

BerkleyOne **PART 1 – PROPERTY**

1. INDEMNITY AGREEMENT

The Insurer will pay, subject to the terms and conditions of this Part, for direct physical loss of or damage to property declared to the Company as described in Section 2. INSURED PROPERTY resulting from an insured peril, to an amount not exceeding whichever is the least of:

- a. The **Replacement Cost** value of the property at the time of the loss or damage, as defined and limited in Section 12. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS of this PART;
- b. the Insured's interest in the property;
- c. the amount of insurance specified on the **Declaration Pages** for lost or damaged property.

The inclusion of more than one person or interest shall not increase the Insurer's liability.

2. INSURED PROPERTY

This PART insures those of the following items for which an amount of insurance is specified on the **Declaration Pages** and only while at the **Premises**:

- **Building(s)**
- **Contents**
- **Equipment**
- **Office Contents**
- **Stock**
- **Property of Every Description**

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible up to the applicable limit specified on the **Declaration Pages** in any one occurrence.

Except where separate Property Damage and Business Income deductibles apply, if more than one section of the policy applies to a given loss, only the highest deductible will apply.

4. LIMITS OF LIABILITY

Subject to the provisions of any coverage specifically providing an additional amount of insurance, the liability of the Insurer under this PART for all loss, damage and expense arising out of damage to any property arising out of one occurrence shall not exceed the amount shown opposite the description of such property coverage on the **Declaration Pages** whether such loss, damage or expense is caused by one or by more than one peril. This clause does not apply if a specific coverage is stated to be in addition to the amount of insurance provided under this PART.

5. CO-INSURANCE CLAUSE

This clause applies separately to each location or division of the property insured and only where the total loss exceeds the lesser of 5% of the applicable limit of liability or \$10,000.

The Insured agrees to maintain insurance concurrent with this PART on the insured property to the extent of at least the amount produced by multiplying the **Replacement Cost** value of the property by the co-insurance percentage set out on the **Declaration Pages**. If the Insured fails to do so, recovery under this PART will be restricted to 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.

6. INSURED PERILS

This PART, except as otherwise provided, insures against all risks of direct physical loss of or damage to the property.

7. PROPERTY EXCLUDED

This PART does not (except as maybe provided in Section 10. EXTENSIONS OF COVERAGE) insure loss of or damage to:

- A. **Money, Cash Cards**, bullion, platinum and other precious metals and alloys, **Securities**, stamps, tickets (except lottery tickets held for sale) and tokens, evidences of debt or title;
- B. **Automobiles**, watercraft, amphibious vehicles, air cushion vehicles, aircraft, spacecraft, trailers or motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft, amphibious vehicles or air cushion vehicles held for sale, nor to unlicensed **Automobiles** or unlicensed trailers used in the business of the Insured when on the **Premises**;
- C. growing crops or standing timber, live animals, fish or birds;
- D. growing plants, lawns, trees, shrubs or flowers, all while outside the **Building(s)** except as provided elsewhere in this PART;
- E. property at locations which to the Insured's knowledge are vacant, unoccupied or shut down for more than 30 consecutive days. A building, which is under construction, will not be considered vacant. A building will be considered vacant when it does not contain enough personal property to conduct customary operations;
- F. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing but this exclusion does not apply to property insured under Section 10. EXTENSIONS OF COVERAGE G. COMPUTER EQUIPMENT, MEDIA & BREAKDOWN, or loss or damage from any ensuing fire or explosion;
- G. sewers, drains or water mains located beyond the outside bearing walls or foundations of the insured property, but this exclusion does not apply to loss caused directly by a **Named Peril**;
- H. radio, television, satellite, dish-type, transmission lines or other antennae or their masts, towers or lead-in wiring, fences, or signs not attached to the **Building(s)**;
- I. furs, fur garments, jewellery, costume jewellery, watches, pearls, and precious or semi-precious stones, platinum, gold, silver and other precious metals and alloys; This exclusion does not apply to:
 - i. loss or damage caused directly by a **Named Peril**; or
 - ii. the first one thousand dollars (\$1,000) of any loss otherwise insured;
- J. 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;
- K. property from the time of leaving the Insured's custody if it is:
 - i. loaned or rented or leased to others; or
 - ii. sold by the Insured under conditional sale, installment payment or other deferred payment plan.
- L. property which is:
 - i. illegally acquired, kept, stored or transported; or
 - ii. seized or confiscated for breach of any law or by order of any public authority;
- M. any boiler of the chemical recovery type;
- N. loss caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of the below property
 - i. steam or gas turbine; or
 - ii. vessels and apparatus and pipes connected therewith, while undergoing pressure tests;
 PROPERTY EXCLUDED N. does not apply to explosion of natural, coal or manufactured gas;
- O. exterior glass or vitrolite and its lettering or ornamentation, including stained glass;
- P. **Fine Arts** except as otherwise provided under Section 10. EXTENSIONS OF COVERAGE, O. FINE ARTS;
- Q. **Contents** while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting, or servicing of **Contents**. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion;
- R. **Data** except as otherwise provided under Section 10. Extensions of Coverage A. Accounts Receivable, G. Computer Equipment, Media & Breakdown or MM. Valuable Papers;
- S. roadways, walkways, parking lots or other exterior paved surfaces except as provided under Section 10. EXTENSIONS OF COVERAGE II. ROADWAYS, WALKWAYS, PARKING LOTS of this form.

