



COMMERCIAL BUILDING, EQUIPMENT AND STOCK COVERAGE PACKAGE FORM

SECTION 1 - PROPERTY COVERAGES

PROPERTY GENERAL DEFINITIONS - (Applicable to all Section 1 Coverages)

Wherever used in this form:

- (a) **"Building"** - means:
the building(s) described on the Declaration Page and includes:
- (i) fixed structures pertaining to the building(s) and located on the "premises";
 - (ii) additions and extensions communicating and in contact with the building(s);
 - (iii) permanent fittings and fixtures attached to and forming part of the building(s);
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
- (b) **"Declaration Page"** means the Declaration Page applicable to this policy.
- (c) **"Equipment"** means:
- (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - (ii) electronic or electro-mechanical equipment, including but not limited to computers data processing equipment, terminals, teleprinters, readers, computerized cash registers and word processing equipment owned by the insured or leased to the insured;
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (iv) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.
- (d) **"Stock"** means:
- (i) merchandise of every description usual to the Insured's business;
 - (ii) packing, wrapping and advertising materials; and
 - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
- (e) **"Contents"** means: Equipment and Stock as defined above.
- (f) **"Property of Every Description"** means: Building(s), Equipment and Stock as defined above.
- (g) **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the Declaration Page and in or on vehicles within 100 metres (328 feet) of such locations.
- (h) **"Fire Protective Equipment"** includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any water mains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.
- (i) **"Pollutants"** means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (j) **"Clean up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (k) **"Fungi"** includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- (l) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (m) **"Theft"** means the wrongful abstraction of property.
- (n) **"Data"** means representations of information or concepts, in any form.
- (o) **"Data Problem"** means:
- (i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
 - (ii) error in creating, amending, entering, deleting or using "Data"; or

- (iii) inability to receive, transmit or use "Data"; or
- (iv) damage to electronic data processing equipment or other related component system, process or device.
- (p) **"Contributing Properties"** are premises within the territorial limits which supply materials to the insured and which are not owned, rented or controlled in whole or in part by the Insured.
- (q) **"Recipient Properties"** are premises within the territorial limits to which the insured's products are shipped and which are not owned, rented or controlled in whole or in part by the Insured.
- (r) **"Named Perils"** means:
 - (A) **FIRE OR LIGHTNING**
 - (B) **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure
 - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus and pipes connected therewith, while under pressure or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - (v) gas turbines
 The following are not explosions within the intent or meaning of this section:
 - (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
 - (C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:**
The Terms "Aircraft" and "Spacecraft" include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:
 - (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - (ii) to aircraft, spacecraft or land vehicles causing the loss;
 - (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".
 - (D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked out employees.
There shall in no event be any liability hereunder for loss or damage:
 - (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Definition 16(B)
 - (iii) due to theft or attempted thereat
 - (E) **SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
 - (F) **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
 - (G) **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
 - (i) to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

PROPERTY GENERAL PROVISIONS - (Applicable to all Section 1 Coverages)

- (a) **Replacement Cost** (Not applicable to "Stock"): Where the "Declaration Page" set out the basis of settlement as "Replacement Cost" (RC) it is understood and agreed that settlement shall be based on the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site or on an adjacent site, with standard building materials of like kind and quality and currently available in North America and for like occupancy without deduction for depreciation. The foregoing shall be subject otherwise

to all the terms, conditions and limitations of the Policy including endorsements thereon and to the following:

