

STEWARDSHIP PARTNERS INSURANCE PROGRAM

GENERAL LIABILITY INSURANCE POLICY

General Liability Insurance Policy

INSURING AGREEMENT

SECTION I – BODILY INJURY LIABILITY

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of Bodily Injury sustained by any person or persons caused by an Occurrence during the Policy Period.

SECTION II – PROPERTY DAMAGE LIABILITY

The Insurer agrees to pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of damage to or destruction of or loss of use of tangible property caused by an Occurrence during the Policy Period.

SECTION III – DEFENSE, SETTLEMENT, INVESTIGATION AND NEGOTIATION

1. With respect to such insurance as is afforded by this Policy, the Insurer shall:

- a) If claim is made or suit brought within Canada or the United States of America, their territories or possessions, defend any such claim or suit against the Insured, or against an indemnitee which the Insured is required to defend by the terms of a contract, but only to the same extent and on the same terms as if the indemnitee were the Insured under this Policy and then only if the following conditions are satisfied: (1) the claim or suit seeks damages for which the indemnitee is legally entitled to indemnification under the terms of the contract; (2) this Policy covers such damages and (3) the applicable limit of the Insurer's Liability with respect to such damages has not been exhausted by payments of judgments or settlements, even if such claim or suit is groundless, false or fraudulent. The Insurer shall make such investigation, negotiation and settlement of any claim or suit as it deems expedient.

If a claim is made or suit is brought elsewhere than within Canada or the United States of America, their territories or possessions, the Insurer shall have the right, but not the duty, to investigate and settle such claims and defend such suits. In any case in which the Insurer elects not to investigate, settle or defend, the Insured under the supervision of the Insurer, shall make or cause to be made such investigation and defence as is reasonably necessary, and subject to prior authorization by the Insurer, will effect to the extent possible such settlement or settlements as the Insurer and the Insured deem prudent. The Insurer shall reimburse the Insured as quickly as possible for the reasonable costs of such investigation, settlement or defence.

- b) Pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this Policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds.
- c) Pay all expenses incurred by the Insured, all legal costs or any other costs taxed against

the Insured in any such suit or appeal or judgment and all interest accruing before or after entry of judgment until the Insurer has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Insurer's liability thereon.

- d) Pay all expenses incurred by the Insured for such immediate medical, dental and surgical relief to others as shall be necessary at the time of an accident or Occurrence.
- e) Reimburse the Insured for all reasonable expenses, including loss of earnings which shall be subject to Seventy-Five Dollars (\$75.00) a day maximum per person, incurred at the Insurer's request.

and the amounts so incurred, except settlements of claims and suits, are payable by the Insurer in addition to the applicable limits of liability of this Policy.

SECTION IV – EXCLUSIONS

This Policy **does not** apply to:

1. fines or penalties, for which the Insured is liable by reason of failure to comply with any statute, rule or regulation.
2. claims arising out of the liability imposed upon or assumed by the Insured under any workers' compensation statute or assessments by any workers' compensation board.
3. that portion of claims arising out of dismissal of employees as represents
 - a) severance pay or allowance required to be paid by statute, or required under the terms of an employment contract.
 - b) any voluntary termination of employment settlement offer made by the Insured.
 - c) any termination agreements, or stated company policy in force at the time of termination of an employee.
 - d) compensation for lack of reasonable notice.
 - e) any amount that would have been payable if the employee had been rightfully dismissed.
 - f) any claims arising out of Employee Collective bargaining.
4. any activities, enterprises, undertakings, paid or unpaid, or any other operations of the Insured that are not the Insured Operations.
5. Bodily Injury caused intentionally by or at the direction of the Insured except when caused to protect persons or property; however, this exclusion shall not apply to any Insured who neither sanctioned, nor had knowledge of nor was a party to the causing of such Bodily Injury.

