

**Business Legal Solutions**

Legal Expense Insurance Policy

|  |  |  |
| --- | --- | --- |
| Please read this policy carefully and in full to familiarize yourself with the coverage, terms and conditions. This document also outlines: | Legal Helpline access | If you are unsure about anything in this document, please contact whomever you purchased your policy from. |
| Claims process |
| Complaint handling |

**ARAG Legal Solutions Inc.**

T| 416.342.5400 or 1.888.582.5586 W| ARAG.ca

Table of Contents

[ARAG Business Legal Solutions Legal Expense Insurance Policy 2](#_Toc139375474)

[Legal Services 3](#_Toc139375475)

[1. Legal Helpline 3](#_Toc139375476)

[2. HR Assistance 3](#_Toc139375477)

[Making a Claim 4](#_Toc139375478)

[Definitions 5](#_Toc139375479)

[Agreement 8](#_Toc139375480)

[Insured Events 9](#_Toc139375481)

[1. Employment Disputes 9](#_Toc139375482)

[2. Legal Defence 10](#_Toc139375483)

[3. Contract Disputes and Debt Recovery 11](#_Toc139375484)

[4. Statutory Licence Protection 12](#_Toc139375485)

[5. Property Protection 13](#_Toc139375486)

[6. Bodily Injury 14](#_Toc139375487)

[7. Tax Protection 14](#_Toc139375488)

[Limit of Indemnity under this policy 15](#_Toc139375489)

[General Exclusions 15](#_Toc139375490)

[Policy Conditions 18](#_Toc139375491)

[Statutory Conditions 22](#_Toc139375492)

[Privacy Policy 24](#_Toc139375493)

# ARAG Business Legal Solutions Legal Expense Insurance Policy

**ARAG Legal Solutions Inc.** (**ARAG**) acts as the insurance manager and has the authority to issue this insurance policy and administer claims on behalf of **HDI Global Specialty SE**. (**HDI**).

***Please note this policy contains clauses which may limit the amount payable.***

This is a Named Perils policy and provides coverage only for the insured events listed within this policy.

Words and phrases in **bold** have special meaning as defined in Definitions section.

# Legal Services

# 1. Legal Helpline

**We** will provide **you** access to a Legal Helpline through which **you** can receive confidential general legal assistance and information over the phone relating to any legal problem affecting **your** business to help determine **your** legal rights and options under the laws of the applicable province or territory and the federal laws of Canada.

The Legal Helpline is available 24 hours a day, 7 days a week.

|  |  |
| --- | --- |
|  | **For general legal assistance on any matter, please call:**  **1.877.255.4269** |

Calls to this service may be recorded.

The lawyer cannot provide case specific research or review documents.

The helpline cannot provide information in respect of a dispute with **us,** the **Insurer,** or the **Broker**.

**We** will not accept responsibility if the helpline service is unavailable for reasons **we** cannot control.

# 2. HR Assistance

**We** provide **you** with access to HR Assistance where **you** can speak to a Human Resources professional, who can provide **you** with information regarding HR issues that are impacting **your** business.

The HR Assistance service is available Monday to Friday 9:00 a.m. to 6:00 p.m. Eastern Standard Time (EST).

|  |  |
| --- | --- |
|  | **To schedule a time to speak with an HR professional, please call:**  **1.877.255.4269** |

# Making a Claim

Please contact **us** as soon as practicable following an insured event, and in no event later than 120 days after the **date of occurrence** of the insured event.

***Please note that the Insurer will not pay for any legal costs you incur before we have accepted your claim, even if we later accept the claim.***

**You** may report a claim to **us** by:

* Calling the Legal Helpline phone number while **you** are insured under this policy
* Email at claims@arag.ca
* Mail to our Head Office address listed on ARAG.ca

**We** will then advise **you** on next steps.

# Definitions

The following definitions apply wherever these words or phrases appear in bold in the policy.

**Appointed representative**

The lawyer, accountant or other suitably qualified person appointed by **us** on behalf of the **insured person** to act for an **insured person**.

**Broker**

The company, as identified on the Policy Declaration Page for this ARAG policy, which facilitated the purchase of this ARAG Policy by **you**.

**Contract of employment**

Written agreement between the employer and employee setting out both party's rights, duties and obligations.

A **contract of employment** does not include a collective agreement covering a group of employees who are represented by a union.