- (i) the repair, replacement, construction or reconstruction, as the case may be, must be effected by the Insured with due diligence and dispatch;
 - (ii) until repair, replacement, construction or reconstruction has been effected by the Insured, liability shall be that which would have existed had this coverage not been in effect. Liability shall in no event exceed the amount actually and necessarily expended to repair, replace, construct or reconstruct;
 - (iii) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by the Policy on the property to which this coverage is applicable shall be upon the replacement cost basis as set out herein;
 - (iv) failing compliance by the Insured with any of the foregoing provisions, this coverage shall be null and void;
 - (v) any reference to actual cash value in a co-insurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.
 - (vi) in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
 - (vii) This provision does not apply to:
 - (a) stock;
 - (b) patterns, dies, moulds;
 - (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (d) manuscripts and records meaning books of account, drawings, card index systems and other records;
 - (e) media meaning the materials on which data is recorded electronically or digitally and data meaning the facts, concepts, instructions or computer programs used in data processing operations;
 - (f) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
- (b) **Verification of Values:** The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within one year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any terms or conditions of this Policy.
- (c) **Valuations:** For the purpose of calculating the total value of the property for the application of co-insurance, value reporting and for loss adjustment, the following valuation basis applies:
- (i) on unsold "stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
 - (ii) on sold "stock" - the selling price after allowance for discounts;
 - (iii) on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
 - (iv) on tenant's improvements and records - as defined in paragraphs (i) and (ii) of Clause (d);
 - (v) on all other property insured under this Policy and for which no more specific conditions have been set out - the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.
- (d) **Special Basis of Settlement:**
- (i) Tenant's Improvements: The liability of the Insurer shall be determined as follows:
 - (a) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;
 - (b) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.
 - (ii) Records: The liability of the Insurer for loss or damage to:
 - (a) books of accounts, drawings, card index systems and other records, other than as described in (b) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
 - (b) media, data storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "Data" is not insured, shall not exceed the cost of reproducing such media, data storage devices, and program devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or "Data" for such reproduction.
- Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying co-insurance.
- (e) **Deductible:** The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declaration Page" in any one occurrence. Coverage provided under the "Additional Agreements of the Insurer" is also subject to the policy

deductible applicable to the insured premises.

If one occurrence could lead to the application of more than one deductible only the largest deductible will apply.

- (f) **Co-Insurance:** This clause applies separately to each item for which a co-insurance percentage is specified on the "Declaration Page" and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000. The Insured shall maintain insurance concurrent with this Policy on the property insured to the extent of at least the co-insurance percentage specified on the Declaration Page of the actual cash value thereof, and, failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.
- (g) **Property of Others:** At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.
- (h) **Locked Vehicle Warranty:** This Clause does not apply to property that is under the control of a common carrier. Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.
- (i) **Reinstatement:** Loss under any item of Section 1 - Property Coverages shall not reduce the applicable amount of insurance.
- (j) **Property Protection Systems:** It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:
 - (a) sprinkler or other fire extinguishing system; or
 - (b) fire detection system; or
 - (c) intrusion detection system;and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.
- (k) **Other Insurance:**
 - (i) The Insurer shall not be liable hereunder for more than the proportion of any loss or damage which the amount of this policy bears to the total of Fire Insurance under all contracts attaching, irrespective of whether such other contracts provide Extended Coverage. If this policy covers two or more items this clause shall apply separately to each item;
 - (ii) If the Insured has at the date of this policy any other insurance on property covered hereby which is not disclosed to the Insurer or hereafter effects any other insurance thereon without the written consent of the Insurer, this policy shall be void.
- (l) **Non Waiver:** No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing, signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the Policy.
- (m) **Removal:** If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss, destruction or damage thereto, that part of the insurance under this Policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the Policy if less than seven days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.
- (n) **Examination of Insured:** In the event of a claim under this policy, you must submit to examination under oath, at our request, and produce for examination at such reasonable place and time as designated by us or our representative, all documents in your possession or control that relate to the matters in question, and you must permit extracts and copies of such documents to be made.
- (o) **Territorial Limits:** This policy insures only within the territorial limits of Canada and the Continental United States of America excluding Alaska.

SECTION 1 - PROPERTY COVERAGES

COMMERCIAL BUILDING, EQUIPMENT AND STOCK COVERAGE PACKAGE FORM

PERILS AND PROPERTY INSURED

1. This Form, except as herein provided, insures against all direct physical loss of or damage to the property insured but only for those items for which an amount of insurance is shown on the "declaration page" and only while at the location(s) specified on the "declaration page". Loss of or damage to the insured property must occur on an accidental basis, meaning that the cause of loss must be a happening by chance or an unexpected event taking place or an event which is not according to the usual course of events, in order to be considered insurable. Failure to comply with any term or condition may result in the denial of a claim under the policy.