8. PERILS EXCLUDED

This PART does not (except as maybe provided in Section 10. EXTENSIONS OF COVERAGE below) cover any loss or damage caused directly or indirectly:

- A. by any dishonest act on the Insured's part or any other party of interest, employees or agents, 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 the Insured's employees which results from a peril insured against and not otherwise excluded under this PART;
- B. by unauthorized instructions to transfer property to any person or to any place;
- C. by voluntary parting with any property by the Insured or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretence;
- D. by centrifugal force, mechanical or electrical breakdown or derangement in or on the premises. This exclusion does not apply to loss or damage from any ensuing fire;
- E. by dampness or dryness of atmosphere, changes in temperature, freezing (except with respect to insured water pipes), 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. This exclusion does not apply to loss or damage caused directly by a **Named Peril** and not otherwise excluded under this PART;
- F. by smoke from agricultural smudging or industrial operations;

- G. by rodents, insects or vermin but this exclusion does not apply to loss or damage caused directly by a peril otherwise insured and not otherwise excluded under this PART;
- H. by delay, loss of market or loss of use or occupancy;
- I. by, in respect to **Building(s)** as defined herein;
 - i. snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results directly from fire, explosion, smoke, 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:
 - 1. moving or rotating machinery or parts thereof; or
 - 2. steam or gas turbines; but this exclusion does not apply to loss or damage from any ensuing fire; or
 - iii. settling, expansion, contraction, moving, shifting or cracking, unless concurrently caused by a peril not otherwise excluded;
- J. by the following:
 - i. 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;
 - ii. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii. 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;
 - iv. moving or rotating machinery or parts thereof;
- K. by proximately or remotely arising in consequence of, or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair, construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;
- L. by wear and tear or gradual deterioration; provided, however, to the extent otherwise insured and not otherwise excluded under this PART, resultant damage to property is insured;
- M. by latent defect, inherent vice or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, any defect or fault in material, workmanship, or design. However, if insured loss or damage directly results as a consequence of the defective or faulty material, workmanship, or design excluded above, the Insurer will be liable for said consequences. The Insurer will be liable for only those costs which are in addition to the costs of rectifying such defects or fault had the loss or damage not occurred.
This exclusion will not apply to the mechanical or electrical breakdown of:
 - i. any boiler, pressure vessel, refrigerating system or any piping and accessory **Equipment**; or
 - ii. any electrical or mechanical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power; or
 - iii. any **Electronic Data Processing and Word Processing Equipment** which includes the component parts, and **Electronic Data and Media** up to the limits provided under Section 10. EXTENSIONS OF COVERAGE G. COMPUTER EQUIPMENT, MEDIA & BREAKDOWN;
 which has been installed, full tested and contractually accepted by the Insured and which is being or has been operated at the insured location(s), in the capacity for which it was designed, as part of the Insured's normal production process or processes;
- N. by **Data Problem** except as provided for in Extensions of Coverage Section 10. EXTENSIONS OF COVERAGE A. ACCOUNTS RECEIVABLE, G. COMPUTER EQUIPMENT, MEDIA & BREAKDOWN or MM. VALUABLE PAPERS. 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 fire, explosion, smoke, leakage from **Fire Protective Equipment**, this exclusion will not apply to such resulting loss or damage;
- O. in whole or in part, by any illegal **Drug Operations**;
- P. in whole or in part, by **Terrorism** or by any activity or decision of a government agency or other entity to prevent, respond to or terminate **Terrorism**. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.;
- Q. by loss or damage in whole or in part, by any **Fungi or Spores**.
- R. by wear and tear; rust or corrosion or gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- S. by faulty or improper material; faulty or improper workmanship; or faulty or improper design;
- T. by mysterious disappearance, unexplained loss or shortage disclosed on taking inventory;
- U. by explosion (except explosion of natural, coal or manufacturer 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 coverage shall only be provided for the loss or damage caused by such ensuing fire;
- V. by the following:
 - v. 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;

- vi. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - vii. 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;
 - viii. moving or rotating machinery or parts thereof;
- W.** by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors or sidewalks, unless concurrently and directly caused by a peril not otherwise excluded in this PART;
- X.** by 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 under this PART;
- Y.** by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this PART;
- Z.** in whole or in part by **Earthquake**, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from **Fire Protective Equipment**;
- AA.** by **Flood**, including waves, tides, tidal waves or the rising of, the breaking out of or the overflow of any body of water, whether natural or manmade, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from **Fire Protective Equipment** or a water main or **Accident to an Object**;

PERILS EXCLUDED Y. and Z. do not apply to property in transit.

