

# PAL

PARTY ALCOHOL LIABILITY

IT IS SIMPLE TO  
HAVE YOUR PAL  
AT YOUR NEXT  
PARTY!!!

1. First Obtain Liquor Licence Board Permit.
2. Carefully following instructions on application, fill it out in full or no policy will be issued.
3. For \$1,000,000 Limit of Liability - the cost of your PAL is . . .

No. of Guests	Cost per day
1-100	\$75. + 20.
101-500	\$100. + 20. <i>per = 120</i>
501+	\$150. + 20
Over 1000	phone for quote

Plus Brokerage Commission Fee (suggest 20% maximum)
4. Payment of your premium is by VISA, Mastercard or Brokers Cheque.
5. A certificate of Insurance will be issued and mailed to you the same day.

Some Restrictions May Apply.

**So enjoy yourself  
with your  
PAL!  
and remember  
NOT to Drink & Drive!**

# PAL

PARTY ALCOHOL LIABILITY



**Don't Party  
without your  
PAL**

**PAL . . . Your Protection  
Against Liquor Liability**

underwritten by



**PAFCO INSURANCE COMPANY LTD.**

available through

**PAL** PARTY ALCOHOL LIABILITY  
INSURANCE BROKERS LTD.

# PAL

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The development of PAL is the direct result of changing legal attitudes towards the responsibility of those who serve liquor to the public.

Liquor liability is not just limited to bars and similar commercial outlets. Claims have been brought against service clubs, alcohol outlets, universities and private social hosts.

The aim of PAL is to provide One Million Dollars (\$1,000,000) Party Alcohol Liability to the Liquor License Board permit holder as well as the host of a private liquor related function . . . PAL is your protection against liquor liability.

# PAL

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Pal has been specifically designed by **PAL Insurance Brokers Ltd.** (Calgary, Alberta) & **Pafco Insurance Company Ltd.** to protect you against liability for bodily injury, including death and damage to property of others (excluding owned or leased property or property in your care, custody or control) as a result of providing alcoholic beverages to any person or persons at an event hosted by you.

**Pafco Insurance Company Ltd.** is the only Canadian insurance organization which has specialized in liquor liability for the hospitality industry (restaurants, hotels, bars, taverns, etc.)



# PARTY ALCOHOL LIABILITY INSURANCE POLICY APPLICATION

Through Party Alcohol Liability Insurance Brokers Ltd.  
Fax: 1-519-426-8960 • Toll Free: 1-800-265-8098

P.O. Box 1017, Simcoe, Ontario N3Y 5B3 (Insurance Courier Use: 68 Peel Street, Simcoe, Ontario)

Liquor License Board Permit No. \_\_\_\_\_ Province \_\_\_\_\_

**\*DO NOT FAX OR SEND APPLICATION WITHOUT PERMIT NUMBER (OR COVERAGE WILL NOT BE PROVIDED).**

Name and Address of Permit Holder: (Also Insured)	Type of Function	Name and Address of Insured (Organization/Association) (Individual(s))
Postal Code: Phone No.:	<i>SOME RESTRICTIONS MAY APPLY</i>	

Date of Function \_\_\_\_\_ Number of People at Function \_\_\_\_\_ If over 1000 People, Phone For Quote.

Location of Function \_\_\_\_\_

**Policy Period Starts One Hour Before Event (Function). Maximum Policy Period 24 Hours.**

From - Date: \_\_\_\_\_ Time: \_\_\_\_\_ A.M. P.M.

To - Date: \_\_\_\_\_ Time: \_\_\_\_\_ A.M. P.M.

### TYPE OF COVERAGE HOST LIQUOR LIABILITY

COVERAGES	LIMIT OF LIABILITY	DEDUCTIBLE
Inclusive  Limit	a. Bodily Injury Liability and b. Property Damage Liability  \$1,000,000.00  \$1,000,000.00	{ <ul style="list-style-type: none"> <li>bodily injury</li> <li>each occurrence</li> <li>property damage</li> <li>each accident</li> <li>Aggregate</li> </ul>
		<b>\$250.00</b>

### PAYMENT

Policy Premium \$ \_\_\_\_\_ plus Brokerage Commission Fee \$ \_\_\_\_\_ TOTAL PREMIUM \$ \_\_\_\_\_  
*(Rates on back of PAL brochure) (Suggest 20% Maximum)*

When Brokerage Fee is charged, we will only bill your Credit Card the **"POLICY PREMIUM"** and show **"TOTAL PREMIUM"** on Customers Policy. If paid by brokers cheque, they must accompany the applications. Only pay the policy premium. (Customer cheques not acceptable.)

