

PA2 Office Contents (Broad Form)

Words and Phrases in Quotation Marks Have Special Meaning as Defined in Clause 10

Policy No.: _____ **Effective Date:** _____

1. Indemnity Agreement

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- a. the actual cash value of the property at the time of loss or damage;
- b. the interest of the Insured in the property;
- c. the amount of insurance specified on the "Declarations Page" in respect of the property lost or damaged. Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declarations Page".

2. Property Insured

- a. Office contents, including all materials and supplies usual to the business of the Insured, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, appliances, books of accounts, drawings, card index systems and other records and generally all office contents of every description, kept or used by the Insured; and
- b. If the Insured is not the owner of the building(s), Tenant's Improvements and Betterments made at the expense of the Insured to building(s) on the described premises; all while ordinarily situated at the premises of the Insured.

If **Blanket coverage applies** is indicated on the "Declarations Page", office contents are insured for the amount of insurance so specified on the "Declarations Page".

3. 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 "Declarations Page" in any one occurrence.

4. Co-Insurance

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations 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 Form on the property insured to the extent of at least the co-insurance percentage specified on the "Declarations 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.

5. Perils Insured

This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

6. Extensions of Coverage

The following extensions of coverage shall not increase the amount(s) of insurance stated on the "Declarations Page".

- a. **Theft damage to building:** The percent stated on the "Declarations Page" of the amount of insurance specified for each location may apply to damage (except damage caused by fire) to that part of the building occupied by the Insured, including equipment contained therein, resulting directly from theft or attempt thereof, vandalism or malicious acts, providing the Insured is the owner of the building or is legally liable for the damage. This extension shall not apply to glass or to lettering or ornamentation thereon.
- b. **Currency, money, cheques and stamps:** The amount stated on the "Declarations Page" may apply to loss by "burglary" or "robbery" of currency, money, cheques and stamps while in the premises or while being conveyed outside the premises by the Insured or an employee of the Insured.
- c. **Personal effects:** The percent stated on the "Declarations Page" of the amount of insurance specified for each location may apply to loss, destruction or damage to personal effects of the Insured or others, not otherwise insured. Losses, if any, under this extension may be adjusted with and payable to the owner or owners.
- d. **Extra expense:** The percent stated on the "Declarations Page" of the amount of insurance for each location, but not exceeding \$1,000 at any one location, may apply in any one occurrence to cover extra expense necessarily incurred by the Insured to continue normal office operations which are interrupted as a result of loss by a peril insured against to the property insured, while in the premises, but only for the period of time required with the exercise of the diligence and dispatch to restore normal operations.
- e. **Property away from premises:** The percent stated on the "Declarations Page" of the amount of insurance specified for each location may apply to equipment and instruments usually carried by the Insured away from the premises.
- f. **Valuable papers and records:** The amount stated on the "Declarations Page" on any one occurrence may apply to additional expense necessarily incurred in the reproduction of the Insured's valuable papers, original plans or drawings, specifications or other records, due to loss, destruction or damage by a peril insured against. The Insurer shall not be liable under this extension for any sums due the Insured which the Insured is unable to collect because of loss of records.

7. Property Excluded

This Form does not insure loss, destruction or damage to:

- a. property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;

- b. property carried or held as samples or for sale or delivery after sale, raw stock, stock in process or finished stock or customer's goods;
- c. radium or other radioactive material, growing plants (except those which are used for decorative purposes within buildings), animals, fish, birds, notes, money, stamps, securities, accounts, bills, evidences of title, evidences of debt, letters of credit, passports, transportation tickets and other documents having a negotiable or market value, except as provided under item 6 (b);
- d. street clocks, exterior electrical and mechanical signs, exterior glass and lettering or ornamentation thereon, television and other outside antennae (including satellite receivers), but this exclusion does not apply to loss caused by fire, lightning, smoke, leakage from fire protection equipment, explosion, strike, riot, impact by vehicles or aircraft;
- e. furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones, gold, silver, platinum and other precious metals and alloys.

8. Perils Excluded

This Form does not insure against loss, destruction or damage caused by:

- a. earthquake, except for ensuing damage which results from fire, explosion, smoke or leakage from fire protection equipment;
- b. flood, and the word "flood" includes 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, however caused, but this exclusion does not apply to loss or damage caused by escape of water from an elevated water tank on the premises maintained for fire fighting purposes or 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 or sidewalk lights, or the backing up of sewers, sumps, septic tanks or drains, but this exclusion does not apply to loss or damage from fire, explosion, riot, vandalism or malicious acts;
 - (ii) the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently caused by a peril not otherwise excluded;
- d. dampness of atmosphere, dryness of atmosphere, extremes or changes of temperature, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in flavour or colour or texture or finish, rust or corrosion, breakage of glass or similar fragile materials, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by fire, lightning, windstorm, hail, explosion, strike, riot, vehicles other than transporting conveyances, impact by aircraft, leakage from fire protection equipment, rupture of pipes or breakage of apparatus, vandalism or malicious acts, theft or attempt thereat or accident to transporting conveyance;
- e.
 - (i) electrical disturbances to electrical appliances or devices of any kind (including wiring) due to electrical currents artificially generated, unless fire or explosion ensues and then only for the loss or damage by such ensuing fire or explosion;