EXCLUSIONS

2. A PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (a) sewers, drains or water mains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- (b) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- (c) electrical devices, appliances or wiring caused by electrical currents other than lightning unless fire or explosion ensues and then only for such ensuing loss or damage;
- (d) growing plants, trees, shrubs or flowers, all while in the open except as provided in the Additional Agreements of the Insurer, item 12;
- (e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempted theft;
- (f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (g) vehicles subject to motor vehicle registration within the provincial jurisdiction, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale when on the "premises" of the Insured;
- (h) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, tobacco products and pre-recorded video tapes, but this exclusion does not apply to: (i) the first one thousand dollars (\$1,000) of any loss insured herein; (ii) any loss or damage caused directly by "Named Perils";
- (i) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (j) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (k) property in the custody of a sales representative outside the "premises" of the Insured, unless an amount of insurance is shown on the "Declaration Page" pertaining to "Sales Representative";
- (l) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (m) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure: (i) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use); caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - (1) manually portable gas cylinders;
 - (2) explosion of natural, coal or manufactured gas;
 - (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
- (n) buildings and/or structures, and their contents, used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from, or containing, cannabis or any substance falling within the Schedules of the Controlled Drugs and Substances Act, whether or not the insured is aware of such use of the property.

2 B PERILS EXCLUDED

This Form does not insure against loss or damage directly or indirectly caused by, resulting from, contributed to or aggravated by:

- (a) earthquake, except for ensuing loss or damage which results directly from "fire", "explosion", "smoke" or "leakage from fire protective equipment";
 - (b) flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment or leakage from a water main;
- exclusions (a) and (b) do not apply to property in transit:
- (c) (i) seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 2.B hereof;
 - (ii) the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 2.B hereof;

- (d) any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Form;
- (e) centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (f) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (m) of Clause 2.A. hereof, theft or attempt thereof or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (m). of Clause 2.A. hereof;
- (g) smoke from agricultural smudging or industrial operations;
- (h) rodents (such as squirrels and rats), insects or vermin (such as raccoons and skunks), but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 2.B hereof;
- (i) delay, loss of market, or loss of use or occupancy;
- (j) any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted); but this exclusion does not apply to physical damage, caused directly by employees of the insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- (k) to "buildings" by;
 - (i) snow slide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from "fire", "explosion", "smoke" or "leakage from fire protective equipment";
 - (ii) explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 2.B. hereof;
- (l) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (m) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;
- (n) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion ensues and then only for such ensuing loss or damage;
- (o) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

2. C POLLUTION EXCLUSION

This policy does not insure against

- (a) loss or damage resulting from, contributed to or caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded on this policy;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this policy;
- (b) cost or expense for any testing, monitoring, evaluation or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

2. D DATA EXCLUSION

This policy does not insure:

- (a) "Data";
- (b) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by "Named Perils" as defined in this policy, this exclusion (b) shall not apply to such resulting loss or damage.

ADDITIONAL AGREEMENTS OF THE INSURER

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, SHALL NOT INCREASE THE AMOUNT OF INSURANCE

1. INCREASED COST TO COMPLY WITH BY-LAWS ON BUILDINGS:

The coverage applicable to insured Building(s) as stated on the "Declaration Page" in the event of loss, destruction or damage by a peril insured against on such building(s) and subject to the Property General Provisions herein, is extended to include loss occasioned by the enforcement of any by-law, regulation ordinance or law which:

- (a) is in force at the time of such loss, destruction or damage;
- (b) regulates zoning or the demolition, repair or construction of damaged buildings; and
- (c) necessitates the demolition of any portion of the building(s) which has not been damaged by a peril insured against.

COVERAGES PROVISIONS

A. VALUE OF UNDAMAGED PORTION OF BUILDING(S)

The Insurer is liable under this provision only for the value of any portion of the insured building(s) which has not been damaged by a peril insured against.

B. DEMOLITION AND DEBRIS REMOVAL COST - UNDAMAGED PORTION OF BUILDINGS(S)

The Insurer is liable under this provision only for the actual cost of demolishing, and clearing the site of, any portion of the insured building(s) which has not been damaged by a peril insured against. This coverage provision is not subject to the application of a co-insurance clause.

