



Insurance | Risk Management | Consulting

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September 03, 2026

Halifax County Condominium Corporation #144

1049 South Park St.
Halifax, NS B3H 2W5

Attention: Raymond Spencer

RE: **Policy Type: Property & General Liability**
Policy No.: 48271050
Policy Term: June 30, 2026 to June 30, 2027

Dear Raymond,

We are pleased to enclose your Renewal Policy, evidencing insurance protection with Wawanesa Mutual Insurance Company for the term of June 30, 2026 to June 30, 2027.

Our invoice is enclosed for the policy premium in the amount of **\$11,072.00**. ***Please note that any policy fees are non-refundable should the policy be cancelled once bound.*** Please forward payment for the total amount, indicated on our invoice, by utilizing one of the methods shown on the attached Payment Options Form. Premium Financing options are available through Momentus. If you are interested in obtaining a quote for this service, please let us know.

Please note the deductible schedule within the summary of insurance as the deductible application varies from section to section. We urge you to review all documentation to ensure that each detail is correct and loss payee information has been correctly indicated. If any information has been omitted or shown in error, we would ask that you inform us immediately.

It is necessary to inform the Insurance Company of any changes to your property or operations as required by the policy. Failure to do so may result in claim issues or uncovered losses. Please notify us of any changes to ensure adequate proper coverage.

The property coverage includes a Co-Insurance clause, which requires you to maintain limits of insurance that represent a stated, pre-determined percentage of the value of your property (see attached insert for an explanation of how coinsurance works and how it could adversely affect you in a loss). As there are several factors to be considered when an insured loss occurs, such as increased construction costs (labour, materials, permits, new Building codes, bylaws, debris removal, etc.), **we strongly recommended that insurance values are established in tandem with a qualified professional appraiser as well as a professional accountant to determine both adequate property and business income values.** If you do not understand these obligations, please contact your Client Service Broker.

The Canadian legal environment has changed dramatically in recent years, especially with an increase in frequency, severity and judgements determined by the courts. In keeping with these changes Gallagher recommends businesses increase their liability limits to a \$5,000,000 minimum on all policies. Should you wish to increase your Commercial General Liability limit for added protection, please do not hesitate to contact us for a quote.

It is important to note the captioned policy contains certain coverages which are written on a Claims Made basis. **It is crucial to promptly report any incidents that may lead to a claim, as well as any facts or circumstances that could potentially give rise to a claim, to the Insurer. In order for the policy to provide coverage, the incident must have occurred and been reported to the Insurer as outlined in the claims reporting provisions of the policy. If you become aware of any potential or new claims, please contact our office immediately to ensure they are reported within the specified reporting window. Failure to comply with the claims reporting provisions may result in the Insurer denying coverage for claims under the policy.**

The offer of insurance includes several exclusions and coverage limitations, as is customary with any insurance policy. We strongly recommend conducting a thorough review of your policy; however we would like to draw your attention to the significant conditions that restrict your coverage, outlined below:

LIMITATIONS AND EXCLUSIONS: (see policy wordings for full explanation and definitions)

- **Commercial General Aggregate:** Your commercial general liability coverage contains a general aggregate, which represents the maximum limit of liability (specified on the policy declaration page) that applies to all liability exposures for which you, as the insured, may be legally responsible under Sections A, B, and C of the policy within a policy year. Similar to the Products and Completed Operations aggregate, the General aggregate reduces the insurance limit by the amount of each settled claim during a policy period.
- **Electronic Spam, Cyber Attacks and/or Data Exclusions:** Excludes losses resulting from unsolicited emails to prospective customers, or third parties, either intentional or unintentional which result in claims for bodily injury, property damage or under the personal and advertising injury section of the policy.
- **Mold and Mold Related Losses:** The increase in mold-related litigation in both Canada and the U.S.A. has created concern in the insurance industry. New definitions of 'fungi' and 'spores' have been added to the Commercial Property and Liability sections of your policy to clarify that MOLD AND MOLD-RELATED losses are not covered. The new Mold exclusions clarify that the wordings were never intended to cover losses arising out of or caused by mold.
- **Asbestos:** This is an absolute exclusion in which any loss, cost or expense arising out of or relating in any way to asbestos is not covered by the policy.
- **Abuse:** Commercial General Liability wordings have been changed to clarify that ABUSE-RELATED losses commonly referred to as Molestation, Corporal Punishment, Sexual or Physical Abuse, Sexual Exploitation or other harmful acts by the insured or any occupant or resident of the insured's operation or premises; any employee of any insured or any volunteer are not covered by the policy.
- **Locked Vehicle Warranty:** Insured property carried in a vehicle must be kept within a fully enclosed metal body or compartment. In the event of a loss, the insurance company will only be liable if theft from an unattended vehicle occurs due to forcible entry, which must be visibly evident, into the locked body or compartment of the vehicle. All points of entry must have been securely locked in order for coverage to apply.
- **Forcible Ejection Exclusion:** The indemnity provided by this policy excludes any loss or liability or claims arising out of the forcible ejection of any person or persons from the premises insured.