VISA  MASTERCARD  Card No. \_\_\_\_\_ Expiry: \_\_\_\_\_

Brokers Name & Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Brokers Signature: \_\_\_\_\_

**\*IF PAYMENT IS PAID BY OTHER THAN THE BROKER'S CREDIT CARD NUMBER (SHOWN ABOVE), PLEASE LIST BELOW: NAME, ADDRESS AND PHONE NUMBER OF CREDIT CARD HOLDER.**

\_\_\_\_\_

\_\_\_\_\_

Postal Code: \_\_\_\_\_

**FAX OF APPLICATION MUST BE RECEIVED BY OUR OFFICE ONE HOUR (MINIMUM), PRIOR TO FUNCTION COMMENCEMENT WHEN COURIERED OR MAILED. ENVELOPE (WITH APPLICATION AND PAYMENT ENCLOSED) MUST BE POST MARKED PRIOR TO COMMENCEMENT OF EVENT IF MAILED. (POSTAGE METER DATES NOT ACCEPTABLE.)**

**Local Phone (519) 428-7716**

The Insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of this policy and the riders and endorsements attached, agrees with the Named Insured as specified in the Insuring Agreements of the riders and endorsements attached hereto.

The following Definitions, Environmental Exclusion, Nuclear Energy Liability Exclusion and Conditions apply to all Liability Riders and/or Endorsements attached to this policy except as they may be modified or supplemented by the riders and/or endorsements attached.

## DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means any self-propelled motor vehicle, trailers or semi-trailers while attached thereto or unattached (including its equipment mounted on or attached thereto) other than any of the following or their trailers, accessories and equipment:

- (i) vehicles of the crawler type (other than motorized snow vehicles);
- (ii) tractors (other than road transport tractors designed to haul trailers or semi-trailers), road rollers, graders, scrapers, bulldozers, paving machines and concrete mixers (other than concrete mixers of the mix-in-transit type);
- (iii) other construction machinery or equipment mounted on wheels but not self-propelled while not attached to any self-propelled land motor vehicle;
- (iv) self-propelled land motor vehicles used solely on the premises of the Insured.

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

"completed operations hazard" includes bodily injury or property damage arising out of operations, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from the premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (i) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;
- (ii) when all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed;
- (iii) when the portion of the work out of which the bodily injury or property damage arises has been put to its intended use by any persons or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, 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:

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

"elevator" means any hoisting or lowering device to connect floors or landings whether or not in service and all appliances thereof, including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, but shall not include:

It is agreed that this policy does not apply to:

- (i) "Bodily Injury" or "Property Damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

1. At or from premises owned, rented or occupied by an insured;
2. At or from any site or location used by or for an insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an insured or any person or organization for whom the insured may be legally responsible; or
4. At or from any site or location on which an insured or any contractors or subcontractors working directly or indirectly on behalf of an insured are performing operations:
  - A) if the pollutants are brought on or to the site or location in connection with such operations; or

## ENVIRONMENTAL LIABILITY EXCLUSION

- B) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

- (ii) Any loss, cost or expense arising out of any governmental direction or request that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

- (iii) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub paragraphs 1) and 4)A) of paragraph 1) of this exclusion do not apply in "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

## NUCLEAR ENERGY LIABILITY EXCLUSION

(Applicable to all coverage riders, other than Comprehensive Personal Liability, Farmers Comprehensive Liability and Storekeepers Liability).

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:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

This policy is subject to the terms and conditions set forth herein together with any other terms and conditions which may be endorsed hereto or added hereto. No term of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

## SECTION V - CONDITIONS

## 1. Premium and Adjustment of Premiums:

(a) Unless otherwise stated, the premium stated in the declarations is an estimated deposit premium only. Adjustment of premium shall be made at least annually and for this purpose the premium bases and rates shown in the declarations or in any endorsement attached hereto, shall be used in ascertaining the earned premium with respect to the specific hazards mentioned herein.