C. INCREASE IN COST OF CONSTRUCTION

The Insurer is liable under this provision only for any increase in the cost of repairing, replacing, constructing or reconstructing the building(s) on the same site or on an adjacent site of like height, floor area and style, and for like occupancy. The Insurer shall not be liable under this provision for:

- (a) any loss unless and until there is actual repair, replacement construction or reconstruction by the Insured of the damaged or destroyed building(s) with due diligence and dispatch;
- (b) more than the amount actually and necessarily expended in excess of the loss which would have existed without this endorsement; and
- (c) more than the amount in excess of the cost of repairing, replacing, constructing or reconstructing, whichever is the least, the building(s), with material of like kind and quality without deduction for depreciation.

LIMIT OF LIABILITY

The Insurer shall not be liable under this Additional Agreement for:

- (a) any loss occasioned by the enforcement of any by-law, regulation ordinance or law that is not a result of a peril insured against on the insured building(s).
 - (b) more than the Limit of Liability as stated on the "Declaration Page".
2. DEBRIS REMOVAL: The Insurer will indemnify the Insured for expenses incurred in the removal from the Insured's "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Form. The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Form but which has been blown by windstorm upon the location specified on the "Declaration Page".
This extension does not apply to costs or expenses:
- (i) to "clean up" "pollutants" from land or water; or
 - (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
3. POWER FLUCTUATION COVERAGE: the Insurer will indemnify the Insured for any direct loss or damage to insured contents caused by a power fluctuation, meaning a sudden rise or fall of electrical power, that is not caused by lightning. This extension will not apply:
- (i) to property undergoing any process or while being worked on where the damage results from such process or work;
 - (ii) to the property item which generated the power fluctuation.

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, ARE COVERED UP TO THE LIMIT SHOWN ON THE "DECLARATION PAGE" AS ADDITIONAL AGREEMENTS #4 - #20

4. POLLUTION DAMAGE - INSURED PREMISES: If a sudden and unintentional event occurs during the policy term resulting in pollution or contamination of property of the insured premises, which is required to be reported to

any provincial authority, we will pay, subject to the deductible, for costs to remove and restore property of the insured premises.

