

# REIX Cyber Shield Insurance Policy

## Real Estate Insurance Exchange (hereinafter called the "Insurer" or "REIX")

### DECLARATIONS

Policy Number: CS0124

- 1. Insured**  
As defined in this policy
- 2. Insurance Policy Period**  
From January 1, 2024, to January 1, 2025 (12:01 A.M. M.S.T.)
- 3. Limit(s) of Liability:**  
\$50,000 each claim and in the policy aggregate for each Insured  
\$1,000,000 policy aggregate for all Insureds
- 4. Waiting Period:**  
8 hours
- 5. Insurance Policy Assessment:**  
Included in the Insured's Real Estate Insurance Exchange Errors and Omissions Insurance Policy assessment
- 6. Retroactive Date:**  
Full prior acts
- 7. Notification of Claims:**  
cyberclaims@reix.ca

**IMPORTANT NOTICE: THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AND REPORTED TO THE INSURER DURING THE POLICY PERIOD. ALL CLAIMS ARE SUBJECT TO THE APPLICABLE LIMITS OF LIABILITY**

**TERMS THAT APPEAR IN BOLD FACE TYPE ARE DEFINED TERMS IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY. WHEN USED BELOW, THE WORDS "YOU," "YOUR," OR "YOURS" SHALL MEAN THE INSURED AS PROVIDED IN SECTION VI BELOW AND "WE," "US," AND "OUR" SHALL MEAN REIX**

### I. INSURING AGREEMENTS

#### INSURING AGREEMENT 1: (SECURITY AND PRIVACY LIABILITY)

We shall pay on **your** behalf all **damages** and **claims expenses** which you become legally obliged to pay as a result of any **claim** first made against **you** and notified by **you** to **us** in writing, in accordance with Section VIII of this policy, during the **policy period** arising from an actual or alleged **security and privacy wrongful act(s)** for which **you** are legally liable.

#### INSURING AGREEMENT 2: (DATA RECOVERY AND LOSS OF BUSINESS INCOME COVERAGE)

We shall pay on **your** behalf all **first party costs and expenses** and reimburse **you** for **loss of business income** after expiration of the applicable **waiting period** as stated within item 5 of the Declarations, as a result of a **network event** that first occurs or is first discovered by **you** and notified by **you** to **us** in writing, in accordance with Section VIII of this policy, during the **policy period**.

#### INSURING AGREEMENT 3: (EVENT MANAGEMENT EXPENSES)

We shall pay on **your** behalf any sums incurred by **you** for **event management costs, notification expenses,** and **support and credit monitoring expenses** and **third party event support expenses** when such costs and expenses are incurred, following an actual or reasonably suspected **security breach, privacy breach** or breach of **privacy regulations**, and notified by **you** to **us** in writing, in accordance with Section VIII of this policy, during the **policy period**, provided that the **security breach, privacy breach** or breach of **privacy regulations** is first discovered by **you** during the policy period.

#### INSURING AGREEMENT 4: (DATA EXTORTION)

We shall pay on **your** behalf any sums incurred by **you** for vendor services from our approved list that is retained with our consent to assist and **cyber extortion monies** arising from a **cyber extortion threat** and notified by **you** to **us** in writing, in accordance with Section VIII of this policy, during the **policy period**, provided that the **cyber extortion threat** is first discovered by **you** during the **policy period**.

#### INSURING AGREEMENT 5: (SOCIAL ENGINEERING FRAUD)

We shall reimburse **your client** for their **monetary loss** transferred as a direct result of a **social engineering fraud event** first discovered by **you** or **your client** during the **policy period** and notified by **you** to **us** in writing, in accordance with Section VIII of this policy, during the **policy period**,

### II. DEFENSE, SETTLEMENT, AND INVESTIGATION OF CLAIMS

- A. With respect to Insuring Agreement 1, **we** shall have the right and duty to defend any **claim** by a third party against **you** seeking payment under the terms of this policy, even if any of the allegations of the **claim** are groundless, false, or fraudulent, and subject to the Limit of Liability, exclusions, and other terms and conditions of this policy.
- B. The Limit of Liability available to pay **damages and as stated within Item 3 of the Declarations** shall be reduced, and may be completely exhausted, by payment of **claims expenses** or any other amounts covered under the policy.
- C. With respect to Insuring Agreements 1, 2, 3, 4 and 5, if **you** refuse to consent to any settlement or compromise recommended by **us** that is acceptable to the claimant and elect to contest the **claim**, **our** total liability for any **damages, claims expenses**, and other amounts covered under this policy shall not exceed the amount for which the **claim** could have been settled, plus the **claims expenses** incurred up to the time of such refusal. In such a case REIX will give you the right to negotiate or defend the **claim**. In this event, any duty we may have had to defend the **claim** ceases and the **damages and claims expenses** in excess of the amount for which we could have settled will not be recoverable under this policy.
- D. It is further provided that **we** shall not be obligated to pay any **damages, claims expenses**, or any other amounts covered under this policy, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **damages, claims expenses**, or other amounts covered under this policy and that upon such payment, **we** shall have the right to withdraw from the further defense thereof by tendering control of said defense to **you**.