- **War/Nuclear/Terrorism Exclusion:** This policy will not respond to claims arising out of any nuclear incident, war risk or act of terrorism.
- **Vacancy Clause:** Please be aware of the Vacancy Clause in your policy. If the insured property is not fully occupied or will be vacant for more than a specified number of days (usually 30 days), you must notify us immediately, even if it is temporary or utilities are still connected. Vacant or unoccupied locations are more susceptible to damage such as water leakage, burst pipes, vandalism and theft, therefore additional measures may be required to maintain coverage. We recommend reviewing your policy and contacting us for any concerns or clarifications. Vacancy either partial or fully could result in a denial of coverage.

Additional Coverage Recommendations for consideration:

The following forms of coverage are for your review and consideration. If you require coverage for your business insurance or wish to discuss coverage further, we would be pleased to assist you.

Business Interruption - Profits Form

We recommend considering business income coverage in the form of Profits insurance to protect your financial assets in the event of a loss. This coverage provides payment for net profit and ongoing expenses after a covered loss, until you are financially restored to your pre-loss position within a specified indemnity period. To accurately calculate the reduction in turnover and the necessary recovery time, please complete the Profits Insurance Worksheet.

Social Engineering Fraud

Social engineering entails the deceptive manipulation of individuals to perform specific actions, such as sharing sensitive information, sending money to criminals, clicking on malicious links, or making other detrimental mistakes. Virtually every business has an exposure and can be targeted when least expected. Coverage provides protection to organizations that suffer financial losses resulting from an employee being deceived by a social engineering scam.

Umbrella Liability

The Umbrella policy can provide additional liability coverage above your existing CGL and commercial automobile liability policies. It's important to consider that your current liability limits may not sufficiently protect your assets due to the litigious nature of liability suits in the US and Canada. We recommend reviewing your current business and automobile liability limits and considering the addition of an Umbrella policy for enhanced peace of mind and protection against third-party lawsuits.

Pollution Liability Coverage

The policy is designed to provide protection for liability exposures that may result from damage, injury and, in some cases, clean-up costs caused by pollution. This coverage is excluded in the standard Commercial General Liability policy. Many insurers endorse their policies to make the CGL exclusion as broad or absolute as possible.

A more comprehensive type of pollution coverage is available called **Environmental Impairment Liability**. It provides indemnification for third party bodily injury, property damage and cleanup costs. A pollution lawsuit can financially cripple a business and damage its reputation. Included is coverage for a catastrophic release or spill, contamination of groundwater, air emissions and underground storage tanks. This coverage can also be extended to include coverage for your completed operations as it relates to pollution claims. An application is required to assess your unique exposures to loss. If you are unsure as to whether this coverage is necessary for your business, please contact a member of your client service team to discuss in detail.

Employment Practices Liability:

EPL covers businesses against claims by workers when their legal rights as an employee of the company have been violated. While most suits are filed against large corporations, no company is immune to such lawsuits. Recognizing that smaller companies now need this kind of protection, insurance companies offer EPL as a stand-alone coverage providing protection against many kinds of employee lawsuits, including but not limited to claims such as:

- Sexual harassment
- Discrimination
- Wrongful termination
- Breach of employment contract
- Negligent evaluation
- Failure to employ or promote
- Wrongful discipline
- Deprivation of career opportunity
- Wrongful infliction of emotional distress
- Mismanagement of employee benefit plans

The cost of EPL coverage depends on your type of business, the number of employees you have and various risk factors such as whether your company has been sued over employment practices in the past. The policy will reimburse your company against the costs of defending a lawsuit in court and for judgments and settlements. The policy covers legal costs, whether your company wins or loses the suit.

Fiduciary Liability – Employee Benefits E&O Coverage

Laws regulate the conduct and liabilities of employee benefits plans, their fiduciaries and other persons with respect to the administration of pension funds and monies held in trust for employees. The majority of fiduciary claims against employers are brought by past or present employees or their families. Recent surveys indicate that the following are the most frequently alleged claims: denial or change of benefits, administrative error, incorrect benefit calculation, improper advice or counsel, misleading representation, wrongful termination of plan, civil rights denial or discrimination, failure to adequately fund a benefits program, conflict of interest and imprudent investment. Any actual or alleged breach of duty, error or omission could result in a financially devastating lawsuit threatening your business and the personal assets of the plan fiduciaries.

