

COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION RIDER

The Insurer, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Rider, agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance in the Limits of Liability, to pay the Insured for:

INSURING AGREEMENTS

EMPLOYEE DISHONESTY COVERAGE – FORM A

- I. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Limits of Liability applicable to this Insuring Agreement I, Form A, resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others.

EMPLOYEE DISHONESTY COVERAGE – FORM B

- I. Loss of Money, Securities and other property which the Insured shall sustain resulting directly from one or more Fraudulent or Dishonest Acts committed by an Employee, acting alone or in collusion with others, the amount of insurance on each of the Employees being the amount stated in the Limits of Liability applicable to this Insuring Agreement I, Form B.

LOSS INSIDE THE PREMISES COVERAGE

- II. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following the burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

Limitation: Loss of Money & Securities due to theft from the insured premises, when the premises is closed for business, is limited to \$1,000 unless the Money & Securities is kept in a Class 2 or better safe.

LOSS OUTSIDE THE PREMISES COVERAGE

- III. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armoured motor vehicle company or while within the living quarters in the home of any Messenger. Loss of other property by Robbery outside the Premises or attempt thereat while such property is being conveyed by a Messenger or any armoured motor vehicle company or by theft while within the living quarters in the home of any Messenger.

Theft – Night Depository: Theft from within any night depository safe in a bank or in a similar recognized place of safe deposit.

MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY COVERAGE

- IV. Loss due to the acceptance in good faith, in exchange for merchandise, Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency.

DEPOSITORS FORGERY COVERAGE

- V. Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a chequing or savings account, as their respective interest may appear, shall sustain through forgery or alteration of, on or in any cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including
 - (a) any cheque or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;
 - (b) any cheque or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and

- (c) any payroll cheque, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof. Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Insurer to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Insurer shall give its written consent to the defense of such suit, than any reasonable attorney's fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Insurer for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

CONSOLIDATION-MERGER

- A. If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Rider shall also apply as respects such Employees and Premises, provided the Insured shall give the Insurer written notice thereof within thirty days thereafter and shall pay the Insurer an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

JOINT INSURED

- B. If more than one Insured is covered under this Rider, the Insured first named shall act for itself and for every other Insured for all purposes of this Rider. Knowledge possessed or discovery made by any Insured or any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15, constitute knowledge possess or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every Insured. If, prior to the cancellation or termination of this Rider, this Rider or any Insuring Agreement hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination or, as respects Insuring Agreement I, Form B, within two years therefrom. Payment by the Insurer to the Insured first named of any loss under this Rider shall fully release the Insurer on account of such loss. If the Insured first named ceases for any reason to be covered under this Rider, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Rider.

LOSS UNDER PRIOR BOND OR POLICY

- C. If the coverage of an Insuring Agreement of this Rider, other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the Insurer agrees that such Insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired, provided;
 - (1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Rider.
 - (2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
 - (3) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;
- (b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
- (c) the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

POLICY PERIOD, TERRITORY, DISCOVERY

Section 1. Loss is covered under this Rider only if discovered not later than one year from the end of the Policy Period, except that under Insuring Agreement I, Form B, loss is covered only if discovered not later than two years from the end of the Policy Period.

Subject to General Agreement C:

- (a) this Rider, except under Insuring Agreements I and V, applies only to loss which occurs during the Policy Period within Canada, any of the States of the United States of America or the District of Columbia;
- (b) Insuring Agreement I applies only to loss sustained by the Insured through Fraudulent or Dishonest Acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

EXCLUSIONS

Section 2. this rider does not apply:

- (a) to loss due to any fraudulent, dishonest, or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) Under Insuring Agreements II and III, to loss due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II and III, to loss due to any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (f) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records, except for blank value;
- (g) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;