**Criminal offence**

An offence under the Criminal Code of Canada (R.S.C., 1985, c. C-46) or any of its amendments.

**Date of Occurrence**

* + 1. For civil cases: the date of the event which leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events.
    2. For criminal cases: the date of the alleged criminal offence, or the earliest date in a series of related alleged criminal offences, for which an **insured person** is charged.
    3. For licence or registration appeals: when **you** were first informed by the relevant licensing or regulatory authority of their proposal to review, suspend, alter the terms of, refuse to renew or cancel **your** licence.
    4. For a **tax appeal**: when the Canada Revenue Agency (CRA) or a provincial tax authority first issues **you** a notice of assessment, reassessment or determination with which **you** disagree.
    5. For a **tax audit**: when the CRA or a provincial tax authority first contacts **you** in relation to commencing an audit.

The insured event must occur within the period the **Insurer** has agreed to cover the **insured person**.

**Federal Anti-Spam Legislation**

An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, S.C. 2010, c. 23.

**Definitions**

**Goods**

Any object which is not attached to **real property**, except by its own weight, and can be removed without damage or alterations to the **real property** requiring repair.

Any object which is plugged in and can be removed without any damage or alteration to the **real property**.

**Insured person**

**You** and **your** directors, officers, partners, managers and employees.

Anyone claiming under this policy must have **your** agreement to claim.

**Insurer**

HDI Global Specialty SE.

**Legal costs**

In respect of the insured events described in this policy:

1. all reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative** including any additional expenses and disbursements such as court fees, experts’ fees, police reports and medical reports incurred by the **appointed representative**;
2. the costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
3. the **insured person’s** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of $500 per **insured person** per day, and $10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing.

**Motor vehicle**

Includes an automobile, a motorcycle, a motor assisted bicycle, and any other vehicle propelled or driven otherwise than by muscular power.

**Reasonable prospects**

For civil cases **reasonable prospects** means that **we** agree that it is always more likely than not that an **insured person** will recover losses or damages (or obtain other legal remedy which **we** have agreed to) or make a successful defence.

For appeals relating to any insured event, **reasonable prospects** means that **we** agree that it is always more likely than not that the appeal will be successful.

**Definitions**

**Real property**

**Real property** is land, and anything growing on, affixed to, or built upon land. This also includes man-made buildings as well as crops. **Real property** is characterized as property that doesn't move, or that is attached to the land.

**Tax appeal**

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

**Tax audit**

An inspection and verification by the CRA or a provincial tax authority of **your** financial accounting records to determine whether or not **you** have paid the correct amount of tax.

**Territorial limit**

Canada.

**We**, **us**, **our**

ARAG Legal Solutions Inc. who has been authorized by the **Insurer** to act as the insurance manager for this policy.

**You**, **your**

The corporation or partnership shown in the Policy Declaration Page as the policyholder.

# Agreement

In return for payment of the premium, and subject to the policy terms, definitions, conditions, exclusions and limitations set out in this policy and the Policy Declaration Page, the **Insurer** will provide insurance for **legal costs** incurredfor insured events described in this policy, provided that:

1. The **date of occurrence** of the insured event happens within the period the **Insurer** has agreed to cover an **insured person**; and
2. The insured event occurs within the **territorial limit** and any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **territorial limit**; and
3. The **legal costs** are incurred after the claim has been accepted by **us,** and are limited to:
   1. The reasonable and necessary costs, inclusive of any applicable sales or retail taxes, incurred by the **appointed representative**, including any additional expenses and disbursements such as court fees, experts’ fees, police reports and medical reports incurred by the **appointed representative**;
   2. Costs awarded by a court in Canada to opponents in civil cases if the **insured person** has been ordered to pay them, or pays them with **our** agreement; and
   3. The cost of the **insured person’s** net salary or wages, that are not otherwise payable or recoverable, for the time that they are off work to attend any court proceeding, tribunal, arbitration, mediation or other hearing at the request of the **appointed representative**, up to a maximum of $500 per **insured person** per day, and $10,000 in total in respect of all claims resulting from any one court or tribunal proceeding, arbitration, mediation or other hearing; and
4. For civil cases and appeals relating to any insured event, **reasonable prospects** exist for the duration of the claim.

Except where stated otherwise,the **Insurer** will not pay **legal costs** incurred with respect to the enforcement of judgments or final orders, or settlement agreements, or minutes of settlement, which may arise in the pursuit or defence of **your** legal rights from an accepted claim under this policy.

