

E&O ExtraTM

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

- (a) 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 pay to the Insured all sums which the Insured shall become obligated to pay:
- i) To the Insured's mandated primary errors and omissions insurer as a standard 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.

2. Cancellation

This policy may be cancelled at any time by either the Insured or FCT, 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, subject to the limits in Section 5, under this policy 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.

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 each claim made under Section 1(a)(i) of this policy: ten thousand dollars (\$10,000.00);
- (b) For each 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;
- (c) The total amount of coverage available to the Insured under Section 1(a)(i) and 1(a)(ii) 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.

6. Payment of Loss

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.

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. Definitions

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

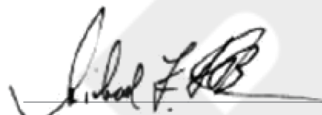
Legal Services – the services customarily required by a solicitor/notary in the normal course of a real estate transaction, including but not limited to the searching of title and off-title matters, the preparation, review, execution and registration of title documents, and the provision of advice and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

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FCT Insurance Company Ltd.



Michael F. LeBlanc
Chief Executive Officer