### III. LIMIT OF LIABILITY

- A. The Limits of Liability set forth in the Declarations shall be the limit of **our** liability for each **claim** and in the aggregate arising under each Insuring Agreement, including **claims expenses**, where applicable.
- B. The Limits of Liability set forth in the Declarations shall be **our** total Limit of Liability under this policy regardless of the number of Insuring Agreements that apply, including **claims expenses** where applicable.
- C. All **claims** arising out of the same, related, or continuing acts, facts, or circumstances, without regard to the number of insureds, **claims**, or claimants shall be considered a single **claim** and only one Limit of Liability, as set forth in the Declarations, will apply. All such **claims** shall be deemed to have been made at the time of the first such **claim**. A **claim** affecting multiple **Insureds** shall be considered a single **claim** and only one Limit of Liability will apply.
- D. In the event that a **claim** is notified by **you**, in accordance with section XI of this policy, and attaches to more than one Insuring Agreement, only one Limit of Liability as set forth in the Declarations shall apply. In such event, at most, only the highest of the applicable Limits of Liability shall apply to such **claim**. **We** have the sole discretion to allocate **claims** paid, if any, against the appropriate applicable Limits of Liability and will use best efforts to ensure that a fair and proper allocation is made amongst the appropriate Limits of Liability. With regard to such **claim**, in no event shall the amount paid by **us** under any Insuring Agreement be greater than the Limit of Liability set forth in the Declarations.

### IV. TERRITORIAL LIMITS

This policy applies to any wrongful acts, insured events, breaches or threats detailed under the relevant insuring agreements, committed or alleged to have been committed or occurring anywhere in the world.

## V. INSUREDS

**Individual insured** means:

- A. Each current and former individual licensee or registrant, having the same meanings as in the **Act**, except that those terms shall only include persons who are subscribers to the Real Estate Insurance Exchange Agreement dated October 1, 2015 and shall not include persons licensed as condominium managers, mortgage brokers, or real estate appraisers all as defined in the **Act**. Former individual licensees or registrants shall be deemed **individual insureds** for that period of time that they were registered under the **Act**.

**Additional insured** means:

- B. Each assistant of the **individual insured** while acting within the scope of the person's duties as permitted by the **Act**; and
- C. Each personal real estate corporation formed and controlled by a licensee in accordance with the **Act**.

**Insured** means:

- D. An **Individual Insured** or **Additional Insured**

For clarity, **insured** does not include:

- E. A real estate brokerage, unless that brokerage employs only one Individual Insured.

## VI. DEFINITIONS

- A. **Account** means any bank account, credit union account or treasury branch account held in the name of **your** or **your client's** organization
- B. **Act** means either or both of:
  - 1. the Real Estate Act, R.S.A. 2000 c. R-5 as amended; and
  - 2. the Real Estate Act, SS 1995, c. R1-1.3 as amended.
- C. **Bodily injury** means physical injury, sickness, disease, or death sustained by any person and, where resulting from such physical injuries only, mental anguish, mental injury, shock, humiliation, or emotional distress.
- D. **Claim** means:
  - 1. A written demand for monetary damages or non-monetary relief, a request for a tolling agreement, the service of a civil suit, or institution of arbitration proceedings received by **you** seeking monetary damages or including the threat or initiation of a suit and/or proceeding
  - 2. **network event**;
  - 3. The incurring of **event management costs, notification expenses, support and credit monitoring expenses, or third part event support expenses**;
  - 4. A **cyber extortion threat**;
  - 5. Written notice by a third party to you of acts, facts, or circumstances that could reasonably be expected to result in any of the foregoing (1) to (4) above.
- E. **Claims expenses** means:
  - 1. Reasonable and necessary legal costs and expenses incurred with **our** consent and charged by an attorney(s) designated by **us** to defend a **claim**;
  - 2. All other reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **claim**, if incurred by **us**, or by **you** with **our** written consent;

**Claims expenses** does not include any salary, overhead, or other charges incurred by **you** for any time spent in cooperating in the defense and investigation of any **claim** or circumstance which might lead to a **claim** notified under this policy.