6. criminal acts.
7. Bodily Injury or Property Damage arising out of the ownership, use or operation by or on behalf of the Insured of
 - a) any automobile, motorized snow vehicle, self-propelled land motor vehicle, trailer, semi-trailer, their equipment mounted on or attached thereto, with respect to which any motor vehicle liability policy is in effect or is required by law to be in effect.
 - b) any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.
 - c) any watercraft over Five Hundred (500) tons gross registry, other than the Insured's liability for watercraft chartered by or on behalf of the Insured or used in connection with the operations usual or incidental to the Insured's business where the Insured or any of his employees do not own or operate the watercraft.
 - d) any aircraft owned in whole or in part by the Insured.
 - e) any non-owned aircraft hired by, leased by or chartered by the Insured while operated by any employee of the Insured, or wherein the Insured has assumed liability for the sole negligence of the owner, operator or lessor, except liability that would apply in the absence of such agreement.
 - f) any premises for the purpose of any airport or aircraft landing strip and all operations which are necessary or incidental thereto.
 - g) any air cushion vehicle.

But this exclusion shall not apply to Personal Injury, sickness, or disease, including death of any employee while acting in his capacity as such other than as a member of any air crew.

8. loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - a) a delay in or lack of performance by or on behalf of the Insured of any contract or agreement.
 - b) the failure of the Insured's products or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Insured.

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Insured's products or work performed by or on behalf of the Insured after such products or work have been put to use by any person or organization other than the Insured.

9. damage to or destruction including loss of use of:
 - a) property owned or occupied by or rented to the Insured, property held by the Insured for sale or property entrusted to the Insured for storage or safekeeping;

- b) except with respect to liability under sidetrack agreements, crossing agreements, rights of way, or other like privileges pertaining to railway property or the use of elevators or escalators at premises owned, rented or controlled by the Insured:
 - (i) property while on premises owned by or rented to the Insured for the purpose of having operations performed on such property by or on behalf of the Insured;
 - (ii) tools or equipment while being used by the Insured in performing his operations;
 - (iii) property in the custody of the Insured which is to be installed, erected or used in construction by the Insured;
 - (iv) that particular part of any property, not on premises owned by or rented to the Insured
 - A. upon which operations are being performed by or on behalf of the Insured at the time of the damage thereto or destruction thereof, arising out of such operation, or
 - B. out of which any damage or destruction arises, or
 - C. the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of the Insured;
 - (v) property which is being transported by the Insured by motor vehicle, team or watercraft, including the loading or unloading thereof.
 - c) that particular part of the Insured's products out of which an accident arises.
 - d) that particular part of a work performed by or on behalf of the Insured out of which an accident arises due to faulty workmanship.
10. a) Bodily Injury or Property Damage arising out of the actual, alleged, or threatened discharge, dispersal, release or escape of pollutants:
- (i) at or from any premises, site, location, easement or right of way, owned by, rented to or occupied by any Insured;
 - (ii) at or from any site or location used by any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (iii) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by any Insured or by others on behalf of any Insured or any person or organization for whom the Insured may be legally responsible; or
 - (iv) at or from any site or location on which any Insured or any contractor or subcontractor working directly or indirectly on the Insured's behalf are performing operations:
 - A. if the pollutants are brought on or to the site or location in connection with such operations; or
 - B. if the operations are to test for monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- b) Any loss, cost or expense arising out of any governmental direction or request that

the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Subparagraphs (i) and (iv) A. of paragraph (a) of this Exclusion do not apply to Bodily Injury or Property Damage caused by heat, smoke or fumes from a hostile fire.

“Pollutants” means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste.

“Waste” includes materials to be recycled, reconditioned or reclaimed.

“Hostile Fire” means a fire which becomes uncontrolled or breaks out from where it was intended to be.

11. Bodily Injury or Property Damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.
12. Damages or expenses incurred for the withdrawal, inspection, repair, replacement or loss of use of the Insured’s Products or work completed by or for the Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
13. It is agreed that this Policy does not apply:
 - a) to liability imposed by or arising under the Nuclear Liability Act; nor
 - b) to Bodily Injury or Property Damage with respect to which an Insured under this Policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor
 - c) to Bodily Injury or Property Damage resulting directly or indirectly from the nuclear energy hazard arising from:
 - (i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;
 - (ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
 - (iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this Policy:

- A) The term “nuclear energy hazard” means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
- B) the terms “radioactive material” means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
- C) The term “nuclear facility” means:
- (a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them.
 - (b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium, and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) processing or packaging waste;
 - (c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
- D) The term “fissionable substance” means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
14. Bodily Injury or Property Damage arising out of the rendering of or the failure to render professional services.
15. Bodily Injury arising out of the rendering of or the failure to render medical services by any doctor, physician and/or surgeon in the employ of the Insured.