Except where stated otherwise,the **Insurer** will pay **legal costs** incurred in making or defending an appeal, as long as:

* The matter being appealed was previously accepted as a claim under this policy,
* The **insured person** tells **us** within the time limitsallowed to file an appeal that they want to appeal (and within reasonable time to allow for the filing of allnecessary documents for an appeal), and;
* **We** agree there are **reasonable prospects** of success for the appeal.

The policy, together with the policy declaration page and any endorsement, and incorporating theapplication and any information **you** have provided, forms the contract of insurance between **you** and the **Insurer**.

***This is not a policy for reimbursement of legal costs you have already incurred.***

# Insured Events

|  |  |
| --- | --- |
| 1. Employment Disputes | |
| **What Is Covered** | **What Is Not Covered** |
| The **Insurer** will pay **your legal costs** to defend **your** legal rights:   1. Following the dismissal of an employee 2. In legal proceedings in respect of any dispute with an employee or ex-employee which: 3. arises out of, or relates to, a **contract of employment** with **you** 4. arises from an alleged breach of their statutory rights under employment legislation 5. arises from an alleged breach of their rights under applicable human rights legislation, as it relates to their employment | Any claim relating to:   * + 1. death, illness or bodily injury, and/or loss of or damage to property     2. the negotiation of a collective bargaining agreement, a general work disruption (including but not limited to a strike, work slowdown or a work to rule campaign), or dispute made pursuant to a collective bargaining agreement     3. a contract for services |

**Insured Events**

|  |  |
| --- | --- |
| 2. Legal Defence | |
| **What Is Covered** | **What Is Not Covered** |
| At **your** request, the **Insurer** will pay **legal costs**   1. To defend an **insured person’s** legal rights in relation to: 2. their being investigated by the police in respect of an alleged **criminal offence** 3. their being prosecuted for an alleged **criminal offence** 4. a civil action being taken against them for compensation in connection with a failure or alleged failure to comply with requirements under protection of privacy legislation 5. an investigation or prosecution against them under applicable occupational health and safety legislation 6. To defend an **insured person’s** (other than **your**) legal rights if civil action is taken against them in their capacity as a trustee of a pension fund set up for the benefit of **your** employees 7. To respond to a Notice for Production issued against an **insured person**,under the **Federal Anti-Spam Legislation** 8. To make representations on behalf of an **insured person** who has been issued a Notice of Violation, under the **Federal Anti-Spam Legislation** 9. To defend an **insured person** against a private action brought by an individual made under the **Federal Anti-Spam Legislation** | Any claim relating to:   1. an **insured person** being prosecuted in connection with the ownership, use or operation of a **motor vehicle** 2. any offence against any **insured person** for refusing to comply with a request by a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation** 3. any offence against any **insured person** who obstructs or hinders, or knowingly makes a false or misleading statement or provides false or misleading information to, a designated person who is carrying out their duties and functions under the **Federal Anti-Spam Legislation** |

**Insured Events**

|  |  |
| --- | --- |
| 3. Contract Disputes and Debt Recovery | |
| **What Is Covered** | **What Is Not Covered** |
| The **Insurer** will pay **legal costs** to pursue or defend **your** legal rights in a dispute relating to an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for:   1. selling or buying **goods** 2. providing or obtaining services.   ***Provided that:***   * 1. *the amount in dispute exceeds $1,000; and*   2. *if the dispute relates to money owed to* ***you*** *to which a construction lien would apply, then a claim must be made under this policy within 30 days of the money becoming due and payable* | Any claim relating to:   1. the settlement payable under an insurance policy (the **Insurer** will cover a dispute arising from **your** insurer refusing **your** claim, but not a dispute over the amount of the claim) 2. a dispute arising from any loan, mortgage, pension, investment, borrowing or any other financial product (other than described under **(a)** above) 3. a dispute over the terms of a lease of land or buildings or a licence or tenancy of land or buildings if **you** are the lessor, licensor or landlord of the land or buildings. However, the **Insurer** will cover a dispute with a professional advisor in connection with the drafting of a lease, licence or tenancy agreement 4. a contract regarding **you** purchasing or selling **real property** 5. a contract for legal services |