- (h) under Insuring Agreement III, to loss of insured property while in the custody of any armoured motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armoured motor vehicle company, (2) insurance carried by said armoured motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armoured motor vehicle company's service, and then this Rider shall cover only such excess;
- (i) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to or arises out of the occurrence of a hazard insured against;
- (j) to loss due to the surrender of Money, Securities or other property away from the Premises as a result of the threat to do:
 - (1) bodily harm to a person, or
 - (2) damage to the Premises or property owned by the Insured or held by the Insured in any capacity;

provided, however, these exclusions do not apply:

 - (a) to Insuring Agreement I if coverage is afforded thereunder, or
 - (b) under Insuring Agreement III if coverage is afforded thereunder, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated;
- (k) to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this Rider, except as may be specifically stated to the contrary in this Rider;
- (l) to potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Rider;
- (m) to all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Rider;
- (n) to all costs, fees and other expenses incurred by the Insured in establishing the existence of, or amount of loss covered under this Rider;
- (o) under Insuring Agreement II, to loss of Money, Securities and other property which has been transferred by any computer to a person or to a place outside the covered premises on the basis of unauthorized electronic instructions.

DEFINITIONS

Section 3. The following terms, as used in this Rider, shall have the respective meanings stated in this Section:

"Money" means currency, coins, bank notes and bullion; and travelers' cheques, register cheques and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

"Fraudulent or Dishonest Acts" shall mean only Fraudulent or Dishonest Acts committed by an Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

This definition of "Fraudulent or Dishonest Acts" does not apply to Section 7 or Section 15 of this Policy.

"Employee" means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business, including persons hired through an intervening employment agency or employer, during the Policy Period and whom the Insured compensates directly or indirectly by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first thirty days thereafter; subject however, to Sections 15 and 16.

"Premises" means the interior of that portion of any building which is occupied by the Insured in conducting its business. As respects Robbery only, the premises shall also include the space immediately surrounding such building.

“Banking Premises” means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

“Messenger” means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

“Custodian” means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

“Robbery” means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious; (5) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person in to the Premises or to furnish him with means of ingress into the Premises; or (6) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

“Safe Burglary” means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks upon the exterior of (a) all of said doors of such vault of such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

“Loss” except under Insuring Agreements I and V, includes damage.

LOSS CAUSED BY UNIDENTIFIABLE EMPLOYEES

Section 4. If a loss is alleged to have been caused by the Fraudulent or Dishonest Acts of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Section (2b) of this Rider, provided that the evidence submitted reasonably proves that the loss was in fact due to the Fraudulent Dishonest Acts of one or more of the said Employees, and provided, further, that the aggregate liability of the Insurer for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreement I.

OWNERSHIP OF PROPERTY; INTERESTS COVERED

Section 5. The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable, provided, Insuring Agreements II, III, and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of the said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

BOOKS AND RECORDS

Section 6. The Insured shall keep records of all the insured property in such manner that the Insurer can accurately determine therefrom the amount of loss.

PRIOR FRAUD, DISHONESTY OR CANCELLATION

Section 7. The coverage of Insuring Agreement I shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any Fraudulent or Dishonest Act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Rider, any fidelity insurance in favour of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been cancelled as to any such Employees by reason of the giving of written notice of cancellation by the Insurer issuing such fidelity insurance, whether the Insurer or not, and if such Employees shall not have been re-instated under the coverage of said fidelity insurance or superseding fidelity insurance, the Insurer shall not be liable on account of such Employees unless the Insurer shall agree in writing to include such Employees within the coverage of Insuring Agreement I.

LOSS – NOTICE – PROOF – ACTION AGAINST COMPANY

Section 8. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall, (a) give notice thereof as soon as practicable to the Insurer or any of its authorized agents and, except under

Insuring Agreements I and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Insurer within four months after the discovery of the loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall cooperate with the Insurer in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Rider, nor until ninety days after the required proofs of loss have been filed with the Insurer, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Rider, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

VALUATION – PAYMENT – REPLACEMENT

Section 9. In no event shall the Insurer be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Insurer may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Insurer has made indemnification shall become the property of the Insurer.