- F. **Client** means a client or customer who has engaged you for **real estate services**.
- G. **Computer network(s)** means interconnected electronic, wireless, web, or similar systems (including all **hardware** and software) used to process **data** or information in an analog, digital, electronic or wireless format including, but not limited to, computer programs, electronic data, operating systems, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment. **Computer network(s)** also means the use of computing resources that are delivered as a service over a network or the internet (commonly known as “cloud computing”).
- H. **Computer virus** means a program that possesses the ability to create replicas of itself (commonly known as “auto-reproduction” program) within other programs or operating system areas, or which is capable of spreading copies of itself wholly or partly to other computer systems/networks.
- I. **Continuity date** means the earlier of (1) the inception of this policy or (2) the inception of the first policy written by **us** if this is a renewal.
- J. **Cyber extortion threat** means a credible threat or series of related threats made without the cooperation of **you** or an **additional insured**, including:
- a. a demand for funds, **money**, property or services;
  - b. a threat which could directly or indirectly lead to the disruption of business; or
  - c. a threat of harm to persons or property;
- directed at **you** and threatening corruption, damage, destruction, or introduction of a **computer virus**, **malicious code**, or a **denial of service** to any aspect of the insured's **computer networks**, or any threat or series of related threats to release, or disclose confidential corporate or personal information which resides within a **computer network**.
- K. **Cyber extortion monies** means:
- a. **Money** payable by **you**, with our written consent (where it is practical to wait for such written consent) to a person(s) or entity(ies) reasonably believed to present a **cyber extortion threat** for the purpose of terminating such a threat; or
  - b. Other reasonable and necessary costs and expenses that have been subject to our prior written consent (where it is practical to wait for such written consent) in order to investigate, mitigate, respond to and/or assist in terminating a **cyber extortion threat**.
- L. **Cyberterrorism** means the use of disruptive activities, or threat to use disruptive activities, against **your computer network** by an individual or group of individuals, whether acting alone, or on behalf of, or in connection with, any individual, entity or government:
1. to damage, destroy or access **your computer network** without authorization; or
  2. with the intention to:
    - i. cause harm;
    - ii. intimidate or coerce any person, entity or government; or
    - iii. disrupt any segment of the economy,

in furtherance of social, ideological, religious, economic, political or similar objectives.
- M. **Damages** means a monetary judgment, consumer redress fund, award, or settlement including prejudgement and post-judgement interest. **Damages** do not include:
1. **Your** future profits or royalties, restitution, or disgorgement of your profits;
  2. The cost to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
  3. Loss of **your** fees or profits, return or offset of **your** fees or charges, or **your** commissions or royalties provided or contracted to be provided;
  4. Taxes, fines, penalties, or sanctions;
  5. Any amount which **you** are not financially or legally obligated to pay;

6. Disgorgement of any remuneration or financial advantage to which **you** were not legally entitled;
7. Monetary judgments, awards, or settlements which are uninsurable under the law pursuant to which this policy is construed;
8. Past, present and/or future license fees of any kind; or
9. Liquidated damages, but only to the extent that such damages exceed the amount for which **you** would have been liable in the absence of such liquidated damages agreement.

N. **Data** means any machine-readable information, including ready for use programs or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media or images of documents.

O. **Denial of service** means unauthorized or unexpected interference or malicious attack on a **computer network** that restricts or prevents access to a **computer network** by persons or entities authorized to gain access to it.

P. **Difference in conditions** means that coverage under this policy applies when the covered loss, perils, definitions or conditions in this policy are broader in meaning or scope than those of any errors or omissions or professional liability policy; and this policy shall become primary insurance but only for the portion of the loss that is not covered under those policies.

For the avoidance of doubt, coverage under this policy is subject only to the terms and conditions of this policy and will not ever "follow form" of another policy.

Q. **Employee(s)** means any individual in **your** service, including any part-time, volunteer or unpaid, seasonal, and temporary employees who are under a contract of service with you or any individual who is working on your behalf, or at **your** direction, and under your direct control.

R. **Event management costs** means any fees, costs or expenses reasonably and necessarily incurred by **you** with **our** prior written consent, , for:

1. the services of a breach coach to provide advice in responding to and assisting **you** in responding to a **security breach, privacy breach** or breach of **privacy regulations**;
2. specialists, forensic investigators, including payment card industry forensic investigators, for the purpose of conducting a review or audit, including a computer forensic analysis, to determine the scope, cause, or extent of a **security breach, privacy breach** or breach of **privacy regulations**;
3. the employment of a public relations consultant if **we** reasonably consider that such appointment is needed in order to avert or mitigate any material damage to any of **your** brands following an actual or alleged **security breach, privacy breach** or breach of **privacy regulations**;
4. legal costs and expenses charged by an attorney to determine **your** legal obligations to provide notice of a **security breach, privacy breach** or breach of **privacy regulations**;
5. legal costs and expenses charged by an attorney to determine **your** rights under the indemnification provisions of a written agreement between **you** and any other person or entity with respect to a **security breach, privacy breach** or breach or **privacy regulations**; and
6. any other services that are deemed reasonable and necessary by **us**.

