

**Asset Protection Insurance Exchange**  
**Assurance de Reciprocité pour la Protection des Actifs**  
**Head Office: Suite 390 - 8B - 3110 8<sup>th</sup> Street East**  
**Saskatoon, Saskatchewan S7H 0W2**

**INSURANCE POLICY**

**DECLARATIONS**

1. POLICY NO.: 2012-01  
Replacing Policy No.: 2011-01
2. INSURER: Asset Protection Insurance Exchange
3. LOCAL ADMINISTRATIVE OFFICE AND ADDRESS SERVICE: Asset Protection Insurance Exchange  
c/o 3665 Benvoulin Road  
Kelowna, BC V1W 4M7
4. ATTORNEY FOR THE INSURER: Michele Wright
5. NAME OF INSURED: The Roman Catholic Bishop of Nelson, A Corporation Sole
6. ADDRESS OF INSURED: 3665 Benvoulin Road  
Kelowna, BC V1W 4M7
7. POLICY PERIOD: October 01, 2012 to October 01, 2013  
12:01 a.m. standard time at the location of the property as stated herein
8. (a) LOCATION OF PROPERTY INSURED: 1. Various as known to the Insurer  
2.  
(b) OCCUPANCY OF PREMISES: Episcopal Corporation
9. LOSS, IF ANY, PAYABLE TO: (Absence of an entry denotes loss payable to the Insured)
10. COVERAGE:
  - (a) DESCRIPTION: Property
  - (b) DEDUCTIBLE: \$5,000, or higher as provided herein
  - (c) LIMIT OF LIABILITY: \$100,000, or lower as provided herein
  - (d) VALUATION: Replacement Cost Valuation unless otherwise specified in the Schedule of Properties
11. OVERLYING POLICY: Policy No: ES29178R12 issued by Ecclesiastical Insurance Office plc to Member Episcopal Corporations of the Asset Protection Insurance Exchange including Endorsements thereto
12. PREMIUM: \$ 106,172

**THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE**

## POLICY

### 1. Insuring Clause

The Insurer, in consideration of the payment of the Premium as described in Section 12 of the Declarations, in reliance on the statements made in the Declarations made a part of this Policy and subject to all the terms and conditions of the Policy and the forms and endorsements attached, agrees to indemnify the Insured in respect of loss or damage to the property/interest while located or contained as described in Section 8 of the Declarations occurring during the Policy Period described in Section 7 of the Declarations to the extent said loss or damage is covered by (or would be so covered but for the limits) and defined in the Overlying Policy as described in Section 11 of the Declarations.

### 2. Limit

The limit of the Insurer's liability shall be amount, if any, by which:

- (a) the Limit of Liability described in Subsection 10(c) of the Declarations or, if lower, the deductible contained in the Overlying Policy,

exceeds:

- (b) the Deductible described in Subsection 10(b) of the Declarations.

### 3. Exclusion for Perils of Earthquake and Flood

Notwithstanding Insuring Clause 1 above, this policy does not insure against loss or damage caused directly or indirectly by:

- (a) Earthquake (as defined in the Overlying Policy), except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment, or

- (b) Flood (as defined in the Overlying Policy) except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment or from a watermain.

### 4. Maintenance of Insurance

The insurance provided under this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the limit of liability and except as otherwise provided herein) as are contained in or as may be added to the Overlying Policy and should any alterations be made in the premium for that Policy, then the premium hereon may be adjusted accordingly.

It is a condition of the insurance provided under this Policy that the Overlying Policy be maintained in full force and effect.

### 5. Premium

The Premium payable hereunder is the amount stated in Section 12 of the Declarations.

### 6. Application of Recoveries

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under the Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Insurer provided always that nothing in this Insurance shall be construed to mean that losses under the Policy are not recoverable until the Insured's loss has been finally ascertained.

## STATUTORY CONDITIONS

The following statutory conditions apply with respect to all of the perils insured by the Policy. Any statutory conditions which are in conflict with the statutory requirements mandated in the province or territory wherein this Policy is issued are deemed to be amended to conform to such statutory requirements.

### Misrepresentation

1. If any person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance which is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract shall be void as to any property in relation to which the misrepresentation or omission is material.
2. Unless otherwise specifically stated in the contract, the insurer is not liable for loss or damage to property owned by any person other than the insured, unless the interest of the insured therein is stated in the contract.

### Change of interest

3. The insurer shall be liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or change of title by succession, by operation of law, or by death.

### Material change

4. Any change material to the risk and within the control and knowledge of the insured shall avoid the contract as to the part affected thereby, unless the change is promptly notified in writing to the insurer or its local agent; and the insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the insurer an additional premium; and in default of such payment the contract shall no longer be in force and the insurer shall return the unearned portion, if any, of the premium paid.

### Termination of contract

5. (1) This contract may be terminated:
  - (a) by the insurer giving to the insured fifteen days' notice of termination by registered mail, or five days' written notice of termination personally delivered;
  - (b) by the insured at any time on request.
- (2) Where this contract is terminated by the insurer:
  - (a) the insurer shall refund the excess of premium actually paid by the insured over the *pro rata* premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or termination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where the contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order, or by cheque payable at par.

- (5) The fifteen days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

### **Requirements after loss**

6. (1) Upon the occurrence of any loss of or damage to the insured property, the insured shall, if such loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
- (a) forthwith give notice thereof in writing to the insurer;
  - (b) deliver as soon as practicable to the insurer a proof of loss verified by statutory declaration;
    - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes;
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured;
    - (iv) showing the amount of other insurances and the names of other insurers;
    - (v) showing the interest of the insured and of all other in the property with particulars of all liens, encumbrances and other charges upon the property;
    - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
    - (vii) showing the place where the property insured was at the time of loss;
  - (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
  - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

### **Fraud**

7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, shall vitiate the claim of the person making the declaration.

### **Who may give notice and proof**

8. Notice of loss may be given, and proof of loss may be made, by the agent of the insured named in the contract in case of absence or inability of the insured to give notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

### **Salvage**

9. (1) The insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the insured and required under subparagraph 1 of this condition according to the respective interests of the parties.

#### **Entry control, abandonment**

10. After any loss or damage to insured property, the insurer shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property and to make an estimate of the loss or damage, and, after the insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the insurer shall not be entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.

#### **Appraisal**

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Saskatchewan Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

#### **When loss payable**

12. The loss shall be payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

#### **Replacement**

13. (1) The insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intentions to do so within thirty days after receipt of the proofs of loss.
- (2) In the event the insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

#### **Action**

14. Deleted

#### **Action**

15. Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province; and written notice may be given to the insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the insurer; and in this condition, the expression "registered" means registered in or outside Canada.

In Witness Whereof the Insurer has caused this policy to be executed the 1st day of October, 2012 by its Attorney.

**ASSET PROTECTION INSURANCE EXCHANGE**

Per: *M. Wright*  
Attorney