**Insured Events**

|  |  |
| --- | --- |
| **3. Contract Disputes and Debt Recovery (continued)** | |
| **What Is Covered** | **What Is Not Covered** |
|  | 1. a contract involving a **motor vehicle** other than agreements relating to the sale of **motor vehicles** where **you** are engaged in the business of purchasing, selling, or leasing **motor vehicles**; or agreements related to the repair and/or maintenance of **motor vehicles** where **you** are engaged in the business of repairing and/or performing maintenance upon **motor vehicles** 2. a dispute with an employee or ex-employee which arises out of, or relates to, a **contract of employment** with **you** 3. the breach of a professional obligation or duty, including any claim: 4. based on professional liability, 5. based on the commission of a fault of an ethical nature, or arising out of a disciplinary process |

|  |  |
| --- | --- |
| 4. Statutory Licence Protection | |
| **What Is Covered** | **What Is Not Covered** |
| The **Insurer** will pay **legal costs** to represent **you** in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling **your** licence to conduct **your** business. | Any claim relating to:   1. an original application or application for renewal of a statutory licence 2. the ownership, use or operation of a **motor vehicle** 3. a professional licence issued to an individual |

**Insured Events**

|  |  |
| --- | --- |
| 5. Property Protection | |
| **What Is Covered** | **What Is Not Covered** |
| The **Insurer** will pay **legal costs** to pursue **your** legal rights in a civil action relating to physical property which **you** own following:   1. an event which causes physical damage to such property, provided that the amount indispute exceeds $1,000 2. a legal nuisance (meaning any unlawful interference with **your** use or enjoyment of **your** land, or some right over, or in connection with it) 3. a trespass. | Any claim relating to:   * 1. a contract entered into by **you**   2. disputes related to easements or other agreed rights over land   3. **goods** that are away from any premises occupied by **you** unless the **goods** are at such premises for the purpose of installations or use in work to be carried out by **you**   4. someone legally taking **your real property** from **you**, whether **you** are offered money or not, or restrictions or controls placed on **your real property** by any governmental, quasi-governmental or public or local authority   5. work done by, or on behalf of, any governmental, quasi-governmental or public or local authority unless the claim is for accidental physical damage   6. a **motor vehicle**, other than physical damage to **motor vehicles** where **you** are engaged in the business of purchasing, selling, leasing, repairing or performing maintenance upon **motor vehicles**   7. mining, subsidence, heave or landslide   8. defending **your** legal rights, other than in defending a counter-claim |

**Insured Events**

|  |  |
| --- | --- |
| 6. Bodily Injury | |
| **What Is Covered** | **What Is Not Covered** |
| At **your** request, the **Insurer** will pay an **insured person’s legal costs** to pursue their legal rights following a specific or sudden accident which causes their death or bodily injury. | Any claim relating to:   1. a dispute with any provincial workers’ compensation board 2. psychological injury or mental illness unless the condition arises from a specific or sudden accident that has caused physical bodily injury 3. death, illness or bodily injury arising from a sudden accident which involves an **insured person’s** ownership, use or operation of a **motor vehicle** 4. defending an **insured person’s** legal rights, other than in defending a counter-claim |

|  |  |
| --- | --- |
| 7. Tax Protection | |
| **What Is Covered** | **What Is Not Covered** |
| The **Insurer** will pay **legal costs** in respect of a **tax appeal** or a **tax audit** relating to   1. liability for income tax, GST, PST or HST arising from **your** business 2. payroll deductions compliance by **your** business.   *Provided that* ***you*** *have taken reasonable care to ensure that all returns are complete and correct and submitted within the statutory time limits allowed.* | Any claim relating to:   * 1. a tax avoidance scheme, arrangement, or plan of any kind   2. **your** failure to register for GST and/or PST and/or HST.   3. an investigation or inquiry by the **CRA** into alleged gross negligence, dishonesty or **criminal offences**. |

# Limit of Indemnity under this policy

The **Insurer** will pay up to the limit of indemnity shown in the Policy Declaration Page in respect of **legal costs** related to all claims resulting from one or more events arising at the same time or from the same originating cause.

Subject to the above, the **Insurer** will pay, in aggregate, **legal costs** of no more than the aggregate limit shown in the policy declaration page in respect of all claims that arise in that period of insurance that result from different originating causes.