5. DATA: Coverage is provided for the depreciated cost of insured data that sustains direct damage by an insured peril.
6. MEDIA: Coverage is provided for the depreciated cost of insured media that sustains direct damage by an insured peril. Media being materials on which data are recorded including magnetic tapes, disc packs, paper tapes and cards.
7. BUILDING DAMAGE BY THEFT: Coverage is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured on this policy. Glass and lettering or ornamentation on the glass is excluded from this extension.
8. CONSEQUENTIAL DAMAGE: The Insurer will indemnify the Insured for any indirect or consequential loss or damage to insured property, caused by change of temperature resulting from, occasioned or caused by total or partial destruction by an insured peril of the refrigerating, cooling or heating apparatus, connecting or supply pipes, or by the interruption of the refrigerating, cooling or heating process from an insured peril.
9. GLASS AND SIGNS: The Insurer will indemnify the Insured for all accidental loss or damage to insured interior and exterior glass and signs subject to the Perils Excluded in Section 2.B.
10. OFF PREMISES STOCK AND EQUIPMENT: Coverage is provided for insured property sustaining direct damage by an insured peril;
 - (a) while temporarily removed from the insured "premises"
 - (b) while in transit or in the custody of the insured, any officer or employee.In no event does this extension apply to salesmen's samples, contractor's stock, equipment and tools, property at or in fairs or exhibitions, or display items unless specifically stated on the policy "Declaration Page".
11. PERSONAL PROPERTY OF VISITORS AND EMPLOYEES: Coverage is provided for personal property of employees and visitors to the insured "premises" for damage caused by the perils which apply to insured contents to a limit of \$500 per item. The insurance on such personal property shall not attach if the owner insures the property, unless the Insured is under obligation to keep the property insured or is legally liable for its loss or damage.
12. GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN: Coverage is provided for loss or damage to growing plants, trees, shrubs or flowers, not grown for commercial purposes, in the open caused directly by "Named Perils"(with the exception of windstorm or hail as described in definition 16G) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense.
13. VALUABLE PAPERS AND RECORDS: Coverage is provided for the extra expense necessarily incurred in the cost of compiling books of account, drawing, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing, all the property of the Insured, when such records are damaged by a peril insured against.
14. ACCOUNTS RECEIVABLE: The Insurer will indemnify the Insured for all sums due the Insured from customers, provided that the Insured is unable to effect collection thereof as a direct result of loss of or damage to records of accounts receivable contained on the insured "premises" by an insured peril.
15. EXTRA EXPENSE: Coverage is provided for the extra expense necessarily incurred by the Insured to continue normal business services and operations which are interrupted as a result of loss by a peril insured against to insured property and only for the period of time required with the exercise of due diligence and dispatch to restore normal business service and operations.
16. PROFESSIONAL FEES: Coverage is provided for reasonable fees payable to Professionals whom an Insured may hire to produce and certify particulars or details of the Insured's business required by the Insurer to arrive at the loss payable to the Insured.
17. FIRE DEPARTMENT EXPENSES: We will reimburse you for fire department charges incurred for attending premises insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy. No deductible applies to this cover.
18. MASTER KEY: Coverage is provided for the reimbursement of the cost to replace lock(s) and key(s) at the premises insured made necessary by the actual destruction, disappearance or wrongful abstraction of master key(s) and/or lock(s) as the result of an insured peril damaging or destroying insured property.
19. LEASEHOLD INTEREST (Rents): The Insurer will indemnify the Insured for any increase in your rent where such an increase:
 - (a) arises from the termination of your lease by your landlord, in accordance with the terms of your lease, and
 - (b) the termination of your lease is caused by damage to the building by perils insured against on this policy and
 - (c) you enter into a new lease of premises of like kind and size for the purpose of continuing your operations.The Insurers liability under this Additional Agreement is limited to the actual increase in rents for the period beginning with the termination of your lease and ending on the expiry date of the terminated lease or twelve (12) months from the date of the termination, whichever is sooner.

The Insurer is not liable for any loss resulting from you exercising an option to terminate the lease.
The Insurer is not liable for any loss arising from the termination of a lease renewal option unless the renewal offer had been accepted in writing by the landlord prior to the loss.

20. **CONTINGENT LOSS OF INCOME:** Coverage is extended under Loss of Income for the amount of loss which results from the interruption or interference of the Insured's business caused by the damage or destruction as the result of an insured peril under this Policy, to any building or part thereof or other property of a "contributing property or recipient property" being a business not operated by the Insured.

THE FOLLOWING ADDITIONAL AGREEMENT SUBJECT TO THE POLICY CONDITIONS ARE IN ADDITION TO THE LIMIT OF LIABILITY APPLYING UNDER THIS POLICY

AUTOMATIC COVERAGE: Coverage is provided for building(s) or additions to existing buildings up to a limit of \$100,000 or to contents up to a limit of \$25,000. This shall cover new building(s) or additions to an existing building or additional contents all to be used in conjunction with the expansion of the Insured's existing business. This additional coverage shall cease 60 days from the date construction begins or contents are shipped, or these additional amounts are reported to the company. Additional premium for such new coverage shall be due and payable for values so reported, computed from the date construction begins or additional contents arrive at the premises.

PEAK SEASON STOCK INCREASE: Up to 25% of the total amount(s) specified for "stock" may be applied to increase the "stock" limit for 4 months (120 consecutive days) to cover loss by a peril insured against. However, this increase shall not apply unless the limit of insurance shown on the "Declaration Page" is 80% or more of the insured's average monthly values for the 12 months immediately preceding the date of loss, or in the event that insured has been in business for less than 12 months, such shorter period of time.

LOSS OF INCOME - EARNINGS INSURANCE

The Insurer agrees to indemnify the Insured up to the amount stated under the limit of liability on the "Declaration Page" against loss directly resulting from necessary interruption of business caused by destruction or damage by the perils insured against to "building(s)", "equipment" or "stock" on the insured "premises".