9. SPECIAL EXCLUSIONS

This Property Coverage does not (except as may be provided in Section 10. Extensions of Coverage below) cover any loss or damage caused directly or indirectly:

A. ELECTRONIC DATA EXCLUSION

Notwithstanding any provision to the contrary within the Property Coverage or any endorsement thereto, it is understood and agreed as follows:

- a) This Property Coverage does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of **Electronic Data** from any cause whatsoever (including but not limited to **Computer Virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical **Data** processing or electronically controlled **Equipment** and includes programs, software, and other coded instructions for the processing and manipulation of **Data** or the direction and manipulation of such **Equipment**.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Property Coverage, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to Insured Property by this Property Coverage caused by such listed peril.

Listed Perils: Fire, Explosion

- c) **Electronic Data Processing and Media** valuation

Notwithstanding any provision to the contrary within this Property Coverage or any endorsement thereto, it is understood and agreed as follows:

Should **Electronic Data Processing** Insured by this Property Coverage suffer physical loss or damage Insured by this PART, then the basis of valuation shall be the cost of the blank **Media** plus the costs of copying the **Electronic Data and Media** from back-up or from originals of a previous generation.

These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **Electronic Data and Media**. If the **Media** is not repaired, replaced or restored the basis of valuation shall be the cost of the blank **Media**. However this PART does not insure any amount pertaining to the value of such **Electronic Data** to the Insured or any other party, even if such **Electronic Data** cannot be recreated, gathered or assembled.

Nothing herein contained shall vary, alter or extend any provision or condition of this Property Coverage other than as above stated.

All other terms and conditions of the Policy remain unchanged.

B. MOLD, FUNGUS, WET AND DRY ROT AND BACTERIA EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this Policy does not insure any loss, destruction, damage or expense consisting of, caused by, contributed to, or aggravated by mold, moss, mildew, **Fungi**, **Spores**, bacterial infestation or any similar organism, anthrax, small pox, viruses of all kinds, wet or dry rot and extremes of temperature or humidity, whether directly or indirectly the result of a covered peril. This includes, but is not limited to, the cost for investigation, testing remediation services, extra expense or business interruption. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. If loss otherwise covered by this Policy occurs and the cost of removal of debris is increased due to the presence of rust, mold, moss, fungus, bacterial infestation, wet or dry rot and extremes of temperature or humidity, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in, on or about the Insured Property to be removed.

Notwithstanding the above, this exclusion shall not apply to loss or damage concurrently caused directly by fire, lightning, explosion, windstorm, hail, **Earthquake**, or **Flood**.

C. NUCLEAR EXCLUSION

This Policy does not insure any loss or damage caused directly or indirectly by:

any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion; contamination by radioactive material

D. POLLUTION EXCLUSION

This Policy does not insure:

- i. loss or damage 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:
 1. if the spill, discharge, emission, dispersal, seepage, leakage, migration release or escape of **Pollutants** is direct result of a peril not otherwise excluded under this PART;
 2. loss or damage caused directly by a peril not otherwise excluded under this PART.
- ii. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **Pollutants**.

E. TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is agreed that this Policy excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act of **Terrorism**, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of **Terrorism** includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de facto, and which:

- i. involves violence against one or more persons; or
- ii. involves damage to property; or
- iii. endangers life other than that of the person committing the action; or
- iv. creates a risk to health or safety of the public or a section of the public; or
- v. is designed to interfere with or to disrupt an electronic system.

This Policy also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of **Terrorism**.

F. WAR EXCLUSION

This Policy does not insure any loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

10. EXTENSIONS OF COVERAGE

Extensions of Coverage are subject to the exclusions, provisions, and conditions of this PART unless otherwise stated. Extensions of Coverage are only applicable if an amount is shown on the **Declaration Pages** for the extension in question. If an extension of coverage provided under this PART is more specifically insured elsewhere in this Policy, the extension coverage under this PART does not apply.

The limits of liability specified for the Extensions of Coverage apply as an additional amount of insurance, except with respect to the following extensions:

- F. BUILDING BY-LAWS;
- H. CONDOMINIUM LOSS ASSESSMENT;
- I. CONSEQUENTIAL LOSS;
- K. DEBRIS REMOVAL;
- II. ROADWAYS, WALWAYS, PARKING LOTS.

Section 5. CO-INSURANCE CLAUSE, applies to extensions F.BUILDING BY-LAWS, I. CONSEQUENTIAL LOSS, K. DEBRIS REMOVAL, AA.PLANTS, LAWNS, TREES, SHRUBS AND FLOWERS, and FF. PROPERTY OFF PREMISES INCLUDING PROPERTY ON EXHIBITION.

Unless otherwise stated, each extension is not subject to Section 5. CO-INSURANCE CLAUSE.

A. ACCOUNTS RECEIVABLE

The insurance under this policy is extended to include:

- i. all sums due to the Insured from customers, provided you are unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
- ii. interest charges on any loan required to offset amounts you are unable to collect as the direct result of such loss or damage pending our payment of these amounts;
- iii. collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- iv. other expenses when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

In addition to the exclusions found in Section 7.PROPERTY EXCLUDED, Section 8. PERILS EXCLUDED and Section 9. SPECIAL EXCLUSIONS, this extension does not insure:

- 1. loss or damage caused by bookkeeping, accounting or billing errors or omissions;
- 2. loss or damage caused by alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of **Money, Securities** or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- 3. loss where the only proof as to factual existence of such loss is dependent upon an audit of records or an inventory computation; but you may use such procedures in support of a claim for loss that you can prove using other evidence is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.