SECTION V – DEFINITIONS

1. ***Named Insured***

The Named Insured is the Province and as stated in individual Certificates of Insurance. However, coverage afforded to the Province under this Policy will apply solely with respect to liability arising from the delivery of Insured Operations by those Named Insureds as stated in individual Certificates of Insurance on file with the Insurer.

2. ***Additional Insureds***

The unqualified word "Insured" includes the Named Insured and, to the extent liability arises from the performance of Insured Operations by the Named Insured:

- (a) any present or former employee or Volunteer with respect to acts performed on behalf of the Named Insured in that capacity. However, this coverage does not apply to claims brought by an employee or Volunteer against any other employee or Volunteer.
- (b) persons, firms, partnerships, companies or corporations but only insofar as:
 - (1) their legal liability arises out of the use or operation by the Named Insured of their equipment; and
 - (2) the Named Insured has agreed in writing to provide coverage.

The Insurance provided for Additional Insureds under subsections (a) and (b) above shall apply only when the Named Insured so directs the Insurer in writing upon a claim being made against such Additional Insured.

3. Occurrence

The word "Occurrence" as used herein shall mean an accident or a happening or an event including a continuous or repeated exposure to conditions which is not, from the standpoint of the Insured, either expected or intended.

Where an Occurrence is continuous and results in Bodily Injury or Property Damage both prior to and during the Policy Period which Occurrences shall be appointed over the respective periods according to the amount of injury, damage, destruction or loss of use which shall have been caused during the Policy Period.

With respect to premises, locations or operations away from premises owned or operated by the Insured all continuous or repeated exposure to the same general conditions existing at or emanating from such premises, locations or operations shall be deemed one Occurrence.

4. Bodily Injury

"Bodily Injury" wherever used in this Policy shall mean bodily injury, sickness, disease, disability, mental anguish, mental injury or shock, including death at any time resulting therefrom, sustained by any person during the coverage period.

5. Province

The term "Province" means Her Majesty the Queen in Right of the Province of British Columbia.

6. Insured Operations

"Insured Operations" wherever used in this policy shall mean activities approved by the Province for which the Province has agreed to provide insurance under a duly executed written agreement between the Named Insured and the Province which are performed by the Insured.

8. Completed Operations Hazard

“Completed Operations Hazard” includes Bodily Injury or Property Damage arising out of Insured Operations, but only if the Bodily Injury or Property Damage occurs after such Insured Operations have been completed or abandoned and occurs away from premises owned by or rented to the Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (a) when activities to be performed by or on behalf of the Insured at the site of the Insured Operations have been put to use.

Operations which may require further service or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed. The Completed Operations hazard shall not include:

- (a) operations in connection with the pick up and delivery of property;
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials.

9. Products Hazard

“Products Hazard” includes Bodily Injury and Property Damage arising out of the Insured’s Products but only if such Bodily Injury or Property Damage occurs away from premises owned by or rented to the Insured and after physical possession of such products has been relinquished to others.

10. Insured’s Products

“Insured’s Products” means goods or products, other than real property, constructed, in the course of performing Insured Operations.

11. Volunteer

“Volunteer” means an individual performing Insured Operations on behalf of the Named Insured without receiving wages from the Named Insured or the Province.

SECTION VI – GENERAL CONDITIONS

1. Limits of Liability

The limit of the Insurer’s liability under this Policy shall be the amount stated in the Certificate of Insurance as “each Occurrence” for damages for any one Occurrence or series of Occurrences resulting from one cause, and subject to such limit the amount stated in the Certificate of Insurance as “aggregate” for any number of Occurrences in any one Policy Period, if caused by the Products Hazard or Completed Operations Hazard as defined herein.