**You** are able to incur **event management costs** only with prior consent from the Cyber Incident Response Breach Coach. In all such cases **event management costs** shall only be incurred by **panel providers**. Use of a vendor outside of the **panel providers** is prohibited without **our** prior written consent. Failure to obtain REIX's consent prior to engaging vendors could result in a denial of coverage for those fees, costs or expenses.

S. **Extended reporting period** means the period of time after the end of the **policy period** for reporting **claims** as provided in Section X of this policy.

- T. **First party costs and expenses** means costs authorized by us, which may include:
1. **Your** actual costs to restore, re-collect, or replace **your data**, including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing **your data**;
  2. **Your** reasonable and necessary costs and expenses of specialists, investigators, forensic auditors, or loss adjusters retained by **you** for the purpose of conducting a review or audit to substantiate that a **network event** is occurring or has occurred or to determine the scope, cause, or extent of any theft or unauthorized disclosure of **your** information or **data, privacy breach**, or breach of **privacy regulations**;
  3. **Your** reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labor, premises, or additional operating costs, including staff overtime and expenditure, provided that these costs and expenses were reasonably incurred as a result of a **network event**;
  4. Your reasonable and necessary costs and expenses to retain the services of a third party forensic accounting firm to determine the **loss of business income** amount or the **reputational injury income loss** amount; or
  5. Any other reasonable and necessary costs and expenses that **you** incur directly as a result from a **network event**.

**First party costs and expenses** do not include:

- a. loss of profits or **loss of business income**;
- b. Any costs or expenses to update, upgrade, enhance or replace any component of **your computer network** to a level beyond that which existed prior to the **network event**; provided, however, this does not apply to the extent that it is deemed necessary that a replacement of a component can only be reasonably replaced with an upgraded or enhanced component; or
- c. any costs or expenses to replace any part of **your computer network** that has experienced **property damage**.

**First party costs and expenses** are part of, and not in addition to, the Limit of Liability stated within Item 3 of the Declarations.

- U. **Hardware** means any and all physical components of a **computer network**.
- V. **Human error** means an operating error, an error in setting parameters, or an unintentional mistake by **your employee** or a third party providing services to **you**.
- W. **Intangible asset** means non-public information or non-tangible property, which is owned by **you** and is held within **your computer networks** but has no physical substance including trade secrets, copyrights, patents, trademarks, **data**, or other information when the disclosure, theft, corruption or copying of such would cause **you** a monetary loss or give a competitor commercial advantage to which they would not have previously had.
- X. Loss of business income means the commissions or fees that you lost, as a result of a network event, but not to include such commissions or fees lost during the waiting period listed in item 4 of the Declarations.
- Y. **Malicious code** means software designed to infiltrate or damage a **computer network** without the owner's informed consent by a variety of forms including, but not limited to, Trojan horses, spyware, dishonest adware, and crimeware.
- Z. **Money** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government including but not limited to currency, coins, banknotes, bullions, or registered checks. **Money** also means virtual currencies including but not limited to Bitcoins.
- AA. **Monetary loss** means the loss of money and securities from **your client's** account. Monetary loss shall include any fees, fines or charges assessed against **your client** or any expenses they incur as a result of any **social engineering fraud event**.
- BB. **Named insured** means the individual, entity, or corporation designated as such in the Declarations.

CC. **Network event** means loss sustained by **you** that occurs

- i. at **your** premises;
- ii. at **your** external places of operations;
- iii. at **your** external backup, data centre or storage facilities;
- iv. during **your** transmission;
- v. at your outsourced data centre or other premises where **your computer network(s)** is managed by a third party; or
- vi. when **your** portable media, laptops and **data** storage devices are away from **your** premises

Arising from:

1. **Security breach, privacy breach** or breach of **privacy regulations**;
2. **Computer virus**;
3. **Malicious code**;
4. Accidental damage or destruction of **data** because of **human error**;
5. Electrostatic build-up or electromagnetic disturbances;
6. Accidental damage or destruction of hardware, so that the data stored is not machine readable;
7. Malfunction or failure of a **computer network**;
8. **Programming error**;
9. Natural disaster, but only for corruption, destruction, or damage to **your data** and not in respect of **loss of business income**; or
10. Failure of a direct or back-up power supply or under/over voltage but only if such power supply is owned, operated, and controlled by **you** or by a business process service provider or IT service provider.