(b) In the case of any hazards existing and covered under coverage rider(s) attached but not specified in the declarations, or in any endorsement, the earned premium with respect thereto shall be computed in accordance with the Insurer's rules, rates, rating plans and minimum premiums applicable to such hazards.

(c) Subject to the retention by the Insurer of the minimum premium provided for in the declarations, if the earned premium for this policy thus computed exceeds the estimated deposit premium paid, the Named Insured shall pay such excess to the Insurer; on the other hand, if the estimated deposit premium exceeds the earned premium, the Insurer shall return to the Named Insured such excess.

(d) The Named Insured shall maintain for each hazard hereby insured against, a record of the information necessary for premium computation on the basis stated, and shall submit such record to the Insurer at the end of the policy period and at such other times during the policy period as the Insurer may direct.

## 2. Inspection - Audit:

The Named Insured shall permit the Insurer to inspect the insured premises, operations and elevators and to examine and audit the Named Insured's books and records of any kind during the policy period and any extension thereof and within one year after the termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance. The Insurer assumes no responsibility and waives no rights by reason of such inspection, examination, audit or the omission thereof.

## 3. Insured's Duties in the event of Accident, Occurrence, Claim or Suit:

(a) In the event of an accident or occurrence, written notice containing particulars sufficient to identify the Insurer and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the insured and of available witnesses, shall be given promptly by or for the insured to the Insurer or any of its authorized agents.

(b) If claim is made or suit brought against the Insured, the Insured shall immediately forward to the Insurer every writ, letter, document or advice received by him or his representative.

(c) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in 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. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for the first aid to others at the time of accident.

- (i) dumbwaiters, the floor area of which does not exceed 1 square metre (10.76 square feet), and used exclusively for carrying property;
- (ii) hod or material hoists used in connection with alterations, construction or demolition operations;
- (iii) inclined conveyors used exclusively for carrying property;
- (iv) automobile servicing hoists.

"Incidental contract" means any written agreement which is a lease of premises, easement agreement, agreement required by municipal ordinance, sidetrack agreement or elevator maintenance agreement.

"Insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable coverage rider. The insurance afforded applies separately to each insured against whom claim is made or suit is brought.

"Named Insured" means the person or organization named in the Declarations of this policy.

"Named Insured's products" means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, including any container thereof (other than a vehicle), but shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

"policy territory" means:

- (i) Canada or the United States of America, its territories or possessions, or
- (ii) anywhere in the world with respect to compensatory damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (i) above, provided suit for such compensatory damages is brought within such territory.

"Products hazard" includes bodily injury and property damage arising out of the Named Insured's products (other than a vehicle) only if such bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

"Property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an accident occurring during the policy period.

## ENVIRONMENTAL LIABILITY EXCLUSION

- B) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

- (ii) Any loss, cost or expense arising out of any governmental direction or request that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

- (iii) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub paragraphs 1) and 4)A) of paragraph 1) of this exclusion do not apply in "bodily injury" or "property damage" caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

## NUCLEAR ENERGY LIABILITY EXCLUSION

(Applicable to all coverage riders, other than Comprehensive Personal Liability, Farmers Comprehensive Liability and Storekeepers Liability).

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:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

This policy is subject to the terms and conditions set forth herein together with any other terms and conditions which may be endorsed hereto or added hereto. No term of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

## SECTION V - CONDITIONS

## 4. Action against Insurer:

No action shall lie against the Insurer under any Insuring Agreement of this policy including the Insuring Agreement relating to "Defense - Settlement - Supplementary Payments" 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. If this policy is governed by the law of Quebec, every action or proceeding against the Insurer shall be commenced within three years from the time the right of action arises. 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.

## 5. Subrogation:

In the event of any payment under this policy, the Insurer shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

## 6. Other Insurance:

The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis the amounts of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater portion of the loss than that stated in the applicable contribution provision below:

- (a) Contribution by Equal Shares:

If all of such other valid and collectible insurance provides for a contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

- (b) Contribution by Limits:

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

## 7. Changes:

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Insurer from asserting any right under the terms of this policy; nor shall the terms

of this policy be waived or changed, except by endorsement issued to form a part of this policy.

#### 8. Assignment:

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall, if written notice be given to the Insurer within sixty days, after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured except in the Province of Quebec where no notice is required.

