

EMPLOYEE BENEFITS LIABILITY EXTENSION ENDORSEMENT

COVERAGE EMI-0001-1018

This endorsement modifies insurance coverage provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY

Various provisions in this Endorsement restrict coverage. Read the entire Endorsement carefully to determine rights, duties and what is and is not covered. Throughout this Endorsement the words "you" and "your" refer to the Named Insured shown in the Declaration Page. The words "we", "us" and "our" refer to the Company providing this insurance. The word "Insured" means any person or organization qualifying as such as described under the DEFINITIONS. Other words and phrases that appear in quotation marks have special meaning.

INSURING AGREEMENTS

"We" will pay those sums that "you" becomes legally obligated to pay as compensatory damages because of damages sustained by an employee, prospective employee, former employee or the beneficiaries or legal representative thereof and caused by any negligent act, error or omission by "you", or any other person for whose acts "you" are legally liable in the "administration" of "your" "Employee Benefit Programs" as defined.

DEFENCE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

As respects the insurance afforded by this Endorsement "we" shall:

- a) defend in "your" name and on "your" behalf any suit or "action" against "you" alleging such negligent act, error or omission and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but "we" shall have the right to make such investigation or settle any claim or suit as "we" may deem expedient;
- b) pay the cost of bonds to release attachments but only for bond amounts within the limit of insurance applicable to this Endorsement. "We" do not have to furnish these bonds;
- c) pay all reasonable expenses "you" incur at "our" request to assist "us" in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work;
- d) pay all costs assessed or awarded against "you" in the "action";
- e) pay any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before "we" have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limit of insurance applicable to this Endorsement.

EXCLUSIONS

This insurance does not apply to:

- a) any dishonest, fraudulent, criminal or malicious acts, libel, slander, discrimination, or humiliation;
- b) "bodily injury", "property damage" or "personal injury" or to sickness, disease, or death, of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
- c) any claim for failure of performance of contract by any Insurer, including failure of any "employee benefit program";
- d) any claim based upon your failure to comply with any law concerning Workers' Compensation, Unemployment Insurance, Social Security or Disability Benefits;
- e) any claim based upon:
 - i. failure of stocks, bonds, or other securities to perform as represented by "you" ;
 - ii. advice given by "you" to any employee to participate or not to participate in stock subscription plans;
 - iii. the investment or non-investment of funds.

LIMIT OF LIABILITY

The Limit of Liability stated on the Declaration Page in respect to this Endorsement, as applicable to each claim, is the limit of "our" liability for all damages incurred on account of any one claim insured hereunder. The Limit of Liability stated on the Declaration Page in respect to this Endorsement as aggregate is, subject to the above provisions respecting each claim, the total limit of "our" liability for all claims insured hereunder and occurring during each policy year. The inclusion herein of more than one "Insured" shall not operate to increase the limit of "our" liability.

DEDUCTIBLE

The deductible amount stated on the Declaration Page shall be deducted from the amount of each claim arising out of the same negligent act, error or omission and "we" shall be liable for loss only in excess of that amount, in the event of any claim, irrespective of the amount. Notice thereof shall be given by "you" or on "your" behalf to "us" or any of "our" authorized agents, in accordance with the terms of this Endorsement and "we" may at "our" option, investigate such claim or negotiate or settle any claim, and "you" agree, if "we" undertake to negotiate or settle any such claim, to join "us" in such negotiation or settlement to the extent of the amount to be deducted as herein provided, or to reimburse "us" for such deductible amount, if and when such claim is paid by "us".

POLICY PERIOD AND TERRITORY

This Endorsement applies only to claims resulting from negligent acts, errors or omissions of the "Insured", or any other person for whose acts the "Insured" is legally liable in the "administration" of "Employee Benefit Programs" occurring within Canada and the United States of America (including its territories or possessions), provided such claim is brought against the Named Insured during the Policy Period and the Named Insured, at the effective date of this Policy, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or "action".

DEFINITIONS

"Insured", whenever used, includes not only the Named Insured, but also any partner, executive officer, director, stockholder or employee, (provided such employee is authorized to act in the "administration" of the Insured's "Employee Benefits Programs").

"Employee Benefits Program" means Group Life Insurance, Group Accident or Health Insurance, Profit Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Employment Insurance, Social Security and Disability Benefits and any other similar plan.

"Administration" means:

- a) giving counsel to employees with respect to the "Employee Benefits Programs";
- b) interpreting the "Employee Benefits Programs";
- c) handling of records in connection with the "Employee Benefits Programs";
- d) effecting enrolment, termination or cancellation of employees under the "Employee Benefits Programs"; provided all such acts are authorized by "you".

Except as specifically modified by this Endorsement, the terms, conditions, exclusions and limits of liability of the Policy are unchanged.