**Network event** only pertains to **your** loss and does not include coverage for any **claim** made by a third party.

DD. **Network security** means those activities performed by you, or others on **your** behalf, to protect **your computer network**.

EE. **Notification expenses** means, in respect of a third party or an **employee**, those reasonable and necessary legal expenses, public relations expenses, postage expenses, and related advertising expenses, **you** incur and approved by **us**, in the event of a **security breach, privacy breach**, or breach of **privacy regulations** that results in the compromise or potential compromise of personal information maintained by **you** or otherwise residing on a **computer network** operated by **you** or others acting on **your** behalf. **Notification expenses** include expenses:

1. to set up a call centre to manage inbound and outbound calls in direct relation to a **security breach, privacy breach** or breach of **privacy regulations**;
2. to notify, whether voluntarily or otherwise, **your** potentially affected individuals or applicable regulatory agencies of such **security breach, privacy breach** or breach of **privacy regulations**;
3. **you** incur under a written contract with a third party where **you** have contractually indemnified the third party and they have a legal obligation to notify individuals; or
4. any other services as deemed reasonable and necessary by **us**.

FF. **Panel providers**—means solely those law firms, Cyber Incident Response Breach Coaches and forensic investigators designated by REIX from time to time.

GG. **Policy period** means the period of time from the effective date to the expiration date as specified in item 2 of the Declarations, or to any earlier cancellation date.

HH. **Privacy breach** means a breach of confidentiality, infringement, or violation of any right to privacy including, but not limited to, a breach of a person's right of publicity, false light, intrusion upon a person's seclusion, public disclosure of a person's or corporation's or company's private information by electronic means. The information subject to such a breach may be in any form, whether electronic or non-electronic.

- II. **Privacy regulations** means the following, as well as similar statutes and regulations, as they currently exist and as amended, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to:
1. Provincial, and Federal statutes and regulations regarding the security and privacy of consumer and personal information, including, but not limited to The Personal Information Protection and Electronic Documents Act (PIPEDA) SC 2000, c. 5
- JJ. **Programming error** means an error which occurs during the development or encoding of a computer program, software, or application, which would, when in operation, result in a malfunction or incorrect operation of a **computer network**.
- KK. **Property damage** means physical injury to, impairment, destruction, or corruption of any tangible property, including the loss thereof. **Data** is not considered tangible property.
- LL. **Real estate services** mean trading in real estate as defined in the **Act**.
- MM. **Securities** means written negotiable and non-negotiable instruments or contracts which represent **money** or **other assets**. **Securities** do not include the actual **money** or **other assets**.
- NN. **Security and privacy wrongful act** means any actual or alleged act, error, omission, neglect, or breach of duty by **you**, or others acting on your behalf for whom you are legally responsible, arising out of your provision of professional services, which results in:
1. A **privacy breach**, **security breach** or breach of **privacy regulations**;
  2. The alteration, copying, corruption, destruction, deletion, or damage to electronic **data** on a **computer network**;
  3. Unauthorized disclosure or unauthorized access to any commercial, personal, or private information or **data** for which **you** are responsible;
  4. Theft of **data**, (including theft of data which is commonly referred to as identity theft);
  5. **Your** failure to disclose a **privacy breach** effecting non-public personally identifiable information, or failure to dispose of such information within the required time period in violation of notification laws or regulations in effect now or in the future;
  6. The failure to prevent the transmission of **malicious code** or **computer virus** from a **computer network** to third party computers or systems;
  7. Your breach of duty to maintain the security or confidentiality of personally identifiable information or non-public corporate information of a third party under any contract, including but not limited to a payment card processing agreement with a merchant bank or payment processor;
  8. The inability of clients to access **your computer network(s)**;
  9. The failure to prevent or hinder participation in a **denial of service** from a **computer network** operated by you or on your behalf against internet sites or **computer networks** of a third party; or
  10. Loss of **employee** personally identifiable information, as defined in **privacy regulations**.
- OO. **Security breach** means any actual or reasonably suspected failure in **network security**, including any failure to prevent an intentional, malicious or wilful act that results in:
1. The unauthorized access to or unauthorized use of **your computer network**, including the unauthorized access or use by an authorized person or persons in an unauthorized manner;
  2. The failure to prevent physical theft, or loss of information, or **hardware** controlled by **you**, others acting on your behalf, your people, or processes;
  3. The introduction of **malicious code** and/or a **computer virus** into **your computer network**;
  4. A **denial of service** attack upon **your computer network**;
  5. The failure to prevent false communications designed to trick the user into surrendering non-public corporate or personal information (commonly known as “phishing” or “pharming”); or



