



## PROFESSIONAL LIABILITY INSURANCE GUIDELINE

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**Issued to: Navigatr Group (USA) ULC; Navigatr Group (Canada) Inc.**

**June 26, 2024**

*The following information is important to you. It provides the information you need to know about the Professional Liability Insurance and benefits that may be available to you through Northbridge General Insurance Corporation. The descriptions and details herein are for information only. At all times the actual status, terms, conditions and exclusions of the Policy shall prevail.*

## **Definition**

Professional Liability Insurance is also called Errors & Omissions Insurance. This is a form of liability insurance that helps to prevent service-providing individuals and companies from bearing the full cost of defense of a negligence claim made by a Client, for any damages awarded in a potential civil lawsuit.

## **Requirement for Professional Liability Insurance to Independent Contractors (ICs)**

As an Independent Contractor, error is your responsibility in full. Therefore, Travel Edge requires all ICs maintain coverage either with their own policy, or as a participant under Travel Edge for the protection of the company against the liability and risk of financial loss. ICs will be automatically enrolled as participants under Travel Edge's insurance policy solely for business they are conducting on behalf of Travel Edge, unless proof of other coverage is provided along with the signed IC Agreement

Once again, participation in Travel Edge's E&O policy is only applicable to transactions processed through Travel Edge and should not be considered as a replacement for the IC's individual E&O policy (i.e., if an IC was engaging in transactions that were not processed through Travel Edge, Travel Edge's E&O policy would not cover any claims arising from such transactions).

## **Eligibility**

To be eligible for the Company coverage, you must be an Independent Contractor (IC) under written contract with Navigatr Group (USA) ULC, Navigatr Group (Canada) Inc., any Subsidiary of Navigatr Group (USA) ULC or Navigatr Group (Canada) Inc. (including Travel Edge (USA) Inc. and Travel Edge (Canada) Inc.) or any Predecessor Entities, who conducts business utilizing the services of others, including IC's, employees, associates or contract personnel for the term they are under contract with Travel Edge.

## **When coverage starts/ends**

Coverage begins when an IC enters into a written agreement with Travel Edge and coverage terminates with termination of an IC agreement with Travel Edge or at the end of a term of 1 year if not renewed.

## **Limits of Liability (inclusive of Defense Expenses) and Deductibles**

### **1. Limit of Liability**

The Limit of Liability is \$5,000,000 for each wrongful act and \$5,000,000 for the entire policy in the aggregate. The limit of liability with respect to each wrongful act is the maximum the insurer will pay for "damages" and "claim expenses" in the settlement or satisfaction of any "claim", regardless of the number of insureds, demands or claimants.

The limit of liability with respect to the policy aggregate is the maximum the insurer will pay for all "damages" and "claim expenses" for all "claims" reported to the insurer during the "policy period" (ending June 27, 2025). The insurer's payment of "damages" and "claim expenses" will reduce the Limit of Liability. All of the insurer's obligations will terminate if the Limit of Liability or Policy Aggregate is exhausted.

### **2. Deductibles**

The deductible or "retention" is \$50,000 both in and outside of Canada. The insurer's liability with respect to "damages" and "claim expenses" arising from each "claim" applies only to that part of the "damages" and "claim expenses" that are in excess of the retention that applies to the insured.

## Territories

Coverage under the policy extends worldwide.

## How does this policy differ from having your own policy?

Travel Edge (USA) Inc. and Travel Edge (Canada) Inc. (among others) are listed as the “named insured” under the Policy. Individual ICs of the “named insured” are covered in the same way as the named insured, but only with respect to the performance of, or failure to perform “professional services” for the benefit of the named insured pursuant to an IC agreement. In other words, the coverage only applies to transactions processed via Travel Edge and ***should not be*** considered as a replacement for the IC’s individual E&O policy.

If an IC deviates to pursue their own affairs, outside of Travel Edge affiliate related transactions, the extension of coverage over that activity is lost.

## Criteria for Submitting a Claim

***Merit for claims is established on a case-by-case basis at the sole discretion of Travel Edge.*** However, the following are standard criteria:

1. Cannot be fraud related. Example: Phishing emails data entry resulting in a fraud ARC (Airline Reporting Corporation) ticket.
2. Cannot be related to an intentional wrongful act.
3. Minimum loss/deductible of \$50,000.
4. Cannot be related to a price misquote. Example: invoiced the client their hotel cost \$125 per night when actual cost was \$425 per night.
5. Cannot be related to an ARC debit memo. Example: Failure to adhere to 24-hour corrective actions, failure to adhere to terms of airline policies.

Examples of potential claims:

A demand for damages resulting from a lawsuit related to, among other things:

- Entering or adding a hotel and mis-entering the accounting lines, dropping off a flight or other information from the itinerary due to improper segmenting.
- Re-ticketing due to booking errors.

## Process for Submitting a Claim

### 1. Steps

If you have a loss that meets the criteria and would like to make a claim:

- As the first step in the process, all claims must be pro-actively discussed and documented with your relationship manager.

- The relationship manager will escalate the claim to the executive management team of Travel Edge on behalf of the IC.
- Executive management will review the claim and then work with IC directly on final steps if approved for submission to insurance carrier for possible reimbursement, less the deductible amount.

## **2. Tips to make a Claim Successful**

- Providing as soon as practicable to your relationship manager documentation with proof of loss in respect of finance loss to the Insured. Documentation is a key of conversations, persons directly involved at Vendor, dates and timeline of events, booking details, original GDS information, screen shots, emails or any relevant support to the claim assertions.
- The company will research the claim to validate agent actions/assertions if necessary in the Travel Edge systems including but not limited to Email, TRAMS Back Office, ARC or GDS Systems.
- We will provide guidance from our insurance carrier at the time of filing and necessary forms of completion.