- (ii) electric or magnetic injury, disturbance or erasure of electronic recordings except by lightning;
 - f. rodents, insects or vermin;
 - g. delay, loss of market or loss of use;
- nor against
- h. loss or damage sustained while the property insured is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
 - i. loss or damage resulting from any dishonest act on the part of the Insured, or other party of interest, his or their employees or agents or any person to whom the property may be entrusted (bailees for hire excepted);
 - j. mechanical breakdown or derangement, latent defect, faulty material, faulty workmanship, inherent vice, gradual deterioration or wear and tear;
 - k. any mysterious disappearance or any loss or shortage disclosed on taking inventory;
 - l. loss or damage due to theft (including attempt thereat) or property while unattended in or on any motor vehicle or trailer, unless contained in a fully enclosed and securely locked body or compartment of such vehicle and resulting from forcible entry, evidenced by visible marks into the body or compartment (except property in the custody of bailees for hire).

9. Special Conditions

A RECORDS CLAUSE - The liability of the Insurer for loss to:

- (1) books of account, drawings, card index systems and other records, other than as described in (2) 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.
- (2) media, data storage devices and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment, 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 is applicable of (1) or (2) above shall be the basis to be adopted for the purpose of applying the Co-insurance Clause.

B LOSS CLAUSE - Any loss hereunder shall not reduce the amount of insurance.

C TERRITORIAL LIMITS - This insurance applies only to loss, destruction or damage occurring within Canada or the continental United States of America (excluding Alaska).

D OTHER INSURANCE - The Insurer is not liable:

- (1) for more than the portion of any loss, destruction or damage covered by this Form which the applicable limit of this Form bears to the total amount of insurance covering against the peril of fire irrespective of whether or not such other insurance gives

insurance in respect of the perils covered by this Form, whether by endorsement thereto or otherwise;

- (2) where such other insurance does not insure against loss, destruction or damage by fire, for more than the excess (if any) of any loss or damage over the applicable limit of any other insurance which would attach if this insurance had not been effected.

10. Definitions

Whenever used in this Form:

- a) **"Declarations Page"** means the Declarations Page applicable to this Form.
- b) **"Burglary"** means the wrongful abstraction of property insured from within buildings by a person making wrongful entry therein or exit therefrom by actual force and violence as evidenced by visible marks at the place of such entry or exit.
- c) **"Robbery"** means:
 - (1) the felonious and forcible taking of property
 - (i) by violence inflicted upon the custodian; or
 - (ii) by putting the custodian in fear of violence; or
 - (iii) by any other overt act committed in the presence of the custodian and of which he was cognizant provided such act is not committed by an officer or employee of the Insured.
 - (2) the felonious taking of property from the custodian who, while having custody of the property insured under this Form, has been killed or physically disabled by injuries inflicted maliciously or sustained accidentally.

PW3 Burglar Alarm System Warranty

This warranty modifies coverage provided by forms PA1, PAP1, PAC1, PA2, PA3, PA4, PA5, PA6, PA11, PA12, PA21, PA22, PA23, PA25, PA26, PA27, PA29, PN1, PNP1, PNC1, PN12, PN21, PN23, and PN29, but only if indicated on the Declarations Page for the form.

Policy No.: _____ Effective Date: _____

It is warranted by the Insured that the burglar alarm system will be maintained in proper working order and activated at all times when the premises are not open for business or otherwise left unattended.

If the burglary alarm system is not maintained as required, any loss from burglary or theft will not be covered.

If **Restricted to locations** is indicated on the Declarations Page applicable to this warranty, the warranty applies only to those locations listed.

All other terms and conditions of the policy remain unchanged.

Replacement Cost Endorsement

(Applicable only to the forms noted in the declarations)

Policy No.: _____ **Effective Date:** _____

1. The insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:
 - a) replacement shall be effected by the Insured with due diligence and dispatch;
 - b) settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement has not been in effect;
 - d) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of replacement cost as defined herein;
 - e) this endorsement applies separately to each item(s) listed in the Declarations.

2. In this endorsement,
 - a) "replacement cost" means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property with new property of like kind and quality and for the like occupancy without deduction for depreciation; and
 - b) "replacement" includes repaid, construction or reconstruction with new property of like kind and quality.

3. 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.

4. **Exclusions**

This endorsement 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, media, data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment;

e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

5. If the Policy is subject to a no co-insurance clause, actual cash value, for the purpose of applying such a clause to the property to which this endorsement is applicable, shall be deemed to be replacement cost without deduction for depreciation.

Except as otherwise provided in this endorsement all terms, provisions and conditions of the policy shall have full force and effect.