2. Gross Liability

Where there is more than one Insured under this Policy, nothing herein shall operate to increase the Insurer's Liability as set forth elsewhere in this Policy beyond the amount or amounts for which the Insurer would be liable if there had been only one Insured.

Except with respect to Insuring Agreement Section III, any claim covered by one or more Insuring Agreements shall not operate to increase the Insurer's Limit of Liability as set forth elsewhere in this Policy

3. *Cross Liability*

The insurance as is afforded by this Policy shall apply in respect to any claim or action brought against any one Insured by any other Insured. The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each Insured.

Any breach of a condition of this Policy by any Insured shall not affect the protection given by this Policy to any other Insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this Policy.

4. *Notice of Claim or Suit*

Upon the happening of an accident or Occurrence which may give rise to a claim hereunder, the Insured shall give notice thereof as soon as practicable after notice has been received by an officer of the Insured, to the Insurer.

Such notice shall contain all available information pertaining to such accident or Occurrence which is obtainable at the time.

If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every demand, notice, summons or other process received by the Insured or by the Insured's representative.

5. *Assistance and Cooperation*

The Insured shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy, and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

6. *Assumption of Liability*

The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for first aid to others at the time of accident.

7. *Action against Insurer*

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the

Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards. Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the Insured to determine the Insured's liability;

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

8. *Inspection*

The Insurer shall be permitted to inspect the insured premises and operations at any reasonable time during the Policy Period and any extension thereof. The Insurer waives no right and undertakes no responsibility by reason of such inspection or the omission thereof.

9. *Other Insurance*

The Insurer shall not be liable if at the time of an accident or occurrence covered by this Policy there is any other insurance which would have attached if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance and then only after all other insurance has been exhausted.

The Insurer acknowledges the existence of any policies arranged to apply in excess of the insurance provided by this Policy and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess policies shall be considered as excess and noncontributing insurance insofar as the insurance provided under this Policy is concerned and shall be held to attach and cover only after the insurance under this Policy has been exhausted.

10. *Special Statutory Provisions*

If any condition of this Policy, relating to limitation of time for notice of accident or the instituting legal proceedings, is at variance with any specific statutory provision in the jurisdiction in which the accident occurs, such statutory provision shall be substituted for such condition.

11. *Subrogation*

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery against any third party, except where the amount of settlement exceeds the amount provided in aggregate by this Policy and any other valid and collectable insurance in which case the Insured shall be entitled to all recovery until such excess has been made good to the Insured. The Insured shall execute all papers required and shall do everything necessary within his power to secure such rights, but the Insurer shall have no right of subrogation against any Insured or subsidiary, allied or affiliated company owned or controlled by the Insured, nor against any person, firm or corporation in respect of which the Insured has assumed liability under any contract or agreement.

12. Deductible

The Named Insured shall pay the first \$250.00 of each and every loss under Insuring Agreement Section II – Property Damage Liability. If more than one claim arises or results from a single Occurrence, as defined herein, the deductible amount shall apply only once.

The terms of the Policy, including those with respect to notice of accident or Occurrence and the Insurers' right to investigate, negotiate and settle any claim or suit, apply irrespective of the application of the deductible amount.

The Insurer may pay part or all of the deductible amount to effect settlement of any claim or suit, and upon notification of the action taken, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

When the total loss exceeds \$250.00, the deductible is waived.

13. Policy Territory

This Policy applies to Bodily Injury or Property Damage anywhere in the world.

14. Agency Clause

It is hereby understood and agreed that Her Majesty the Queen in Right of the Province of British Columbia acting through and represented by the Risk Management Branch of the Ministry of Finance (hereinafter called "Policy Holder") shall pay the premium for this Policy.

The Policy Holder has obtained this Policy as agent for the others insured hereby, including those referred to by general description. It is further acknowledged and agreed by the Insurer as evidenced by its acceptance of the premium paid that any person, firm or corporation coming within the description of an unnamed person insured by this Policy may ratify such agency at any time subsequent to the issuance of the Policy for the purpose of entitlement to coverage granted by its terms for good consideration.