6. **Your** breach of duty to protect the security and confidentiality of non-public proprietary corporate information and/or personally identifiable information either in electronic or non-electronic format.
- PP. **Social engineering fraud** means a misrepresentation of fact or an intentional, malicious, willful or fraudulent act undertaken by a third party and directly results in a loss of deposit in the form of moneys or other property which has been or, in the normal course in a trade in real estate would have been or ought to have been entrusted to or received by a Licensee or Registrant in its/his/her professional capacity arising out of a trade in real estate.
- QQ. **Support and credit monitoring expenses** means those reasonable and necessary expenses **you** incur and approved by us, , for the provision of client or employee support activity, including the provision of credit restoration services, credit file monitoring services, identity restoration services, identity theft education and assistance and call centres in the event of a:
1. **privacy breach** that results in the compromise or potential compromise of personal information maintained by **you** or otherwise residing on a **computer network** operated by **you** or others on **your** behalf;
  2. **security breach**; or
  3. breach of **privacy regulations**.
- RR. **Third party event support expenses** means **notification expenses** and **support and credit monitoring expenses** which an entity(ies) **you** have contractually agreed to indemnify becomes legally obligated to pay due to a:
1. **privacy breach**;
  2. **security breach**; or
  3. breach of **privacy regulations**;
- which results in the compromise or potential compromise of personal information **you** hold on behalf of this entity(ies), subject to **our** approval.
- SS. **Waiting period** means the number of hours that must elapse as provided in item 5 of the Declarations before the recovery of **loss of business income** can be considered. The **waiting period** shall be computed as of the start of the **network event**.
- TT. **"We," "us" or "our"** means REIX
- UU. **"You," "your" and "yours"** means the insured as provided in Section VI of this policy.

## VII. EXCLUSIONS

**We** shall not be liable for any **claim** directly or indirectly arising out of:

- A. Any wrongful acts, facts, circumstances, events, threats and/or breach of regulations or the same, related or continuing wrongful acts, facts, circumstances, events, threats and/or breach of regulations, that took place prior to the **continuity date** of this policy, if an **insured** knew or could have reasonably foreseen that such wrongful acts, facts, circumstances, events, threats and/or breach of regulations could be the basis of a **claim**;
- B. Any **claim** or circumstance notified to and accepted by a previous insurer prior to the inception of this policy;
- C. Any **claim** arising out of **your** malicious, fraudulent, dishonest, or criminal act as determined in a final adjudication in the underlying action. Notwithstanding the foregoing, the insurance afforded by this policy shall apply to **claims expenses** and **privacy regulatory expenses** incurred in defending any such **claim**, but shall not apply to any damages that you might become legally obligated to pay. **We** will have the right to recover those **claims expenses** and **privacy regulatory expenses** incurred from those parties found to have committed criminal, dishonest, fraudulent, or malicious acts by a court, jury, or arbitrator;
- D. **Bodily injury**, except that this exclusion shall not apply to wrongful infliction of emotional distress or mental anguish arising out of actual or alleged **privacy breach**, **security breach**, or breach of **privacy regulations**;