# General Exclusions

This insurance does not apply to:

* 1. **Events not connected with your business**Any event not arising in connection with the business shown in **your** policy declaration page.
  2. **Wilful acts**Any claim resulting from an act which is wilfully committed, and the results of which are consciouslyintended, by an **insured person**.
  3. **Late reported claims**A claim reported to **us** more than 120 days after the **date of occurrence**.
  4. **Legal costs not agreed with us  
     Legal costs** incurred before **our** written agreement that the **Insurer** will pay them.
  5. **Legal action not agreed with us**Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where an **insured person** does anything that hinders **us** or the **appointed representative**.
  6. **Contingency fee agreements**Any **legal costs** arising as a consequence of a contingency fee agreement.
  7. **Disputes with any governmental or public body**Except as it relates to claims accepted under **Insured events 2. Legal Defence, 3. Contract Disputes and Debt Recovery, 4. Statutory Licence Protection**, and **7. Tax Protection**, any **legal costs** relating to a review or dispute regarding the lawfulness of any decision or action ofany federal or provincial governmental or quasi – governmental body, or any other local or publicauthority, other than in relation to an accepted claim in respect of any event insured under this policy.

**General Exclusions**

* 1. **Class action proceedings**Any claim where an **insured person** is a party to a legal action brought under applicable class proceedings legislation, or where an **insured person** has opted out of being a party to a legal action brought under applicable class proceedings legislation.
  2. **Costs awarded outside of Canada**Any **legal costs** awarded in any jurisdiction outside of Canada.
  3. **Damages, fines and penalties**Damages, fines, penalties, compensation or restitution orders which the **insured person** is ordered to pay by a court or other authority and any costs awarded in criminal or statutory proceedings.
  4. **Disputes with ARAG,** the **Insurer**, orthe **Broker**Any dispute with **us,** the **Insurer**, orthe **Broker** not otherwise dealt with under **Policy Condition 10. Disputes over reasonable prospects for a claim**.
  5. **Fraudulent claims**Any claim which is fraudulent, exaggerated or dishonest.
  6. **Claims under this policy by a third party**Apart from **us**, only an **insured person** may enforce all or any part of this policy and the rights and interests arising from or connected with it.
  7. **Nuclear, war, terrorism and pollution or contamination risks**Any claim caused by, contributed to, or arising from any of the following:
  8. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
  9. an event which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
  10. terrorism or a decision of a government agency or other entity to prevent, respond to or terminate terrorism;
  11. pollution or contamination.

**General Exclusions**

* 1. **Bankruptcy of policyholder**Any matter or claim if, at any time:
     1. **you** are declared bankrupt, placed into receivership, are in the process of being wound-up or if any part of **your** affairs or property is in liquidation;
     2. **you** have made a proposal, petition, filing or arrangement for the benefit of any creditor or creditors;
     3. a creditor seeks to have **you** placed into bankruptcy, declared insolvent, liquidated or be wound-up;
     4. any of **your** property is placed under the care or control of a trustee, receiver or administrator.
  2. **Intellectual property disputes**Any claim related to disputes about patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy or confidentiality agreements.
  3. **Agency agreement disputes**Any claim relating to rights under a franchise or agency agreement entered into by **you**.
  4. **Shareholding or partnership disputes**Disputes about a shareholding or partnership interest in **you** unless such shareholding or partnership interest was acquired under a plan open to all of **your** employees or a substantial number of them.
  5. **Defamation**

A claim relating to written or oral remarks which damage an **insured person’s** reputation.

**20. Disputes relating to the validity of legislation**

Any constitutional or other challenge to the validity of federal, provincial, or municipal legislation.

# Policy Conditions

1. **Observance of policy terms**The **insured person** must:
2. comply with the terms and conditions of this policy;
3. notify **us** immediately of any change in circumstance which may materially affect **our** assessment of the risk;
4. take reasonable steps to avoid and prevent claims;
5. take reasonable steps to avoid incurring unnecessary costs;
6. send everything **we** reasonably ask for in writing;
7. report to **us** full and factual details of any claim as soon as practicable and give **us** any information **we** reasonably need.
8. **Notice of Insured Event**The **insured person** shall notify **us** of any insured event which may give rise to coverage, as soon as they become aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to coverage shall be forfeited by the **insured person** where such non-compliance has caused prejudice to **us**.