Errors and Omissions Liability Insurance

Regardless of what kind of business you own, customers can claim that something you did on their behalf was done incorrectly, and that this error cost them money or caused them harm in some way. In today's litigious world, many business owners protect themselves with errors and omissions insurance (E&O). This type of insurance may be appropriate for anyone who gives advice, makes educated recommendations, designs solutions or represents the needs of others, such as teachers, consultants, software developers, ad copywriters, Web page designers, placement services, telecommunication carriers or inspectors. Although formalizing a contract with your clients can help limit your liability, the big expense in an errors and omissions claim is the legal defense needed to prove liability or innocence. Errors & Omissions policies are designed to cover many of these defense costs and ultimately the final judgment if the business owner is found negligent.

Legal Expense Insurance

Situations that lead to legal action against businesses are surprisingly commonplace in today's society. Arthur J. Gallagher Canada Limited as now partnered with ARAG GROUP to be able to provide our clients with unique products that are designed to support you when faced with a situation where it might be prudent to get legal advice. When you remove the high cost of retaining a lawyer from a company, it reduces the stress and uncertainty of having to choose between jeopardizing bottom lines by incurring legal expenses and the threat of financial ruin from not having proper legal representation. ARAG GROUP Legal Expense is a complete service that gives companies immediate access to a lawyer, selected from an expert panel, whenever they need it. ARAG GROUP can provide an additional line of Legal coverages which can be tailored to your company's needs.



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Cyber & Privacy Liability

Commercial Property insurance protects your physical computers, but not the data stored on them. Commercial General Liability insurance will not cover claims for privacy violations, intellectual property rights infringement or defamation. Cyber/Privacy Liability offers coverage for your civil liability resulting from data breaches, your own costs to notify individuals in the event of a privacy breach and the cost of actions taken to mitigate a larger liability claim, protection for your financial obligations resulting from a computer virus transmission or hacking, and for system repair and restoration. This coverage extends to paper documents as well as equipment such as laptops, smartphones, etc. as well, should they become misplaced. Please contact our office if you would like to discuss obtaining quotes.

Our claims representatives are standing by 24 hours, seven days a week, to help you in case of a loss. We are ready to assist you when you need it the most! Monday through Friday, 8:30am – 4:30 pm, please call (902) 429-4150 OR 1-866-813-8822 for after-hours claims. If you have questions relating to a loss that has already been reported or a situation that may lead to a claim, please feel free to contact us during regular business hours to discuss.

If you have any questions or concerns regarding the enclosed documents, please feel free to contact Donald Grant or myself. We are here to assist you and address any inquiries you may have.

Thank you for allowing Arthur J. Gallagher Canada Limited, the opportunity to continue to earn your trust by meeting all of your risk management needs.

Sincerely,

Connie Calder
Client Solutions Manager
Arthur J. Gallagher Canada Limited
Phone: (902) 863-6063
Connie_Calder@ajg.com

Your personal and other information may be stored and / or processed in countries other than Canada. To review our privacy policy, visit our website at www.ajg.com/ca/privacy-policy

Co-Insurance Illustration

Your policy includes a "Co-insurance Clause" that may restrict the amount payable based on a certain percentage of the item's value. The specific value and percentage depend on whether the policy is based on replacement cost or actual cash value. This clause applies to both property and business income coverages. Please refer to your policy for complete details.

If the insurance is carried to at least the percentage required (usually 90%) of the value at the time of the loss, there will be no coinsurance penalty in the event of a loss. Conversely, if the amount of insurance carried is not enough, then a coinsurance penalty will apply to even the smallest claims.

Example:

Fire loss that causes **\$250,000** in damages. You **did** carry **\$1,000,000** in building values, but the replacement cost of the building at the time of loss was determined to be \$1,500,000 subject to a 90% (coinsurance clause) which equals **\$1,350,000** – this is the amount that **should** have been carried

Co-insurance Formula:

Insurance Carried ÷ Insurance Required x Loss - Deductible = **Settlement**

Example of Coinsurance formula applied to a hypothetical loss situation:

Property Value	=	\$1,500,000
Coinurance Amount	=	90%
Deductible	=	\$1000
Insurance Required	=	\$1,350,000 (90% of \$1,500,000)
Insurance Carried	=	\$1,000,000
Loss Incurred	=	\$250,000

Settlement is determined by applying the *coinsurance formula*:

$$\frac{\$1,000,000 \text{ (Insurance Carried)}}{\$1,350,000 \text{ (Insurance Required)}} \times \$250,000 \text{ (Loss)} - \$1000 \text{ (Deductible)} = \$184,185 \text{ Settlement}$$

Note: If the property in the above example is insured for the full insurance required (\$1,350,000), the insured will recover \$249,000. In the above example, the insured will suffer a \$65,000 penalty for not being insured to the proper limit.