- E. **Property damage**; provided, however, this exclusion shall not apply to any **first party costs and expenses** under Insuring Agreements Data Recovery and Loss of Business Income Coverage and Bricking;
- F. Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, an act of God, or any other physical event however caused, unless such **claim** is caused by a **network event**;
- G. Any breach of any express, implied, actual, or constructive contract, warranty, guarantee, or promise, or the liability of others assumed by you under any contract or agreement, whether oral or written, but this exclusion does not apply to:
  - 1. Any liability or obligation **you** would have in the absence of such contract or agreement;
  - 2. **Your** contractual obligation to maintain the confidentiality or security of a person's or corporation's or company's private information;
- H. All losses or expenses arising from a terrorist act. For the purposes of this agreement, a terrorist act means an act or series of acts including the use of force or violence of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, or ideological purposes, including the intention to influence any government and/or to put the public in fear for such purposes. However, this exclusion shall not apply to **cyberterrorism**;
- I. Any fine or penalty arising out of any agreement by **you** to comply with or follow the Payment Card Industry Standard or any Payment Card Company Rules; or implement, maintain, or comply with any security measures or standards related to any payment card data including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that **you** have paid or agreed to reimburse or indemnify;
- J. Any actual or alleged unfair competition, antitrust violations, deceptive trade practices, or restraint of trade or antitrust statute, legislation or regulation. However this exclusion does not apply in respect of Insuring Agreement Security and Privacy Liability and Event Management Expenses
- K. The actual or alleged infringement of any patent or the misappropriation, theft, copying of any trade secret by, or with the active cooperation, participation, or assistance of any insured, any of your former **employees**, directors, executive officers, partners, principals, trustees, or any of **your** successors or assignees. However, this exclusion shall not apply to the theft of third party's trade secrets arising from a **security breach or privacy breach** or breach of **privacy regulations**.
- L. Satellite failures; electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, spike, brownout, or blackout; and outages to electricity, gas, water, telephone, cable, telecommunications, or other infrastructure, unless such infrastructure is under your operational control and unless such claim forms part of a **network event**.
- M. The actual or alleged inaccurate, inadequate, or incomplete description of the price or services; including **your** cost guarantees, cost representations, contract price, or cost estimates being exceeded;
- N. The violation of any economic or trade sanctions by the United States government or Canadian government including, but not limited to sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC");
- O. The existence, emission, or discharge of any electromagnetic field, electromagnetic radiation, or electromagnetism that actually or allegedly affects the health, safety, or condition of any person or the environment or that affects the value, marketability, condition, or use of any property;
- P. Deceptive, inaccurate, misleading or false advertising;
- Q. The unsolicited dissemination of any correspondence including but not limited to faxes, e-mails, telephone calls or SMS by **you** or a third party on **your** behalf, including actions brought under:
  - 1. the Canadian Anti-Spam Act S.C. 2010, c.23 or any amendments thereto or any rules or regulations promulgated thereunder;
  - 2. the Canadian Radio-Television and Telecommunications Commission Unsolicited Telecommunications Rules or any amendments thereto or any rules or regulations promulgated thereunder;

3. The Canadian Marketing Association's do-not-mail list;

However, this exclusion shall not apply if such unsolicited electronic dissemination of faxes, e-mail or other communications to actual or prospective clients by **you** or any other third party on **your** behalf is caused by **malicious code** or a hacker.

- R. Unauthorized trading of **money, securities, property** or any other medium whether or not in **your** name and whether or not in a genuine or fictitious account. This exclusion also applies to trading in excess of approved authority levels or outside of approved parameters. However, **we** shall not be liable for any **employee** salary, commissions, fees, or other employment associated compensation.
- S. The failure of the **insured** to:
- a) Enable and enforce multi-factor authentication for email access for authorized users and third parties;
  - b) Back-up copies of **data** at least weekly; and
  - c) Install, maintain, and actively monitor, within reasonable business practices, firewalls and endpoint protection on their **computer network**;
- T. Failure of any core element of the internet infrastructure that results in a countrywide or global outage of the internet, including a failure of the core DNS root servers or the IP addressing system;
- U. An **Insured** acting in the capacity of director or officer of any enterprise; other than a registrant under the Act;
- V. Based upon or arising out of any actual or alleged violation of the Consumer Protection Act, Collection and Debt Repayment Practices Regulation or any similar federal, provincial, local or other law or legislation, or law or legislation of any other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
- W. Errors and omissions or professional liability in connection with, arising out of, based upon or attributable to the rendering or failure to render professional services for others by or on behalf of the Insured.

Claims which are covered under the insured's errors and omissions or professional liability insurance policies are excluded from coverage under this Policy. In no event shall the coverage under this policy increase the limits of coverage under professional liability policies issued by REIX.

## VIII. NOTICE OF CLAIM OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any **claim** is made against **you**, then **you** shall forward to **us** notice of such **claim** immediately through the contact information in item 7 of the Declarations and include every demand, notice, summons, or other process received by **you** or its representative.
- B. If during the **policy period** **you** become aware of any acts, facts, or circumstances that you believe could reasonably be a basis for a **claim**, you must give written notice of the following information to **us**, through the contact information in item 7 of the Declarations, immediately during the **policy period**:
1. Specific details of the acts, facts, or circumstances that could reasonably be the basis for a **claim**;
  2. Possible **damages**, , or other amounts potentially covered under this policy that may result or has resulted from the facts or circumstances; and
  3. Details regarding how **you** first became aware of the acts, facts, or circumstances;
- Any subsequent **claim** arising out of such acts, facts, or circumstances which is the subject of the written notice will be deemed to be a **claim** at the time written notice complying with the above requirements was first given to **us**.
- C. A **claim** shall be considered to be reported to **us** when notice is first given to **us** through the contact information in item 8 of the Declarations.