#### 9. Notice:

Any written notice to the Insurer may be delivered at or sent by registered mail to the agent through whom this policy was issued or to any branch of the Insurer in Canada. Written notice may be given to the Named Insured by letter personally delivered to him or by registered letter addressed to him at his last post office address notified to the Insurer; or, except in Quebec, where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received. In this condition the expression "registered" shall mean registered within or without Canada. Notice to the first Named Insured shall constitute notice to all Insureds.

#### 10. Cancellation - Termination:

- This policy may be terminated,
  - by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or personal delivery;
  - by the Named Insured at any time on written request.
- Where the policy is terminated by the Insurer,
  - and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the policy has been in force, calculated pro rata; or
  - where the premium is developed by an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.
- Where the policy is terminated by the Named Insured,
  - and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance

with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy, or

- where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy.
- Refund of premium may be made by money, postal or express company money order or by cheque payable at par.
  - Except in Quebec, the fifteen days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.
  - In Quebec, the Notice of Cancellation for the Insurer takes effect 15 days after receipt by the Insured at the last known address.
  - premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

#### 11. Declarations:

By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

#### 12. Cross Liability:

This insurance as is afforded by this policy shall apply in respect to any claim or activity 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.

#### 13. Currency Clause:

It is agreed that all limits of insurance, premiums, and other amounts as expressed in this policy are in Canadian Currency.

### HOST LIQUOR LIABILITY COVERAGE RIDER

It is hereby understood and agreed that, subject to the limits of liability as stated in the Certificate of Insurance issued to the Insured and terms and conditions of the following, the Insurer agrees to pay, on behalf of the Insured, all amounts payable because of bodily injury, including death resulting therefrom, to any person or persons or for damage to property (other than property leased or owned by or in the care, custody or control of the Insured or any of its employees) occurring as a result of the providing of alcoholic beverages to any person or persons by the Insured at the function specified in the Certificate of Insurance and for which a Liquor License Board Permit has been issued as evidenced by the Permit Number specified on the Certificate of Insurance.

#### Conditions Precedent To Coverage:

The insurance coverage provided for herein is expressly subject to the following conditions precedent, all of which must be strictly fulfilled by the Insured in respect of each and every claim hereunder, and if any one or more such conditions precedent are not so fulfilled in respect of any claim, then it is expressly agreed that the Insurer shall have no liability whatsoever in respect of such a claim:

- In respect of each and every incident, circumstance, matter or thing which may give rise to a claim under this insurance policy, the Insured shall report the details thereof to the Insurer or PAL Insurance Services Ltd., at their respective Head Offices by registered mail forthwith upon learning of any such claim or potential claim;
- In respect of each and every claim to be made under this insurance policy, the Insured shall, in addition to (a) above, forward to the Insurer at their Head Office by registered mail, forthwith upon receipt, every writ, claim, notice, demand, letter, document or other written advice received by the Insured or his representative and pertaining to each and every such claim hereon.

#### I. Defence - Settlement - Supplementary Payments:

As respects insurance afforded by this policy, the Insurer shall:

- defend in the name and on behalf of the Insured and at the cost of the Insurer, any civil action which may at any time be brought against the Insured on account of such bodily injury or property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claims as may be expedient by the Insurer;
  - 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 such bonds;
  - pay all costs taxed against the Insured in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability;
  - pay expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time of accident;
  - pay reasonable expenses incurred by the Insured at the Insurer's request in assisting the Insurer in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25. per day.
- The amounts so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability.

#### II. Persons Insured:

Each of the following is an Insured under this insurance to the extent set forth below:

- If the Named Insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of business of which he is the sole proprietor;
- If the Named Insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof; but only with respect to his liability as such;
- If the Named Insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- any person (other than an employee of the Named Insured) or organization while acting as real estate manager for the Named Insured;
- Any person while acting on behalf of the named Insured engaged in the service of alcohol at the event specified in the application and/or declarations to the policy. This insurance does not apply in bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

#### Additional Named Insured:

It is agreed that in the event the Liquor License Board Permit Holder shown on the Certificate of Insurance differs from the Insured, the Liquor License Board Permit Holder is added to the policy as an additional named Insured, but only with respect to bodily injury or property damage arising out of the function listed on the Certificate of Insurance for which the Liquor License Board Permit was issued.