***Business Income** – the premise of co-insurance works in the same manner. The above noted **coinsurance formula** would be used in the determination of a coinsurance penalty in the event of a business income loss as well.

This is an illustration only and it is strongly recommended that insurance values are established in tandem with both a professional and qualified appraiser as well as a professional accountant to determine both adequate property and business income values.



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Compensation Disclosure

As your Independent Insurance Broker, our role is to provide you with the best insurance products that combine coverage, service and price. We provide you with personalized service, expert insurance advice, ongoing policy maintenance and act as an advocate when any issues arise regarding your Insurance coverage.

Brokerage compensation is part of your insurance premium. For your reference, the following outlines the Lines of Business we represent, including the range of compensation each provides as a percentage of the premium that appears on your invoice.

Commercial Property / Equipment Breakdown 10%-20%	Commercial Automobile 7.5%-12.5%
Commercial General Liability 10%-25%	Personal Property 15%-20%
Personal Automobile 3%-19.75%	Personal Watercraft 15%-25%
Travel Medical 5%-34%	Fidelity / Crime 10%-20%
Umbrella / Excess Liability 7.5%-15%	Professional Liability 10%-15%
Management Liability 10%-17.5%	Ocean Marine / Cargo 10%-20%
Surety 10%-30%	

This commission percentage is paid annually for both new business, renewal business and any mid-term policy transaction that generates additional premium. Should there be an increase in the compensation provided by your insurance provider, we will notify you.

In order for us to maintain strong relationships with quality insurers, we work with insurers to provide the type of business they desire. For information regarding brokerage services and compensation, please visit our website by using the following link: [Broker Disclosure | Gallagher Canada \(ajg.com\)](https://www.gallaghercanada.com/broker-disclosure)

In addition, the insurers noted below recognize our efforts through a Contingent Commission contract. Payment of this Contingent Commission is dependent on a combination of growth, profitability (loss ratio), volume, retention, and increased services that we provide on behalf of the insurer. It is based on our entire portfolio of business with that insurer and not on individual policies. For detailed information on Contingent Commission, please refer to the individual insurer's website. Contingent Commission is not guaranteed. Arthur J. Gallagher may, from time to time, enter into non-standard arrangements which could have compensation terms that fall outside these ranges. We may carry out additional services such as data entry, processing claims payments, conducting site surveys and providing a market opportunities analytics platform. This additional work is compensated by payment of an agreed fee or commission.

AIG Insurance Company of Canada	Northbridge Insurance
Allianz Global Risks US Insurance Company	Pafco General Insurance Company
Arch Insurance Company	Peace Hills Insurance Company
Aviva Insurance Company of Canada	Pembroke Insurance Company
CAA Insurance Company	Promutuel Assurance
Chubb Insurance Company of Canada	Red River Valley Mutual Insurance Co.
CNA Canada, Inc.	SGI CANADA Insurance Services Ltd. (incl. Coachman Insurance Co.)
Ecclesiastical Insurance Group	Sovereign General Insurance
Economical Insurance Group	Tokio Marine and Fire Insurance
Gore Mutual Insurance Company	Travelers Insurance Company of Canada
Insurance Corporation of British Columbia	Trisura Guarantee Insurance Company
Intact Insurance (including Novex)	The Wawanese Mutual Insurance Co.
Liberty Mutual	L'Unique Assurances générales
Lloyd's	Western Surety Company
Manitoba Public Insurance (MPI)	Wynward Insurance Group
Millennium Insurance Corporation	Zurich Insurance Company Ltd

From time to time, insurance companies will offer incentives to individual brokers, including contest entries, trips and other forms of hospitality. Such sales incentives are typically based on performance criteria established by the insurer. Our brokers are committed to providing objective advice to their customers and notwithstanding the receipt of any such incentives, are primarily concerned with servicing our clients' best interests. Your insurance provider will be providing you with a Consumer Code of Rights & Responsibilities, along with your policy documents. If you have any questions regarding this, or any other aspect of your insurance, please feel free to contact us.