credit reports, lost wages, costs for the supervision of children, elderly or infirm dependents.

ADDITIONAL INFORMATION

BI&I automatically provide inspection services for boilers and pressure vessels to satisfy the provincial inspection requirements on our behalf.

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Program Options Highlights of Coverage

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

In addition to "Your Insurance Coverage", enhancements to your coverage are available as outlined under the Program Options page.

Highlights of coverage follow providing a brief description of these options.

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CRIME COVERAGE OPTIONS

EXTORTION COVERAGE (THREATS TO PERSONS AND THREATS TO PROPERTY)

Coverage for both 'Threats to a Person' and 'Threats to Property' are sold together with a separate limit of insurance applying to each.

Threats to Person:

- Coverage responds when a threat is communicated to the Insured to do bodily harm to a director, officer or partner of the Insured (or a relative) when these persons are being held captive and the captivity has taken place within Canada or the U.S.A.

Threats to Property:

- Coverage responds when a threat is communicated to the Insured to do damage to the premises or to property of the Insured is located in Canada or the U.S.A.

PENSION OR EMPLOYEE BENEFIT PLAN COVERAGE

Coverage is for loss resulting directly from a dishonest or fraudulent act committed by a fiduciary (a person who holds a position of trust) in administering a pension or employee benefit plan. Coverage is provided whether the fiduciary is acting alone or in collusion with others. Fiduciary relationships may be created by statute however; individuals may also be deemed fiduciaries under common law.

RESIDENTIAL TRUST FUND COVERAGE (FOR SELECT CLASSES OF BUSINESS ONLY)

- Covers loss of property (money, securities or other property) belonging to a resident when it is held in trust by a residential facility. Coverage is for loss directly attributable to fraudulent act(s) committed by an employee of the facility whether the employee was acting alone or in collusion with others.
- A residential facility comprises a wide range of facilities and includes any residential facility operated for the purpose of supervisory, personal or nursing care for residents.
- Coverage stipulates that the 'resident' must be a person who is unable to care for themselves (this could be due to age, infirmity, mental or physical disability).
- When a resident is legally related to the operator of the residential facility, coverage is specifically excluded.

CREDIT CARD COVERAGE

Coverage is for loss from a third party altering or forging a written instruction in connection with a corporate credit card issued to an employee, officer or partner.

CLIENT COVERAGE (THIRD PARTY BOND)

Coverage is extended to provide for theft of a clients' property by an employee (or employees) of the Insured.

FRAUDULENTLY INDUCED TRANSFER COVERAGE

Coverage is provided when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured has transferred, paid or delivered money or securities to this third party.

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FRAUDULENTLY INDUCED TRANSFER COVERAGE HIGHLIGHTS (SOCIAL ENGINEERING)

OVERVIEW

Fraud today has become much more sophisticated and complex with Fraudulently Induced Transfer Crimes (otherwise known as Social Engineering) trending in today's marketplace. In response to this trend we now offer a Fraudulently Induced Transfer Endorsement as part of our suite of Crime Coverage.

These types of crimes are usually a targeted approach where criminals are after something definite from the target, either money (usually in the form of a wire transfer) or information (such as a list of vendors, routing numbers, etc.). Often times communications are sent to an employee (most often via email, telephone or a combination of the two), which are doctored to appear as if they are sent by a senior officer of the company or by one of its customers or vendors.

Essentially criminals prey on human and procedural vulnerabilities. The standard crime coverage does not respond to these types of losses as an employee of the organization has voluntarily parted with the money or securities and would be considered an active participant in the loss.

Example 1

Instructions to an employee supposedly coming from a vendor or customer are often accomplished by informing the employee that they have changed banks and require the company to use the new banking information for future payments.

Example 2

Instructions to an employee supposedly coming from an internal source (e.g. senior staff) to bypass in-house safeguards and redundancies, criminals apply pressure by imposing a time constraint, demanding secrecy or simply flattering the ego of the target by including him or her "in" on an important business transaction.