#### III. Policy Territory:

This insurance policy applies only to bodily injury and property damage which occurs within the policy territory.

#### Exclusions:

This insurance does not apply to:

- liability assumed by the Insured under any contract or agreement except an incidental contract, but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner;
- bodily injury or property damage arising out of the ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
- bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
- (1) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of
  - any aircraft, or
  - any air cushion vehicle;
- (2) bodily injury or property damage arising out of the ownership, existence, use or operation by or on behalf of the Insured of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental thereto;
- bodily injury to any Employee of the Insured arising out of and in the course of his employment by the Insured, but this exclusion does not apply to liability assumed by the Insured under an incidental contract;
- any obligation for which the Insured or his Insurer may be held liable under any workmen's compensation law;

- bodily injury caused intentionally by or at the direction of the Insured; this exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.

#### (b) property damage to

- property owned or occupied by or rented to the Insured or
  - property used by the Insured, or
  - property in the care, custody or control of the Insured or property as to which the Insured is for any purpose exercising physical control, or
  - any personal property or any fixtures as the result of any work performed thereon by the Insured or anyone on his behalf;
- but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the Named Insured;

- property damage to the Named Insured's products arising out of such products or any part of such products;
- property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- loss of tangible property which has not been physically injured or destroyed resulting from

- a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement, or
- the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named 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 Named Insured's products or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured.

- expenses incurred for the withdrawal, inspection, repair, replacement, or amounts claimed for loss of use of the Named Insured's products or work completed by or for the Named 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;

#### (m) property damage arising out of

- the use of explosives for blasting, or
  - vibration from pile driving or caisson work, or
  - the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
- but this exclusion does not apply with respect to property damage (i) arising out of operations performed for the Named Insured by independent contractors; (ii) included within the completed operations hazard; (iii) for which liability is assumed by the Insured under an incidental contract.

- 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.

- Nuclear Energy Liability - see exclusion herein.

- Environmental Liability - see exclusion herein.

#### LIMITS OF LIABILITY:

Regardless of the number of (1) Insureds under this policy (2) persons or organizations who sustain bodily injury or property damage or (3) claims made or suits brought on account of bodily injury or property damage, the Insurer's liability is limited as follows:

#### (1) Limits of Liability - Coverages A and B

The inclusive limit of liability stated in the schedule as applicable to "bodily injury each occurrence property damage each accident" is the total limit of the Insurer's liability under Coverages A or B or Coverages A and B combined for all compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury in any one occurrence or property damage as a result of any one accident or series of accidents arising out of one event.

- Subject to the above provision respecting "bodily injury each occurrence property damage each accident" under Coverages A and B combined, the limit of bodily injury and property damage liability combined stated in the schedule as "aggregate" is the total limit of the Insurer's liability for all compensatory damages in any one certificate period.

All compensatory damages arising out of one lot of goods or products prepared or acquired by the Named Insured or by another trading under his name, shall be considered as arising out of one occurrence as regards bodily injury liability and one accident as regards property damage liability.

- For the purpose of determining the limit of the Insurer's liability, all bodily injury arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

#### Description of Terms Used for Premium Basis:

"number of people at a function" means the amount of people as specified in the Liquor License Board Permit, the Permit Number of which is shown on the Certificate of Insurance.

#### Condition:

In respect of each and every claim made under this insurance policy, the Insured agrees to pay to the Insurer, immediately following the Insurer's demand for same, all or such part of the Applicable Deductible Amount actually incurred or expended by the Insurer.

#### Applicable Deductible Amount:

In this insurance policy the "Applicable Deductible Amount" means the deductible amount of \$250.00 which the Insured has elected and is obligated to assume and fund under this insurance policy in respect of each and every loss or claim hereunder, from the first dollar of loss, including the following:

- external investigator's fees, expenses, costs, charges and accounts; and
- external adjusters' fees, expenses, costs, charges and accounting; and
- legal fees and disbursements; and
- any fees, expenses, costs, charges or accounts of any other persons not employed by the Insurer, or any firms or corporations, providing services to the Insurer or its representatives in respect of the investigation, adjustments, evaluation, management, settlement or disposition of any loss or claim.