1. **Conduct and control of claim**
   1. If it is necessary to take legal proceedings, including a **tax appeal**, an **appointed representative**will be appointed by **us**on behalf of the **insured person**in accordance with **our** standard terms of appointment and will be retained by the **insured person**.
   2. Where**we**have agreements with more than one law firm with respect to a specialty, the **insured person**may select their **appointed representative**from that panel of law firms.
   3. The **insured person** must cooperate with **us** and must keep **us** up-to-date regarding the progress of the claim.
   4. The **insured person** must cooperate with the **appointed representative** and must follow the recommendations of the **appointed representative**, which have been agreed to by **us**.
   5. The **insured person** must give the **appointed representative** any instructions that **we** require.

**Policy Conditions**

1. **Consent to access information**

The **insured person** will provide written consent, at the commencement of the retainer of the **appointed representative**, permitting the **appointed representative**, at **our** request, to give **us**, or **our** reinsurers, actuaries or auditors, or any regulatory authority or its agents, to the extent required by law, access to all correspondence, documents and records in the **appointed representative’s** possession or control which are relevant to the matter. This consent will include permission to deliver up all such documents or copies of all such documents at **our** request.

1. **Offers to settle a claim**
   1. The **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to a settlement without **our** written consent.
   2. If the **insured person** does not accept an offer **we**, based on the advice of the **appointed representative**, consider reasonable to settle a claim, **we** may refuse to pay further **legal costs**.
   3. **We** reserve the right to pay the **insured person** the reasonable amount of damages that the **insured person** is claiming, or that is being claimed against them, or negotiate a reasonable settlement of any claim, instead of starting or continuing legal proceedings. In these circumstances the **insured person** must allow **us** to take over and conduct in their name the pursuit or settlement of any claim. The **insured person** will also allow **us** to pursue at **our** own expense and for **our** own benefit, any claim for compensation against any other party and must give **us** all information and assistance required.
2. **Withdrawal of coverage**If an **insured person** settles or negotiates a claim without **our** consent, or withdraws a claim without **our** consent, or does not give to the **appointed representative** any instructions that **we** require, **we** can withdraw coverage and will be entitled to reclaim from the **insured person** any **legal costs we** have paid.

**Policy Conditions**

1. **Sanction limitation**

The **Insurer** shall not be deemed to provide coverage and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under trade or economic sanctions, laws, or regulations of Canada, the United Nations, or the European Union.

1. **Assessment and recovery of costs**
   1. The **insured person** must instruct the **appointed representative** to have **legal costs** taxed, assessed or audited if **we** ask for this.
   2. The **insured person** must take every reasonable step to recover **legal costs** that **we** have to pay and must pay **us** any amounts that are recovered.
   3. Where a settlement is made on a without costs basis the **appointed representative** will determine what proportion of that settlement will be deemed **legal costs** and payable to or by **us**.
2. **Cancellation of a representative’s appointment**If the **appointed representative** refuses to continue acting for the **insured person**, or if the **insured person** dismisses the **appointed representative** without **our** prior consent, the coverage the **Insurer** provides will end immediately.
3. **Disputes over reasonable prospects for a claim**If there is a dispute between an **insured person** and **us** over **reasonable prospects**, the **insured person** may obtain, at their expense, an opinion, from a lawyer mutually agreed to by the **insured person** and **us**, on the merits of a claim or proceedings. If the lawyer’s opinion indicates that **reasonable prospects** exist, **we** will pay the reasonable cost of obtaining the opinion.

**Policy Conditions**

1. **Complaint handling**If **you** are not satisfied with any aspect of **our** service and wish to make a complaint, **you** can:

* Telephone **us** at **1.888.582.5586** or email **us** at [**customerrelations@arag.ca**](mailto:customerrelations@arag.ca)

Alternatively, the **Insurer** can be contacted by:

* Telephone at **1.416.867.9712** or email at [**complaints-canadianBranch@hdi-specialty.com**](mailto:complaints-canadianBranch@hdi-specialty.com)

If **your** complaint remains unresolved or not resolved to **your** satisfaction, **you** may contact the General Insurance OmbudService (GIO). The GIO is an independent regulatory organization which exists to help resolve complaints between individuals and their insurance providers. The GIO’s services are available free of charge to the customer and GIO can be contacted by:

* Telephone at **1.877.225.0446** or through their website at [**www.giocanada.org**](http://www.giocanada.org)

***The GIO should be contacted only after you have first tried to resolve the complaint directly with us.***

1. **Other insurance**The **Insurer** will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.
2. **Applicable law**This policy will be governed, interpreted and enforced in accordance with the laws of the province where this policy was issued and the federal laws of Canada.
3. **Currency**All of the dollar limits described in this policy are in Canadian funds.
4. **Action against us** or the **Insurer**Any action or proceeding against **us** or the **Insurer** for the recovery of any claim under this policy is absolutely barred unless commenced within two years after the **date of occurrence**, or prior to the expiry of the applicable limitation period in the province where this policy was issued, whichever is earlier. Any such action or proceeding shall be held in the province where this policy was issued and in accordance with its laws and the federal laws of Canada.
5. **Communication with us**The **insured person** can communicate with **us** by telephone, mail or email. New claims may also be reported to **us** by mail or telephone, or via **our** website at www.arag.ca.