## **3. Salvage**

- In the event of loss or damage to insured, the ICs must take all reasonable steps to prevent any further loss to the Insured under the contract, including, if necessary, removing the service to prevent loss or damage or further loss or damage to the Insured.

## **Exclusions**

The following is a sample (non-exhaustive list) of “claims” that are excluded from the policy. The policy does not apply to any claim arising out of, among other things:

- any “wrongful act” committed prior to June 27, 2024 if any “insured” knew or could have reasonably foreseen that such “wrongful act” could give rise to a “claim”;
- any dishonest, fraudulent, criminal, or malicious act committed by any “insured”, acting alone or in collusion with others;
- any intentional or knowing violation of law committed by an “insured”;
- the gaining of any profit, remuneration, or financial or non-financial advantage by an “insured” to which the “insured” was not legally entitled;
- any intentional “wrongful act”;
- any liability assumed under any contract, except to the extent that the “insured” would have been liable even in the absence of such contract;
- personal injury;
- violation or infraction by any “insured” of copyright, trademark, service mark or trade name or unfair competition by any “insured” based upon actual or alleged violation or infraction of copyright, trademark, service mark, or trade name;

- of any express warranties or guarantees, including but not limited to estimates of profit, any contract price, cost guarantee, or cost estimate being exceeded, return on capital, economic return or other estimates giving rise to forecasts of economic return;
- the insolvency or bankruptcy of any “insured” or “travel supplier”. This exclusion does not apply to “claim expenses” incurred by the Insurer in defending a “claim” against the “insured” resulting from the insolvency or bankruptcy of a “travel supplier”;
- made against any “travel supplier”, however, this exclusion will not apply if the “travel supplier” is an “insured” under this Policy; and
- any “professional services” as a “travel wholesaler/tour operator” performed by any independent contractor of the “named insured”, regardless if such services were provided pursuant to a previously executed written contract.

## Appendix

Following are the list of definitions of some terms that appear in this document.

### 1. “Insured” means:

- any “named insured”;
- any past, present or future:
  - partner, officer, director or employee of the “named insured”, or
  - volunteer, student or intern of the “named insured”,
 but only in the performance of, or failure to perform, “professional services” for the benefit of the “named insured”;
- any past, present or future duly licensed independent contractor of the “named insured” who is an individual, but only in the performance of, or failure to perform, “professional services”, solely as a “retail travel agent”, for the benefit of the “named insured” pursuant to a previously executed written contract;
- any “subsidiary” but only in the performance of, or failure to perform, “professional services”;
- the estates, heirs, executors, administrators or legal representatives of any “insured”, in the event of death, incapacity, bankruptcy or insolvency; or
- the spouse of an “insured”, but solely in such spouse’s capacity as the “insured’s” spouse and if such “insured” was acting within their capacity in the performance of, or failure to perform, “professional services” for the benefit of the “named insured”.

### 2. “Claim” means any of the following:

- written demand for “damages” or non-monetary or injunctive relief;
- civil proceeding for “damages” or non-monetary or injunctive relief, commenced by the service of a notice of action or complaint, statement of claim or similar originating process, including any appeal thereof; or
- arbitration or other alternative dispute resolution proceeding for “damages” or non-monetary or injunctive relief, commenced by the “insured’s” receipt of a request or demand for such proceeding, including any appeal thereof,

against an “insured” and arising from a “wrongful act”.

3. "Damages" means:

- monetary damages which an "insured" is legally obligated to pay as a result of a judgment, award or settlement;
- interest accruing against the "insured" after entry of judgment upon that part of the judgment which is within the applicable Limit of Liability shown on the "schedule";
- punitive and exemplary damages awarded solely in Canada, if insurable by law pursuant to which this Policy shall be construed.
- costs taxed against an "insured" in any "claim" defended by the Insurer unless such costs are assessed as a sanction against an "insured".

"Damages" do not include:

- fines, penalties, forfeiture, sanction, tax, liquidated damages or the multiplication of "damages";
- fees, deposits, commissions, expenses or costs for "professional services";
- costs or expenses of correcting, re-performing or completing any "professional services"; or
- costs of complying with any order for, grant of or agreement to provide non-monetary or injunctive relief.

4. "Wrongful act" means any actual or alleged act, error, omission or breach of duty committed by an "insured" in the performance of, or failure to perform, "professional services". "Wrongful acts" that arise out of, are based on the same or related facts, circumstances, situations, transactions or events, or related series of facts, circumstances, situations, transactions or events will be considered interrelated "wrongful acts". Any two or more interrelated "wrongful acts" will be considered a single "wrongful act".

5. "Claim Expenses" means:

- the reasonable and necessary costs, charges, fees (including but not limited to lawyers' and experts' fees) and expenses incurred in the investigation, adjustment, negotiation, arbitration, defence or appeal of any "claim" with the Insurer's written consent;
- the reasonable expenses the "insured" incurs at the Insurer's request to assist the Insurer in the investigation or defense of a "claim", including actual loss of earnings up to \$1,000 a day because of time off from work;
- the premium for bonds to release attachments but the Insurer will have no obligation to apply for or furnish any such bonds; and
- costs taxed against the "insured" in the "claim" and any interest accruing after entry of judgment upon that part of the judgment.

"Claim expenses" do not include salaries or other compensation paid to any "insured".