In case of damage to the Premises or loss of property other than Securities, the Insurer shall not be liable for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Insurer may, at its election, pay such actual cash value, or make such repairs or replacements. If the Insurer and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

RECOVERIES

Section 10. If the Insured shall sustain any loss covered by this Rider which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Insurer) by whomsoever made, on account of such loss under this Rider until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the Insurer.

LIMITS OF LIABILITY

Section 11. Payment of loss under Insuring Agreement I or V shall not reduce the Insurer's liability for other losses under the applicable Insuring Agreement whenever sustained. The Insurer's total liability (a) under Insuring Agreement I, Form A, for all loss caused by any Employee or in which such Employee is concerned or implicated or (b) under Insuring Agreement I, Form B, as to each Employee or (c) under Insuring Agreement V, for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Limits of Liability or endorsement amendatory thereto. The liability of the Insurer for loss sustained by any or all of the Insureds shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insureds.

Except under Insuring Agreements I and V, the applicable limit of liability stated in the Limits of Liability is the total limit of the Insurer's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted Fraudulent, Dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Rider shall continue in force and the number of premiums which shall be payable or paid, the limit of the Insurer's liability as specified in the Limits of Liability shall not be cumulative from year to year or period to period.

The Limits of Liability as expressed in the Policy are in Canadian currency.

LIMIT OF LIABILITY UNDER THIS RIDER AND PRIOR INSURANCE

Section 12. This Section shall apply only to Insuring Agreements I and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Insurer to the Insured or to any predecessor in interest of the Insured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the same time any such loss thereunder is discovered, the total liability of the Insurer under this Rider and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Rider on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

OTHER INSURANCE

Section 13. Except in the province of Quebec, if there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreements I or V, the Insurer shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under both Insuring Agreements I and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I. If this policy is governed by the law of Quebec, each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss. The Insurer waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Rider shall apply only as excess insurance over such other insurance, except in the province of Quebec where each of the Insurers under its respective contract is liable to the Insured for its rateable proportion of the loss, provided the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance or (b) to property otherwise insured unless such property is owned by the Insured.

SUBROGATION

Section 14. In the event of any payment under this Rider, 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.

CANCELLATION AS TO ANY EMPLOYEE

Section 15. Insuring Agreement I shall be deemed cancelled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, or (b) except in the province of Quebec at 12:01 a.m., standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Insurer of notice as aforesaid to the Insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the Insurer shall be equivalent to mailing. In the province of Quebec, cancellation shall be made by endorsement only.

CANCELLATION OF RIDER OR INSURING AGREEMENT

Section 16. This Rider or any Insuring Agreement may be cancelled by the Insured by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective. This Rider or any Insuring Agreement may be cancelled by the Insurer by mailing to the Insured at the address shown in this Policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective, except in the province of Quebec where the notice of cancellation takes effect fifteen days after receipt by the Insured of the notice of the last known address. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Insurer shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Insurer cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

NO BENEFIT TO BAILEE

Section 17. This Section shall apply only to Insuring Agreements II and III. The insurance afforded by this Rider shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

ASSIGNMENT

Section 18. Assignment of interest under this Rider shall not bind the Insurer until its consent is endorsed hereon; if, however, the Insured shall die or in the province of Quebec be declared bankrupt, this Rider shall cover the Insured's legal representative, or in the province of Quebec the trustee in bankruptcy; as Insured; provided that notice of

cancellation addressed to the Insured named in the Declarations and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Rider.

CHANGES

Section 19. 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 Rider or estop the Insurer from asserting any right under the terms of this Rider; nor shall the terms of this Rider be waived or changed, except by endorsement issued to form a part of this Rider signed by an authorized representative of the Insurer.

By acceptance of this Rider, the Insured agrees that it embodies all agreements existing between the Insured and the Insurer or any of its agents relating to this insurance.

EXCEPT AS OTHERWISE PROVIDED IN THIS RIDER, ALL TERMS, PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.