

ALL SPORT LEGAL DEFENSE EXPENSES COVERAGE FORM

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word insured means any person or organization qualifying as such under SECTION III – WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI - DEFINITIONS.

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

SECTION I – COVERAGE

1. Insuring Agreement

We will reimburse only "legal defense expenses" incurred by the insured by reason of any "proceeding(s)" commenced against the insured in the "coverage territory" and reported to us during the "Policy Period" provided that at the effective date of the policy the insured had no knowledge or could not reasonably foresee any circumstance that might result in a "proceeding(s)". But:

- (a) The amount we will reimburse for "legal defense expenses" is limited as described in section IV – LIMITS OF INSURANCE;
- (b) Our obligation to reimburse for the insured "legal defense expenses" ends when the applicable limit of insurance is exhausted;
- (c) A "proceeding(s)" resulting in "legal defense expenses" will be deemed to have been commenced when notice of such "proceeding(s)" is received and recorded by you or by us, whichever comes first;
- (d) All "proceeding(s)" resulting in "legal defense expenses" from the same person or organization will be deemed to have been commenced at the time the first of those "proceeding(s)" is made against you.

SECTION II - EXCLUSIONS

This insurance does not apply to:

1. Any damages, fines and penalties or expenses levied against the insured, except expenses included within the definition of "legal defense expenses".
2. "Legal defense expenses" incurred as a result of a "proceeding(s)" involving:
 - (a) Any dishonest, fraudulent, criminal, willful or malicious act or omission committed by any insured except as it applies to a "proceeding(s)" under any Provincial or Federal Human Rights legislation or the Canadian Charter of Rights and Freedoms;
 - (b) Criminal charges against an Insured;

- (c) Any violation or contravention of a highway traffic act, workers' compensation act or any similar provincial statutes;
 - (d) Any "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
3. Any "legal defense expenses" incurred by reason of any "proceeding(s)" for which coverage is provided elsewhere in any other insurance contract.
 4. The reimbursement of any "legal defense expenses" which is prohibited by law or statute.

SECTION III – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - (a) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner;
 - (b) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business;
 - (c) An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.

2. Each of the following is also an insured:

Your employees or your volunteers, other than your executive officers, but only for acts within the scope of their employment by you, or, in the case of volunteers, within the scope of their duties assigned by you.

No person or organization is an insured with respect to the conduct of any current or past partnership, or joint venture that is not shown as a Named Insured in the Declarations.

SECTION IV – LIMITS OF INSURANCE

1. The limits of insurance stated in the Declarations for "legal defense expenses" and the rules below fix the most we will reimburse regardless of the number of:
 - (a) insureds;
 - (b) "proceeding(s)" brought; or
 - (c) persons or organizations instituting "proceeding(s)".
2. The AGGREGATE LIMIT is the most we will reimburse for all "legal defense expenses" arising out of "proceeding(s)" commenced against the insured during the "Policy Period".
3. Subject to 2. above the EACH OCCURRENCE LIMIT is the most we will reimburse for all "legal defense expenses" arising of any one "proceeding(s)".

The Limits of Insurance for this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (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 twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION V. - GENERAL CONDITIONS

1. Arbitration Clause

Any dispute arising from this Coverage Form will be decided by a single arbitrator. The arbitrator will be either:

- A lawyer agreed upon by the parties, or failing agreement,
- A person appointed by a judge of the Supreme Court (or equivalent) of the province or territory in which the insured member resides.

The arbitration will be governed by the arbitration legislation of the province or territory in which the insured member resides. The decision of the arbitrator will be final and binding on the insured member and the Company. All costs of the arbitrator will be paid by the party against whom the decision is made. If the decision is not clearly made against either party, the arbitrator will have the power to allocate costs. The cost of arbitration, including the fees of the arbitrator, shall be shared equally unless the arbitrators decide otherwise. The arbitration shall be held at the times and places agreed upon by the arbitrators.

2. Canadian Currency Clause

All limits of insurance, premiums and other amounts as expressed in this Coverage Form are in Canadian currency.