Basis of Settlement:

When there is proof that a loss covered by this PART has occurred but you cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount will be based on the Insured's monthly statements and will be computed as follows:

- 1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- 2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which you have furnished monthly statements to us, as compared with such average for the same months of the preceding year;
- 3. the amount determined under 1.above, increased or decreased by the percentage calculated under 2. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- 4. the amount determined under 3. above will be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There will be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally not been collectible by the Insured. All unearned interest and service charges will be deducted.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

B. AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPRESS

The insurance under this policy is extended to apply to the automatic fire suppression system recharge expenses incurred due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the Insured's premises where such discharge or leakage is caused by or results from an insured peril.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

C. AUTOMATIC INFLATION ADJUSTMENT

The insurance under this policy is extended by increasing the amount of insurance applicable to **Building(s)** during the policy period by the proportion by which the latest published Statistics Canada Non-Residential Construction Price Indexes have increased since the last **Premium Due Date**.

If the amount of insurance applicable to the **Building(s)** is changed at the Insured's request during the policy period, the effective date of this extension is deemed to coincide with the effective date of such change. If this PART insures two or more items, the foregoing will apply separately to each item to which this extension applies.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

D. BRANDS AND LABELS

If the Insurer exercises its option to take all or any part of the **Stock** involved in a loss, the Insured reserves the right to first remove their trademarks, guarantees, names or other evidence of their interest or connection from the **Stock**. Where the removal of such marks is impossible or impractical, the **Stock** may be stamped salvage and/or transferred to bulk containers with the cost to be borne by the Insurer.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

E. BUILDING DAMAGE BY THEFT

The insurance under this policy is extended to insure damage to that part of a building occupied directly by the Insured resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion provided:

- i. you are not the owner of such **Building(s)** and are liable for such damage; and
- ii. the **Building(s)** is not otherwise insured under this policy.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

F. BUILDING BY-LAWS

The insurance under this policy is, only as a result of a peril insured against, extended to indemnify the Insured for:

- i. loss occasioned by the demolition of any undamaged portion of the **Building(s)** or structures; or
- ii. the cost of demolishing, and clearing the site of, any undamaged portion of the **Building(s)** or structures; or
- iii. any increase in the cost of repairing, replacing, constructing or reconstructing the **Building(s)** or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance or law which:

1. regulates zoning or the demolition, repair or construction of damaged **Building(s)** or structures; and
2. is in force at the time of such loss or damage.

The Insurer shall not be liable under this extension for losses occasioned by the enforcement of any by-law, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

G. COMPUTER EQUIPMENT, MEDIA & BREAKDOWN

The insurance under this policy is extended to insure **Computer Equipment** including component parts thereof owned by the Insured or leased or under the control of the Insured and **Computer Media**. Each claim for loss or damage under the Computer Equipment, Media & Breakdown Extension shall be adjusted separately and the deductible amount specified on the **Declaration Pages** shall be deducted from the amount of each such adjusted claim.

Computer Equipment Breakdown

Coverage is extended to include loss caused directly or indirectly by:

- i. mechanical failure, faulty construction or error in design;
- ii. short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- iii. **Computer Media** failure or breakdown or malfunction of **Computer Equipment** including component parts when said **Computer Media** is being run through the **Equipment**.

Additional Exclusions

This extension does not insure against loss or damage caused directly or indirectly by any change or interruption to electric power supply, if the change originates more than 30.5 metres (100 feet) away from the premises insured containing the property insured, except by lightning.

Temporary Locations & Transit

Coverage is extended to include **Computer Equipment** and **Computer Media** while in transit or in temporary locations anywhere in Canada or the Continental United States of America.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

H. CONDOMINIUM LOSS ASSESSMENT

The insurance under this policy is extended to cover the Insured's share of an assessment charged to all unit-owners by the Condominium Association if the premises as described on the **Declaration Pages** is a condominium unit that you own when the assessment is made:

- i. during the policy period shown in the **Declaration Pages**;
- ii. as a result of direct physical loss or damage to property in which each unit-owner has an undivided interest, if such loss or damage is caused by an insured peril.

The Insurer will not pay more than \$2,500 for an assessment that results from a deductible in the insurance purchased by the Condominium Association.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

I. CONSEQUENTIAL LOSS

The insurance under this policy is extended to include consequential loss or damage caused directly by change of temperature or humidity resulting directly from damage by a peril insured against under this PART to:

- i. **Equipment** used for refrigerating, cooling, humidifying, dehumidifying, air conditioning, heating or converting power, including their connection and supply transmission lines and pipes, furnishing heat, light, power or gas to the premises, and situated on the described premises; or
- ii. off-premises public utility plants, transformers or switching stations, sub-stations, transformers or pumping stations, including underground transmission lines and pipes, furnishing heat, light, power or gas to the premises, provided the property damaged is located within 5 kilometres of the Insured's premises.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

J. COURIER AND PARCEL POST

The insurance under this policy is extended to cover Property in any one package while in course of transit by parcel post or courier, for a peril insured against.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

K. DEBRIS REMOVAL

The insurance under this policy is extended to include:

- i. *Debris Removal:* We will indemnify you for expenses incurred in the removal from the **Premises** of debris of the property insured, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this PART.