# Statutory Conditions

1. **Property of others**

The **Insurer** is not liable for loss or damage to property owned by a person other than the **insured person** unless

1. otherwise specifically stated in the contract, or
2. the interest of the **insured person** in that property is stated in the contract.
3. **Change of interest**

The **Insurer** is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law or by death.

1. **Material change in risk**
   * 1. The **insured person** must promptly give notice in writing to the **Insurer** or its agent of a change that is
   1. material to the risk, and
   2. within the control and knowledge of the **insured person**.
      1. If the **Insurer** or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
      2. If the **Insurer** or its agent is notified of a change under subparagraph (1) of this condition, the **Insurer** may
   3. terminate the contract in accordance with Statutory Condition 4, or
   4. notify the **insured person** in writing that, if the **insured person** desires the contract to continue in force, the **insured person** must, within 15 days after receipt of the notice, pay to the **Insurer** an additional premium specified in the notice.
2. If the **insured person** fails to pay an additional premium when required to do so under subparagraph (3)(b) of this condition, the contract is terminated at that time and Statutory Condition 4(2)(a) applies in respect of the unearned portion of the premium.

**Statutory Conditions**

1. **Termination of insurance**
   * 1. The contract may be terminated
        1. by the **Insurer** giving to the **insured person** 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
        2. by the **insured person** at any time on request.
     2. If the contract is terminated by the **Insurer**,
     3. the **Insurer** must refund the excess of premium actually paid by the **insured person** over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
     4. the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
     5. If the contract is terminated by the **insured person**, the **Insurer** must refund as soon as practicable the excess of premium actually paid by the **insured person** over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract
     6. The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the **insured person’s** postal address
2. **Fraud**

Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

1. **Notice**
2. 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.
3. Written notice to the **insured person** may be personally delivered at, or sent by registered mail addressed to, the **insured person’s** last known address as provided to the **Insurer** by the **insured person.**

# Privacy Policy

ARAG and HDI value you as a customer and we thank you for choosing us. As a policyholder, you trust us with your personal information. By purchasing insurance from us you have provided us with your consent to the collection, use and disclosure of your personal information, including information that has been previously collected.

Your personal information may be collected, used or disclosed in certain circumstances, which include, but is not limited to:

* For the purposes of communicating with you;
* Assessing your application for insurance and underwriting your policies;
* Evaluating, investigating and settling claims;
* Detecting, preventing and suppressing fraud;
* Analyzing business data and results;
* Disclosing information to an approved investigative body;
* Disclosing information as it relates to a breach of an insurance policy or other agreement;
* When we believe that the information relates to the contravention of any applicable law;
* When legal, medical or security reasons may make it impossible or impractical to seek consent;
* For compliance with laws and regulations including summons to witness, search warrants or other judicial or governmental order(s);

Please be reminded that your personal information will always be used or disclosed in accordance with applicable Canadian privacy laws.

ARAG, HDI and its employees, agents, independent brokers and suppliers understand the importance of keeping your personal information protected and confidential. Information will be used only for the purposes intended. ARAG and HDI have also established physical and systems safeguards, along with proper processes, to protect customer information from unauthorized access or use.

For further information regarding HDI Global Specialty SE’s privacy policy on how it may collect and deal with your data, please visit:

* [www.hdi-specialty.com/downloads/International/privacy/Fachinfo\_Specialty\_Privacy-Policy\_Canada\_EN\_201210.pdf](http://www.hdi-specialty.com/downloads/International/privacy/Fachinfo_Specialty_Privacy-Policy_Canada_EN_201210.pdf)

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of HDI Global Specialty SE insurance business in Canada.

**ARAG Legal Solutions Inc.**

T| 416.342.5400 or 1.888.582.5586 W| ARAG.ca