Fraudulently Induced Transfer coverage is an optional endorsement that may be purchased. Coverage is subject to a satisfactory supplementary application being completed.

FRAUDULENTLY INDUCED TRANSFER LOSSES, CYBER LOSSES AND CURRENT CRIME POLICIES

Even though this fraud often involves emails and wire transfers, cyber policies are not designed to cover them:

- Cyber policies cover losses that result from unauthorized data breaches or system failures. Fraudulently Induced Transfer actually depends on these systems working correctly in order to communicate with an organization's employees and transfer information or funds.
- Crime policies cover losses that result from theft, fraud or deception. As the underlying cause of a loss is 'fraud', a company would claim a loss under its crime policy rather than its cyber policy. Without this endorsement, coverage would be denied under a crime policy due to the Voluntary Parting Exclusion.

FRAUDULENTLY INDUCED TRANSFER ENDORSEMENT FEATURES

- Coverage is provided when an Insured under the policy has been intentionally misled by someone claiming to be a vendor, client or another employee of the company and the Insured (employee) has transferred, paid or delivered money or securities to this third party.
- Fraudulently Induced Transfer is defined as: The intentional misleading of an employee, through misrepresentation of a material fact which is relied upon by an employee, believing it to be genuine to voluntarily transfer funds or valuable information to an unintended third party.

LIMITS AND DEDUCTIBLE

The Fraudulently Induced Transfer Endorsement is subject to:

- Separate Limits of Insurance (both an Occurrence and Aggregate);
- A separate deductible;
- Limits ranging from \$10,000 - \$100,000.

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Remotely Piloted Aircraft Systems (UAV)

COVERAGE HIGHLIGHTS

OVERVIEW

Transport Canada is responsible for regulating UAV's. Their terminology for UAV's (Unmanned Aerial Vehicles) has changed and these are now considered to be Remotely Piloted Aircraft Systems (RPAS) rather than UAV's (Unmanned Aerial Vehicles). Regulations regarding operator licensing has also changed. Liability or property policies can be enhanced with endorsements to cover Remotely Piloted Aircraft Systems (RPAS) or UAV's. Coverage may be available when operators are in compliance with current regulations. Coverage offered is intended to close the gap in liability and property insurance because of aviation exclusions.

PROPERTY COVERAGE

Property: (Optional Coverage)

- All Risk Coverage for the Remotely Piloted Aircraft Systems (RPAS) including all permanently attached equipment and Ground or Operating Equipment (including any detachable equipment such as cameras etc).
- Coverage includes electrical and mechanical breakdown.
- Basis of settlement options include: Replacement Cost, Valued Amount or Actual Cash Value.

In addition to the standard exclusions within the Property All Risk Wording, the following exclusions also apply:

- Those used for military purposes, personal or recreational use.
- Those being rented to, leased to or lent to others.
- Mysterious disappearance after commencement of a flight unless Remotely Piloted Aircraft Systems - RPAS (UAV) remains unrecovered for 30 days.
- If they are not in compliance with the manufacturer's specifications (e.g. the weight payload) is exceeded, when operated in wind at a higher speed than recommended etc.).
- Remotely Piloted Aircraft Systems - RPAS (UAV's) must not exceed 500 meters in altitude or the range of 1km from the operator.
- Hijacking or unauthorized control of the Remotely Piloted Aircraft Systems -RPAS (UAV) or Equipment.
- Failure to comply with any statute, permit, rule, regulation or any requirement for qualification to operate the Remotely Piloted Aircraft Systems - RPAS (UAV) or the equipment.
- Criminal or dishonest acts, infidelity of employees, or theft from an unlocked vehicle.
- Coverage is limited to Canada only.

LIABILITY COVERAGE

- While Transport Canada mandates a minimum amount of insurance (\$100,000), coverage will follow the liability limit up to \$15,000,000. Higher limits may be available.
- We will extend liability to Remotely Piloted Aircraft Systems (RPAS).
- Having a range of up to a maximum of 1km from the operator.
- With an altitude of 500 metres or less.
- Operators meeting all Transport Canada regulations.
- Not being used for military purposes, personal or recreational use.
- Coverage is limited to Canada only.

