

E&O Complete

For residential and commercial properties

Issued & Underwritten by
FCT Insurance Company Ltd.



FCT Insurance Company Ltd. (hereinafter referred to as "FCT") in consideration of the payment of the premium and subject to the limits of liability and all other terms and conditions of this policy, hereby insures the Insured as follows:

1. Insurance Coverage

Provided the liability of the Insured is the result of an allegation of an error or omission of the Insured in providing Legal Services with respect to a Qualifying Real Estate Transaction, FCT will address the Insured's claim in one of the following ways:

- (a) If the amount claimed against the Insured is greater than ten thousand dollars (\$10,000.00), pay all sums which the Insured shall become obligated to pay:
 - i) To the Insured's mandated primary errors and omissions insurer as a deductible amount, pursuant to the terms of the Insured's errors and omissions insurance and/or;
 - ii) To the Insured's mandated primary errors and omissions insurer as a claims history levy surcharge, if applicable, over and above the base levy otherwise paid by the Insured.
- (b) If the amount claimed against the Insured is less than or equal to ten thousand dollars (\$10,000.00), attempt to negotiate a settlement with the party claiming against the Insured.

2. Cancellation

This policy may be cancelled at any time by either the Insured or FCT, each in their sole discretion, provided that the party cancelling the policy provides written notice of such cancellation to the other party. Notice of cancellation from FCT to the Insured shall be by registered mail. Notice of cancellation from the Insured to FCT shall be sent by regular mail, directed to the address shown in Section 7. Notice of cancellation shall be effective immediately upon receipt and the notice shall be deemed received five (5) business days following mailing.

If FCT cancels this policy, it shall refund to the Insured the portion of the premium corresponding to the remainder of the Policy Period.

3. Continuation of Coverage

For each Qualifying Real Estate Transaction that closes during the Policy Period, the coverage under this policy, subject to the limits contained in Section 5, remains in effect forever, notwithstanding that this policy may be cancelled as provided in Section 2.

4. Exclusions from Coverage

This policy does not apply to any claim for amounts that the Insured shall become obligated to pay as a deductible amount or as a claims history levy surcharge for excess liability insurance.

This policy does not apply to any claim in any way arising out of any dishonest, fraudulent, criminal or malicious act or omission of the Insured.

With the exception of a claim arising out of the Insured's failure to adjust on closing for arrears of common expenses disclosed in an estoppel/status certificate obtained in connection with a Qualifying Real Estate Transaction, the coverage under Section 1(b) of this policy does not apply to any claim in any way arising out of a matter excluded from coverage by the Exclusions, or excepted from coverage on Schedule B, of a title insurance policy issued in connection with a Qualifying Real Estate Transaction.

This policy does not apply to any claim where the Insured at the time of the Qualifying Real Estate Transaction was subject to practice restrictions imposed by the Insured's provincial law society or society of notaries public.

5. Determination and Extent of Liability

This policy is a contract of indemnity against actual monetary loss incurred by the Insured, only to the extent described in Section 1. FCT shall have no duty to defend the Insured in any litigation, nor to reimburse the Insured for any amounts expended for legal fees or disbursements.

The liability of FCT under this policy shall not exceed:

- (a) For a claim made under Section 1(a)(i) of this policy: ten thousand dollars (\$10,000.00);
- (b) For a claim made under Section 1(a)(ii) of this policy: the amount actually paid by the Insured to the Insured's mandated primary errors and omissions insurer as a premium surcharge resulting from the provision of Legal Services by the Insured with respect to a Qualifying Real Estate Transaction;

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- (c) The total amount of coverage available to the Insured under Section 1(a) of this policy for each Qualifying Real Estate Transaction shall be limited to thirty thousand dollars (\$30,000.00), to an aggregated lifetime maximum of ninety thousand dollars (\$90,000) for all Qualifying Real Estate Transactions;
- (d) For a claim made under Section 1(b) of this policy: ten thousand dollars (\$10,000.00);
- (e) The total amount of coverage available to the Insured under Section 1(b) of this policy for all Qualifying Real Estate Transactions within a Policy Period shall be limited to three (3) claims or ten thousand dollars (\$10,000.00), whichever is arrived at first, to an aggregated lifetime maximum of ninety thousand dollars (\$90,000) for all Qualifying Real Estate Transactions.

6. Payment of Loss

For claims made under Section 1(a), FCT shall pay to the Insured all amounts required to be paid under this policy as and when such amounts are due to be paid by the Insured.

For claims made under Section 1(b), upon reaching settlement with the party claiming against the Insured, FCT shall pay forthwith any amounts due to effect the said settlement.

7. Notice of Claim

If the Insured becomes aware of any circumstance likely to give rise to a claim hereunder, the Insured shall immediately give notice thereof in writing to FCT at the following address: 2235 Sheridan Garden Drive, Oakville ON L6J 7Y5, Attention: Claims Department, Phone: (905) 287-1000, Fax: (905) 287-1006, Email: claims@fct.ca.

8. Professional Liability insurance requirements

Nothing in this policy shall be construed as relieving the Insured from any obligation imposed on him/her by the Insured's mandated primary errors and omissions insurer.

9. Failure to Settle

If, in its sole discretion, FCT is unable to reach a reasonable settlement of a claim against the Insured pursuant to Section 1(b), the coverage under Section 1(a) will remain in effect.

10. Definitions

Insured – the solicitor/notary whose name appears in Schedule "A" of this policy;

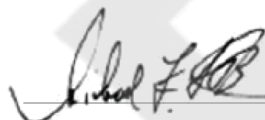
Legal Services – the services customarily required by a solicitor/notary in the normal course of a real estate transaction, including but not limited to the searching of title and off-title matters, the preparation, review, execution and registration of title documents, and the provision of advice and reporting to clients concerning a real estate transaction;

Policy Period – the period of time commencing on the date this policy is issued, as shown on Schedule "A" to this policy, expiring on the earlier of (i) the expiry date as shown on Schedule "A" or (ii) the date this policy is cancelled by either the Insured or FCT;

Qualifying Real Estate Transaction – a transaction in which the Insured acted as solicitor/notary for the named insured under one or more owner's or mortgagee's policies of title insurance that were issued by FCT, either solely or jointly with First American Title Insurance Company, covering one or more interests in or charges against the real property in that transaction, or in which the Insured acted as solicitor/notary for one or more vendors or mortgagors of an interest in real property, whether or not FCT, either solely or jointly with First American Title Insurance Company, issued a policy of title insurance in connection with that transaction.

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Michael F. LeBlanc
Chief Executive Officer