The amount payable under this extension will not exceed 5% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

- ii. *Removal of Windstorm Debris:* We will indemnify you for expenses incurred in the removal of debris or other property which is not insured by this PART but which has been blown by windstorm upon a location specified on the **Declaration Pages**.

Extensions of Coverage K.i. and K.ii. do not apply to costs or expenses:

1. to **Clean Up Pollutants** from land or water; or
2. 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**.

If the total amount for both loss to property and debris removal expense exceeds the amount of insurance applying to the property, an additional amount of insurance, up to 5% of the limit of liability for such property will apply to the amount of debris removal expense, but in no event exceed the amount shown on the **Declaration Pages**.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

L. DYES, MOULDS AND PATTERNS

The insurance under this policy is extended to cover dyes, moulds and patterns from insured perils that are:

- i. the property of the Insured;
- ii. the property of others in the custody of the Insured for which the Insured is liable.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

M. EXPEDITING EXPENSES

The insurance under this policy is extended to include reasonable extra cost of expediting the repair or replacement of damaged **Insured Property** to return the Insured's business to its normal trading status, including overtime, night work, work on public holidays and the extra cost of express or other rapid means of transportation.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

N. EXTRA EXPENSE

The insurance under this policy is extended to include the necessary extra expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following direct physical loss or direct physical damage from an insured peril to the **Building(s)** or **Contents**, commencing with the date of the loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the described **Building(s)** or **Contents** as may be destroyed or damaged.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

O. FINE ARTS

The insurance under this policy is extended to insure against all risks of direct physical loss of or damage to **Fine Arts**, while such property is at the **Premises**.

This Extension of Coverage does not apply to loss or damage caused directly or indirectly by:

- i. deterioration;
- ii. breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles, unless caused directly by fire, **Earthquake**, explosion, falling **Object** striking the exterior of a **Building(s)**, **Flood**, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by **Accident** to land, water or air conveyances, or by theft or attempt thereat;
- iii. any repairing, restoration or retouching process.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

P. FIRE DEPARTMENT SERVICE CHARGES

The insurance under this policy is extended to apply to the liability that you assume by contract or agreement prior to loss or damage, or is required by local ordinance, for fire department charges incurred when the fire department is called to save or protect covered property from a fire or another insured peril.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

Q. GLASS AUTOMATICALLY INCLUDED FOR BUILDING OWNERS AND TENANTS IF LIABLE

The insurance under this policy is extended to apply to loss or damage to glass, which is part of a **Building(s)** that is the Insured's property or the property of others in the Insured's care, custody or control caused by an insured peril. Insurance under this Extension of Coverage includes necessary expenses incurred to:

- i. put up temporary plates or board up openings if repair or **Replacement** of the damaged **Building Glass** is delayed; and
- ii. remove or replace obstructions when repairing or replacing the damaged **Building Glass**. This does not include expenses incurred in removing or replacing window displays.

If any statute, ordinance or building code requires that damaged property be replaced with safety glazing material, the Insurer will cover the cost of the safety glazing material. However this will not increase the limits of coverage for glass. If the Insured is the building owner, the most the Insurer will pay is up to the building limits of insurance as provided under this Policy as applicable to the premises.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

R. GREEN ENHANCEMENT

The insurance under this policy is extended to cover any reasonable upgrade or improvement to lost or damaged property for **Green** purposes as well as additional costs, fees and expenses incurred as part of the upgrade or improvements in order

to qualify for or upgrade any **Green Authority** accreditation, certification, and/or qualification and/or its local equivalent. Any Business Interruption coverage provided herein is also extended to include any additional period of time required to perform the above upgrades.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

S. INSTALLATION FLOATER

The insurance under this policy is extended to insure supplies, **Equipment** and materials, except as excluded below, the property of the Insured or the property of others for which the Insured is legally liable, which the Insured has contracted to install or which will be used in completing an installation contract, anywhere in Canada or Continental United States, while such property is in transit to premises of installation or while at premises of installation, awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

- i. the Insured's interest ceases; or
 - ii. the property installed has been accepted as satisfactory; or
 - iii. the policy expires;
- whichever is first.

Additional Exclusions

In addition to the policy exclusions this extension does not insure loss or damage:

1. to **Building(s)**, but building materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;
2. to plans, blueprints, designs, specifications or any similar property;
3. to tools and contractor's **Equipment** of every description;
4. to any installation or part thereof from the commencement of use for purposes for which it was intended;
5. to property while in airborne transit, unless by scheduled airlines;
6. covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this extension;

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

T. LIMITED CONTINGENT LOSS OF INCOME

The insurance under this policy is extended to insure:

i. Neighbouring Premises

For loss of business income resulting from interruption of or interference with the business in consequence of direct physical loss or direct physical damage from an insured peril to property in neighbouring premises to the Insured that shall prevent or hinder the use thereof or access to the **Premises** or property of the Insured.

ii. Contributing/Recipient Property

For loss of business income resulting from the necessary interruption of or interference with the business carried on by the Insured caused by direct physical loss or direct physical damage from an insured peril occurring during the term of the policy to **Building(s), Equipment** or **Stock**:

1. at a recipient property(ies), being property to which products are being shipping, which wholly or partially prevents the acceptance of products produced or sold by the Insured; or
2. at a contributing property(ies), being a supplier(s) of materials to the Insured, which wholly or partially prevents the delivery of materials to; or
3. at the premises of the provider of internet services to the Insured, which wholly prevents the transmission of **Data**.