IMPORTANT INFORMATION

While our endorsements are primarily designed to offer coverage for Remotely Piloted Aircraft Systems - RPAS (UAV's) 25kg or less, we may be able to offer coverage for those falling outside of these parameters through our general aviation market.

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ACTIVE ASSAILANT AND ASSOCIATED

Frank Cowan Company has partnered with XL Catlin, a market leader in writing Terrorism Risk, to offer a suite of Terrorism and Associated Coverages. **You have the option to select one or any combination of the following coverages:**

ACTIVE ASSAILANT EVENT INSURANCE	CHEMICAL, BIOLOGICAL, RADIOLOGICAL AND NUCLEAR (CBRN) INSURANCE
<p>An Active Assailant Event is a premeditated malicious physical attack, by an Active Assailant (who is physically present) armed with a hand-held weapon that causes direct physical loss and/or bodily injury or death. Coverage responds when three (3) or more persons that are physically present during the attack are affected.</p> <p>The solution is designed to help organizations with the financial impacts of Active Assailant Events. Coverage can be triggered by property damage or bodily injury. Additional special coverage for:</p> <ul style="list-style-type: none"> • Public Relations Expenses • Relocation Expenses (for the Insured or Employee of the Insured) • Counselling Expenses (for the Insured and Family Members) • Medical Expenses • Job Retraining Expenses (for Employees) • Employee Recruitment Expenses (for the Insured) • Security Expenses (expenses for a security consultant) <p>Maximum Limits: \$10,000,000 any one occurrence and in the aggregate</p>	<p>The use of Chemical, Biological, Radiological And Nuclear (CBRN) weapons is a growing concern worldwide. Deployment of these weapons would have a devastating impact, potentially causing damage and interruption to businesses located a significant distance away from the CBRN release. These exposures are excluded under the standard property policies.</p> <p>Our product is triggered by property damage or contamination resulting from the release of CBRN material with malicious intent This insurance covers Physical Loss or Damage (including Demolition, Decontamination and Prohibition of Access Orders, Blast Damage) and Business interruption</p> <p>Maximum Limits: \$25,000,000 any one occurrence and in the aggregate</p>
TERRORISM PROPERTY INSURANCE	TERRORISM LIABILITY INSURANCE
<p>Terrorism perils are dynamic in nature, the causes are sometimes unclear but the impact is significant. The risk is evolving, with a diverse range of groups; both foreign and home-grown, capable of launching terrorist attacks. The nature of such perils means they are board-level issues, and must be on any corporate risk register. Our policies cover physical damage to property, business interruption and extra expenses following property damage.</p> <p>This product offers protection from potentially devastating losses, both domestic and abroad that can result from either an act of Terrorism or an Act of Sabotage.</p> <p>Coverage is very broad and uniquely tailored. This policy provides Physical Loss or Damage and Business Interruption caused by Acts of Terrorism or Acts or Sabotage.</p> <p>Maximum Limits: \$50,000,000 any one occurrence and in the aggregate</p>	<p>Terrorism Liability Insurance provides coverage for financial costs against claims for damages by third parties who are injured in a terrorist attack. Coverage also extends to third party property damage. This is key because these exposures are usually excluded under liability policies.</p> <p>An Act of Terrorism is defined as an act committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.</p> <p>Maximum Limits: \$25,000,000 any one occurrence and in the aggregate</p>

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EXHIBIT “A”

Estimate of Values

The information contained herein is confidential, commercial, financial, scientific and/or technical information that is proprietary to Frank Cowan Company and cannot be disclosed to others. Any such disclosure could reasonably be expected to result in significant prejudice to the competitive position of Frank Cowan Company, significant interference with its competitive position and/or cause it undue loss.