## IX. ASSISTANCE AND COOPERATION

- A. **You** shall cooperate with **us** in all investigations. **You** shall execute or cause to be executed all documents and render all assistance as requested by **us**.
- B. Upon **our** request, **you** shall assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** with respect to which insurance is afforded under this policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at **your** own cost.
- C. **You** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award, or dispose of any **claim** without **our** written consent. However, the prompt public admission of a **security breach** potentially impacting non-public personally identifiable information of **employees** or third parties as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring **our** prior consent; however **we** are to be informed as soon as practicable of such public admission if such public admission is a circumstance that could lead to a **claim**.
- D. **We** shall have the right to make any investigation **we** deem necessary with respect to coverage.
- E. **You** shall submit for examination under oath by **our** representative, if requested, in connection with all matters relating to this policy.

## X. SUBROGATION

If any payment is made under this policy and there is available to **us** any of **your** rights of recovery against any third party, then **we** shall maintain all such rights of recovery. **You** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **damages, claims expenses**, or any other amounts paid by **us**, and lastly to the **retention**. Any additional amounts recovered shall be paid to **you**.

If prior to any acts, facts, or circumstances occurring that may be connected with such payment **you** have agreed in writing to waive **your** rights of recovery or subrogation against any person or entity, we will waive the right of recovery we would otherwise have had against another person or entity for loss, but only if such waiver is expressly stated in a valid written contract and then solely to the extent of such waiver stated therein. All other rights of recovery shall be preserved by **You** and shall not be compromised in any manner following any event potentially triggering coverage under this **Policy**.

## XI. OTHER INSURANCE

- A. If an Insured has or had at any time insurance placed with another insurer that applies to a **Claim** or **Loss** covered by this Policy, unless specifically scheduled as underlying, this Policy will apply as excess insurance over the other insurance to the extent that the other insurance is valid and collectible, and will not be called upon in contribution.
- B. Notwithstanding the errors and omissions or professional liability exclusion, the insurance under this Policy is specifically written on a **Difference in Conditions** basis.

## XII. ENTIRE AGREEMENT

By acceptance of this policy, **you** agree that this policy embodies all agreements between **you** and **us** relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop **us** from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this policy and signed by **us**.

## XIII. ASSIGNMENT

The interest hereunder is not assignable by **you**. If an insured shall die or be adjudged incompetent, such insurance shall cover **your** legal representative as **you** would be covered under this policy.

#### XIV. CANCELLATION OF INSURANCE POLICY

**We** may cancel this insurance policy by mailing a notice to **you** at your address shown in the records of the Real Estate Commission stating when, not less than 30 days thereafter, such cancellation shall be effective.

**We** may terminate this Policy for all **Insureds** by giving such notice as is required by the Act or any Regulations under the Act.

#### XV. WORDS AND TITLES OF PARAGRAPHS

The titles of paragraphs, sections, provisions, or endorsements of or to this policy are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of this policy. Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

#### XVI. DISPUTE RESOLUTION

- A. No action shall lie against **us** unless, as a condition precedent thereto, there shall have been full compliance with all terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment or award against **you** after actual trial or arbitration or by written agreement of **you**, the claimant, and **us**.
- B. No person or organization or any legal representative thereof who has secured such judgment, award, or written agreement shall thereafter be entitled to make a **claim** under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join **us** as a party to an action or other proceeding against **you** to determine **your** liability, nor shall **we** be impleaded by **you** or **your** legal representative. Bankruptcy or insolvency of **you** or of **your** estate shall not relieve **us** of **our** obligations hereunder.
- C. Mediation. If any dispute arises between any insured and **us** involving this policy and/or a **claim** hereunder, such dispute shall be referred to a qualified mediator in good faith in an effort to negotiate a resolution of the dispute, prior to the initiation of any arbitration. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The persons named in item 9 of the Declarations are authorized and directed to accept the Notice of Mediation on behalf of **us**. The **named insured** is authorized and directed to accept the Notice of Mediation on behalf of any insured.
- D. Arbitration in the event that a good faith effort to mediate pursuant to Section XXI (C) above cannot resolve a dispute between any insured and **us** involving this policy or a **claim** or circumstance hereunder, such dispute shall be determined by final and binding arbitration before a single arbitrator. If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the chapter of the ADR Institute of Canada Inc. operating in the jurisdiction of the applicable Arbitration Act.

#### XVII. CHOICE OF LAW AND CHOICE OF FORUM

- A. All disputes concerning the interpretation of this policy shall be subject to the law and courts of the province of the named insured's principal address indicated in Item 1 of the Declarations.

In witness whereof we have caused this insurance policy to be executed this 01 day of January 2024

Real Estate Insurance Exchange ("REIX")



Lisa Sabo  
Chief Executive Officer