The Insurer shall not be liable under this extension of coverage for loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

U. LOCK AND KEY REPLACEMENT

The insurance under this policy is extended so that the Insurer will pay for any necessary expense to repair or replace exterior or interior door locks and keys at the premises following loss or damage caused by a peril insured against to master keys, electronic passes or access cards that control doors at the **Premises** described on the **Declaration Pages**.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

V. MORTGAGE RATE GUARANTEE

The insurance under this policy is extended to insure the increase in mortgage cost required as a result of direct physical loss of or damage to **Building(s)** from an insured peril where loss or damage to such **Building(s)** is deemed to be total, and where at the time of the loss the mortgagor closes the existing mortgage, requiring a new mortgage at a higher, competitive rate of interest. Terms of the new mortgage must be the same in time frame, amortization, and interest rate option of the mortgage in effect at time of loss.

Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This extension of coverage will continue in force until the earliest of the following events:

- i. the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- ii. the Insured relinquishes title or interest in the **Building(s)**; or,
- iii. for sixty (60) months

This coverage shall have full force and effect only if loss of or damage to **Building(s)** is deemed to be total, and settlement of partial losses shall be made as if this extension had not been in effect.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

W. NEWLY ACQUIRED CONTENTS

The insurance under this policy is extended to apply to loss of or damage by an insured peril to that property, at any location within Canada or the Continental United States that is:

- i. acquired by the Insured after the inception date of the Policy;
- ii. owned or controlled by an organization that you acquire or form after the inception date of the Policy, other than a joint venture, and in which you have a majority interest.

This extension of coverage will continue in force until the earliest of the following events:

- i. 90 days after you acquire the Business Personal Property; or,
- ii. the date that the values are reported to us; or
- iii. on the expiration date of the Policy.

When such **Contents** are to be covered under this extension of coverage beyond 90 days, premium will be payable from the date you acquire the property.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

X. NEWLY ACQUIRED OR CONSTRUCTED BUILDINGS

The insurance under this policy is extended to Section 2. INSURED PROEPRTY, **Building(s)** to apply to loss or damage by an insured peril to:

- i. new **Building(s)** or structures acquired by the Insured after the inception date of this Policy;
- ii. the Insured's new **Building(s)** or structures while being built on a premises described on the **Declaration Pages**;
- iii. **Building(s)** that you acquire at a location(s) other than at the premises described on the **Declaration Pages**, within Canada;
- iv. **Building(s)** owned or controlled by an organization that you acquire or form (other than a joint venture) and in which you have a majority interest.

This extension of coverage will continue in force until the earliest of the following events:

- i. 90 days from the date construction begins; or,
- ii. the date of such acquisition; or
- iii. the date that the values are reported to us; or
- iv. the expiration date of the Policy

When such **Building(s)** are to be covered under this PART beyond 90 days, premium will be payable from the date construction begins or the date of acquisition.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

Y. PEAK SEASON INVENTORY

The insurance under this policy is extended if a **Peak Season Period** is specified on the **Declaration Pages**, to provide coverage for sixty (60) days at the Insured premises, for up to 10% of the amount of the **Stock** limit or \$25,000, whichever is less, to provide for any increase in the Insured **Stock** caused by seasonal variations.

This extension will not apply unless the amount of insurance for the **Contents** will be equal to at least 100% of the Insured's average monthly values for the twelve (12) month period immediately preceding the date of loss or, in the event that you have been in business less than twelve (12) months.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

Z. PERSONAL PROPERTY OF OFFICER OR EMPLOYEE

The insurance under this policy is extended to apply to the Insured loss of or damage to personal effects owned by the Insured, the Insured's officers, the Insured's directors, the Insured's partners or employees while such property is at the described premises. However we will not cover a loss to personal effects if that loss is covered by another insurance policy, even if you or the owner of the personal property cannot collect under that policy for any reason.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

AA. PLANTS, LAWNS, TREES, SHRUBS AND FLOWERS

The insurance under this policy is extended to insure loss of or damage to growing plants, lawns, trees, shrubs and flowers outside the **Building(s)** caused directly by insured perils.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

BB. POLLUTANT CLEANUP AND REMOVAL

The insurance under this policy is extended to include the expense incurred to extract **Pollutants** from land or water at the Insured's **Premises**, if the release, discharge or dispersal of the **Pollutants** is the result of a peril insured against under this PART so long as the release, discharge or dispersal of the same takes place during the policy period.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

CC. PROFESSIONAL FEES

The insurance under this policy is extended to include the reasonable expenses incurred by the Insured or reasonable fees payable to the Insured's Auditors, Accountants, Lawyers, Architects, Engineers, or other consultants, except Public Adjusters for producing particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim under this Policy.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