3. Duties In The Event Of A "Proceeding(s)"

- (a) The insured must give written notice by mail, facsimile or by hand to us as soon as practicable after being made aware of a "proceeding(s)" for which coverage would be afforded under this Coverage Form, but in no event later than thirty (30) days following the expiration of the "Policy Period";
- (b) Any claim for reimbursement of "legal defense expenses" shall be forwarded to us within thirty (30) days following the receipt by the insured of a detailed account for legal services rendered and disbursements incurred.

4. Insured Collaboration

The insured shall be responsible to mitigate and control the "legal defense expenses" arising out of "proceeding(s)" in which the insured may be involved.

5. Other Insurance

This insurance shall not contribute to or respond as excess above any other valid and collectible insurance in place that provides the same coverage at the time of the loss. Permission is granted to the insured to place excess insurance over and above this Coverage Form provided it is specified within the excess coverage form that the coverage granted under this form is primary.

6. Changes

This Coverage Form contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Coverage Form with our consent. This Coverage Form's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage Form.

7. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Form.

8. Representations Or Fraud

By accepting this Coverage Form, you agree:

- (a) The statements in the Declarations are accurate and complete;
- (b) Those statements are based upon representations you made to us;
- (c) We have issued this Coverage Form in reliance upon your representations; and
- (d) This Coverage Form is void in any case of fraud or concealment or misrepresentation of any material fact or circumstance by you as it relates to this Coverage Form or any "proceeding(s)" resulting in "legal defense expenses" under this Coverage Form.

9. Separation Of Insureds, Cross Liability

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and
- (b) Separately to each insured against whom a "proceeding(s)" resulting in "legal defense expenses" is brought.

10. Statutory Conformity

Terms of this Coverage Form, which are in conflict with the statutes of the province wherein this Coverage Form is issued are hereby amended to conform to such statutes.

11. Termination

- (a) The first Named Insured shown in the Declarations may terminate this Coverage Form by mailing or delivering to us advance written notice of termination.
- (b) Subject to paragraph c. below, we may terminate this Coverage Form by giving to the first Named Insured:
 - (1) 5 days written notice of termination personally delivered, or
 - (2) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
 - (3) 30 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 30 days after receipt of the letter by the post office to which it is addressed, depending upon the reason for termination.

- (c) To the extent that the Civil Code of the Province of Quebec is applicable to this Coverage Form General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. Accordingly, we may terminate this Coverage Form by giving to the first Named Insured:
 - (1) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
 - (2) 30 days notice of termination by registered mail if termination is for any other reason.

Registered mail termination takes effect 15 or 30 days after receipt of the notice at the last known address of the first Named Insured, depending upon the reason for termination.

- (d) The "Policy Period" will end on the date termination takes effect.
- (e) If this Coverage Form is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.

12. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring action or transfer those rights to us and help us enforce them.

13. Transfer Of Your Rights and Duties Under This Coverage Form

Your rights and duties under this Coverage Form may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

SECTION VI. – DEFINITIONS

1. "Abuse" means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. "Business of the insured" means the description of operations in the Declarations.
3. "Coverage Territory" means Canada.
4. "Legal Defense Expenses" means reasonable fees and disbursements payable by the insured to defense counsel for legal services incurred by reason of the defense of a "proceeding(s)".
5. "Policy Period" means the period of one year following the effective date of this Coverage Form or the latest renewal date thereof, or any lesser period of the time between the effective date or the latest renewal date and the termination of the Coverage Form if less than one year.
6. "Proceeding(s)" means:
 - (a) A written demand for non-monetary relief;
 - (b) A civil proceeding seeking relief or damages arising out of an alleged breach of any Provincial or Federal Human Rights or Charter of Rights or alleging a breach of the Canadian Charter of Rights and Freedoms;
 - (c) A formal administrative or regulatory proceeding arising out of an alleged breach of any Provincial or Federal Human Rights or Charter of Rights or alleging a breach of the Canadian Charter of Rights and Freedoms commenced by the filing of a notice of charges, formal investigative order or similar document against any insured, including any appeal therefrom.