MEASURE OF RECOVERY

- (a) This insurance is limited to loss of earnings sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of his insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property.
- (b) In determining the loss hereunder due consideration shall be given to:
 - (i) the earnings of the business before the date of damage or destruction, and to the probable earnings thereafter, had no loss occurred;
 - (ii) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;
 - (iii) the reduction of loss which could be made possible by the Insured by resuming complete or partial operation of the described property, or by making use of other property.

INTERRUPTION BY CIVIL AUTHORITY

Coverage is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the insured "premises" is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire) but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced.

SPECIAL DEFINITIONS, EXCLUSIONS AND LIMITATIONS OF EARNINGS INSURANCE

DEFINITIONS

- (a) Earnings means net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.
- (b) "Data" means representations of information or concepts, in any form.
- (c) "Data Problem" means:
 - (i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
 - (ii) error in creating, amending, entering, deleting or using "Data"; or
 - (iii) inability to receive, transmit or use "Data"; or
 - (iv) damage to electronic data processing equipment or other related component system, process or device.

EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the damaged or destroyed property or the resumption or continuation of business or free access to or control of the premises or

- due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
 - (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;
 - (e) any other consequential loss or remote loss.
 - (f) "Data";
 - (g) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem". However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by "Named Perils" as defined in this policy, this exclusion (f) shall not apply to such resulting loss or damage.

LIMITATION

Electronic Data Processing Media: With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including "Data" thereon, by the peril(s) insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed:

- (a) 30 consecutive calendar days; or
- (b) the length of time that would be required to rebuild, repair or replace the property which has been damaged or destroyed thereby resulting in the loss of earnings, whichever is the greater length of time.

SEE ALSO GENERAL EXCLUSIONS, DEFINITIONS, AND PROVISIONS OF SECTION 1 - PROPERTY COVERAGES AND THE POLICY STATUTORY CONDITIONS

CHURCH PACKAGE POLICY SPECIAL AGREEMENTS, CONDITIONS, LIMITATIONS AND EXCLUSIONS

This endorsement modifies insurance provided under the following:

SECTION I - PROPERTY COVERAGES

The **ADDITIONAL AGREEMENTS OF THE INSURER** are hereby extended as follows:

11. PERSONAL PROPERTY OF VISITORS AND EMPLOYEES shall include the personal property of members of the Insured congregation.

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS ARE COVERED UP TO THE LIMIT SHOWN IN THE DECLARATIONS.

- 21. LOSS OF RENTAL INCOME: The Insurer will indemnify the Insured for any Loss of Rental Income as a direct result of damage to the Insured premises by a peril insured against covered hereunder and only for the period of time required with the exercise of due diligence and dispatch to restore the building to its normal condition.
- 22. PROPERTY OF CHURCH EMPLOYEES: Coverage is provided for property owned by employees for loss or damage caused by the perils which apply to insured contents to a limit of \$1,000 per item. Such property shall include but is not limited to books, sheet music, musical instruments, robes and vestments. The insurance on such property shall not attach if the owner insures the property, unless the Insured is under obligation to keep the property insured or is legally liable for its loss or damage.
- 23. SPECIAL CHURCH PROPERTY: Coverage is provided for property of the Insured for use in religious services or ceremonies or property that symbolises religious or historical events to a limit of \$1,000 per item. Such property shall include but is not limited to communion cups, pitchers, collection plates, vases, candle holders, statues, robes and vestments.

SECTION 2 - CRIME COVERAGES

SPECIAL DEFINITIONS

The definitions of "Messenger" and "Custodian" are extended to include volunteers of the Insured while carrying out duties as authorised by the Insured.

The definition of "Premises" is extended to include:

- (a) the church or house of worship at a location designated in the declarations;
- (b) the rectory, parish-house, parsonage, manse or residence occupied by a "Messenger" or "Custodian"

SECTION 3 - LIABILITY COVERAGE

SPECIAL DEFINITION

The word "Employee" when used in this section shall also mean a person volunteering to do work for the insured congregation but only while doing that work.

ALL THE STATUTORY AND ADDITIONAL CONDITIONS OF THIS POLICY ALSO APPLY TO THIS COVERAGE.