DD. PROPERTY IN TRANSIT

The insurance under this policy is extended to apply to loss of or damage to Insured Property in the due course of transit between points or places in Canada or the Continental United States caused by or resulting from an insured peril.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

EE. PROPERTY OF OTHERS

The insurance under this policy is extended to property of others at a location described in the schedule of coverage for which the Insured is legally liable or for which the Insured has agreed, prior to loss, to provide insurance.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

FF. PROPERTY OFF PREMISES INCLUDING PROPERTY ON EXHIBITION

The insurance under this policy is extended to loss of or damage to Property Insured, by an insured peril, that is temporarily off the Insured premises as long as:

- i. the loss does not occur while in transit;
- ii. the loss does not occur on any premises that you own, rent, operate or control, but this does not include premises you have paid a fee to rent for the purposes of a trade show, craft show, exhibition, or similar type of event.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

GG. PROTECTION OF PROPERTY

The insurance under this policy is extended if any of the Insured Property is necessarily removed from the described premises to prevent loss, destruction or damage or further loss, destruction or damage thereto. The Insurer will pay for any direct physical loss or damage to that property by an insured peril:

- i. while it is being moved or while temporarily stored at another location; and
- ii. if the damage occurs within 30 days after the property is first moved.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

HH. REWARDS

The insurance under this policy is extended to provide a reward for information that leads to a conviction for arson, theft or vandalism. The conviction must involve a loss to which this insurance applies caused by arson, theft or vandalism.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

II. ROADWAYS, WALKWAYS, PARKING LOTS

The insurance under this policy is extended to apply to loss or damage to roadways, walkways, parking lots or other exterior paved surfaces on your premises.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

JJ. SALES SAMPLES

The insurance under this policy is extended to cover Insured Property, whether in transit or otherwise, in the custody of sales representatives.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

KK. STOCK SPOILAGE

The insurance under this policy is extended to cover physical loss of or damage to **Stock** on the **Premises** caused by dampness or dryness of atmosphere or change of temperature.

The dampness or dryness of atmosphere or change of temperature must be the direct result of KK. i. or KK. ii. below.

- i. physical loss of or damage to **Building(s)** or **Equipment**, including supply or transmission lines and pipes and their connections furnishing **Services**, on the **Premises**. The physical loss or damage must directly result from an insured peril. The part of the **Building(s)** or of the **Equipment** that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying, heating or for generating or converting power.
- ii. interruption to the supply of **Services** to the **Premises**. The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such **Services** to the **Premises**. The physical loss or damage must directly result from an insured peril. The apparatus that sustains loss or damage must be located on or within 5 kilometres of the **Premises**.

This coverage does not cover loss or damage resulting from partial or total interruption to the supply of **Services** arising from:

1. Loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the **Premises**;
2. Lack of sufficient capacity; or
3. Intentional reduction in supply.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

LL. UPGRADED VALUE

The insurance under this policy is extended to pay the cost of replacing destroyed **Equipment** with **Equipment** of greater processing ability, provided that the **Replacement** performs the same function as that lost or destroyed. This extension shall not apply unless the description of the **Equipment** which is planned to be upgraded and its **Replacement Cost**, together with the description and cost of the upgraded item, is shown on the **Declaration Pages**.

This coverage shall have full force and effect only if loss or damage to the item is deemed to be total, and settlement of partial losses shall be made as if this extension had not been in effect.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

MM. VALUABLE PAPERS

The insurance under this policy is extended to:

- i. the extra expense necessarily incurred to compile, gather or assemble information required to reproduce **Valuable Papers and Records** which have been lost or damaged by an insured peril;
- ii. specified **Valuable Papers and Records**, when specifically described and valued on the **Declaration Pages**, which cannot be replaced with other of like kind and quality. It is agreed that such value is the agreed value of the property for the purpose of this insurance.

The Insured Property may be owned by the Insured or held by the Insured in any capacity. The insurance applies only to the Insured's interest in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

This extension is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence.

11. VALUATIONS

For the purpose of calculating the total value of the property for reporting and for loss adjustment, the following valuation basis applies:

- A. 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;
- B. on sold **Stock** – the selling price after allowance for discounts; on property of others in your custody or control for the purposes of performing work therein – the amount for which you are 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;
- C. on tenant's improvements and records, subject to Section 2. INSURED PROPERTY, as defined in Section 13. SPECIAL BASIS OF SETTLEMENT A. and B. of this PART;
- D. on all other property insured under this PART, the **Replacement Cost** value at the time of the loss or damage occurs, as defined and limited in Section 12. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS of this PART, unless shown differently in the **Declaration Pages** or for which more specific conditions have been set out.