The Policy Holder shall be deemed the sole and irrevocable agent of each and every Insured under this Policy for the purpose of:

- (a) giving to or receiving from the Insurers notice of cancellation;
- (b) giving instructions to or agreeing with the Insurers for alterations of the Policy wording;
- (c) making or receiving payments of premiums or adjustments of premium.

15. Other Employees

It is agreed that the insurance afforded by this Policy shall also insure employees of others, however, only while such employees are subject to the Doctrine of "Borrowed Servant" or "Master Servant Relationship".

16. Cancellation

This Policy may be cancelled by the Insurer giving to the Policy Holder at least thirty (30) days notice in writing of cancellation by registered mail. The Policy may be cancelled by the Policy Holder giving to the Insurer notice in writing of cancellation by registered mail. In accordance with Item 14. Agency Clause of Section VII – General Conditions, such notice shall be deemed to be notice to or by all Insureds.

17. Waiver

No notice to any agent or knowledge possessed by any agent or by any other person shall be held to effect a waiver or change in any part of this Policy; nor shall the terms of this Policy be waived or changed except by endorsement issued to form a part hereof signed by an authorized representative of the Insurer.

18. Agreement

Assignment of interest under this Policy shall not bind the Insurer until their consent is endorsed hereon, except through change of title by succession, death or proceedings under any bankruptcy act.

Endorsement No. 1

NON-OWNED AUTOMOBILE COVERAGE INSURING AGREEMENT

In consideration of the payment of the premium and subject to the limits, terms, conditions, provisions, definitions, and exclusions herein stated, the Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

BODILY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE INSURED

Provided always the Insurer shall not be liable under this Policy:

- (a) for any liability which arises from the use or operations of any automobile while personally driving by the Insured if the insured is an individual; or
- * (b) for any liability imposed upon any person insured by this Policy:
 - (i) by any workmen's compensation law; or
 - (ii) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or

*Not applicable in the Province of Ontario

- (c) for any liability assumed by any person insured by this Policy voluntarily under any contract or agreement except a written contract or agreement; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this Policy or to any property owned or rented by, or in the care, custody or control of any such person; or
- (e) for any amount in excess of the limit stated in the Declarations, and expenditures provided for in the Additional Agreements of this Policy; subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

ADDITIONAL AGREEMENTS OF INSURER

Where indemnity is provided by this Policy, the Insurer further agrees:

- (1) Upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this Policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- (2) to defend in the name and on behalf of any person insured by this Policy and at the cost of

the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to person or property; and

(3) to pay all costs taxed against any person insured by this Policy in any civil action defended by the Insurer and any interest accruing after entry of judgement upon that part of the judgement which is within the limits of the Insurer's liability; and

(4) in case the injury be to a person, reimburse any person insured by this Policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and

(5) be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in Section A of Item 7 of the application; and

(6) not set up any defense to a claim that might not be set up if the Policy were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this Section, every person insured by this Policy

(a) by the acceptance of this Policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;

(b) shall reimburse the Insurer upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this Policy.

GENERAL PROVISIONS AND DEFINITIONS

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer, director, employee, volunteer, or shareholder of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured or incidental personal use in connection therewith, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured or leased in the name of any partner, officer or employee of the Named Insured for use on the Named Insured's behalf including personal use in connection therewith except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. Territory

This Policy applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. Hired Automobiles Defined

The term "Hired Automobiles" as used in this Policy means automobiles hired, leased or borrowed from others with or without drivers, used under control of the Insured in the business of the Insured but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employees of the Insured.

4. Automobiles Operated Under Contract Defined

The term "Automobiles Operated Under Contract" as used in this Policy shall mean automobiles operated in the business of the Insured where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. Two or more Automobiles

When two or more automobiles are insured hereunder the terms of this Policy shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects the limits of liability stated in the Declarations.

The coverage provided by this Endorsement shall be subject to the Statutory Conditions (Conditions in Quebec) applicable in all Provinces of Canada.