12. REPLACEMENT COST BASIS OF SETTLEMENT PROVISIONS

- A. We agree to **Replacement Cost** basis of settlement subject to the following provisions:
 - i. **Replacement** will be effected by the Insured with due diligence and dispatch.
 - ii. settlement on a **Replacement Cost** basis will be made only when **Replacement** has been effected by the Insured and in no event will it exceed the amount actually and necessarily expended for such **Replacement**.
 - iii. failing compliance by the Insured with any of the foregoing provisions, settlement will be made on the basis of actual cash value of the property at the time of the loss or damage and the loss or damage will be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and will in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
 - iv. any other insurance obtained by the Insured or on your behalf in respect of the perils insured against by this PART on the property to which this PART is applicable will be on the basis of **Replacement Cost** as defined herein.
- B. In the event that new property of like kind and quality is not obtainable, new property, which is as similar as possible to that lost or damaged and which is capable of performing the same function, will be deemed to be new property of like kind and quality for the purpose of these provisions.
- C. In this PART, **Replacement Cost** does not apply to:
 - i. **Stock**;
 - ii. patterns, dyes and moulds;
 - iii. 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;
 - iv. manuscripts and records meaning books of account, drawings, card index systems and other records, **Media, Data** storage devices and program devices for electronic and electro-mechanical **Data** processing or for electronically controlled **Equipment**; or
 - v. any increase in the **Replacement Cost** occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

13. SPECIAL BASIS OF SETTLEMENT

A. Leasehold Interest In Tenant's Improvements

- i. Where improvements are damaged or destroyed by an insured peril, the Insurer will pay the cost to replace on the same site if possible, or if this is not possible, the cost of moving, temporary storage and restoration on another site. If the tenant does not replace, the Insurer will pay pro rata the original cost of the improvements for the balance of the lease term.
- ii. Where improvements are not damaged or destroyed by an insured peril, if as result of an insured peril, the Insured's interest in building improvements reverts to the building owner, as a result of the building owner exercising the cancellation clause in the lease, the Insurer will pay the Insured's costs to replace the improvements at this or another location.

- iii. In addition, where the landlord terminates the lease as a result of an insured peril, and the property is damaged, in whole or in part, and the lease calls for insurance proceeds to be paid to the landlord, the Insurer will pay the cost to replace the damaged property to the landlord.
- iv. The Insurer is not liable for any loss of leasehold interest resulting from the Insured exercising an option to cancel the lease.

B. Records

Except to the extent provided in Section 10. EXTENSIONS OF COVERAGE G. COMPUTER EQUIPMENT, MEDIA & BREAKDOWN and MM. VALUABLE PAPERS of this PART, the Insurer's liability for loss of or damage to:

- i. books of account, drawings, card index systems and other records, other than as described in ii. below, will not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- ii. **Media, Data** storage devices and program devices for electronic and electro-magnetic **Data** processing or for electronically controlled **Equipment**, will 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 under the terms of this agreement for the cost of gathering or assembling information or **Data** for such reproduction.

C. Brands and Labels

In the case of loss of or damage to Insured Property bearing a brand or trademark, the sale of which carries or implies the guarantee of the responsibility of the manufacturers or you, the salvage value of such damaged property will be determined after removal of and/or re-identifying such brands or trademarks or other identifying characteristics.

14. MORTGAGE CLAUSE (APPROVED BY THE INSURANCE BUREAU OF CANADA)

It is hereby provided and agreed that:

A. Breach of Conditions by Mortgagor, owner or occupant:

This insurance and every documented renewal thereof – as to the interest of the Mortgagee therein – is and will be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the Mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy or the occupation of such property for purposes more hazardous than specified in the description of the risk.

Provided always that the Mortgagee will notify the Insurer (if known) of any vacancy or non occupancy extending beyond thirty consecutive days or any transfer of interest or increased hazard that will come to his knowledge: and that every increase in hazard (not permitted by this Policy) will be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

In the Province of Quebec, provided always that the Mortgagee will notify forthwith the Insurer (if known) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence the insurer in setting the rate of premium, appraising the risk or deciding to continue to insure it; and that every increase of risk (not permitted by the Policy) will be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

B. Right of Subrogation

Whenever the Insurer pays the mortgagee any loss awarded under this PART and claims that – as to the Mortgagor or owner – no liability therefore existed, it will be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation will be limited to the amount of such loss payment and will be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority of the Insurer: or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and will thereupon receive a full assignment and transfer of the mortgage together with all **Securities** held as collateral to the mortgage debt.

C. Other Insurance

If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or in equity – then any amount payable thereunder will be taken into account in determining the amount payable to the Mortgagor.

D. Who May Give Proof Of Loss

In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or to deliver the required proof of loss under the Policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the proof of loss.

E. Termination

The term of this Mortgage Clause coincides with the term of the Policy:

- i. provided always, that in all Provinces except Quebec, the Insurer reserves the right to cancel the Policy as provided by statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such statutory provision; and
- ii. provided always, that in the Province of Quebec, the Insurer reserves the right to cancel the Policy as provided by article 2477 of the Civil Code of the Province of Quebec but agrees that the Insurer will neither cancel nor amend the Policy to the prejudice of the Mortgagee without 15 days notice to the Mortgagee by registered letter.

F. Foreclosure (In the Province of Quebec, Transfer of Title)

Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance will continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

Subject to the terms of this Mortgage Clause (and these will supersede any policy provisions in conflict therewith but only as to the interest of the Mortgagee), loss under this PART of the Policy is payable to the Mortgagee.

15. SUE AND LABOUR

It is your duty, in the event that any insured property under the terms of this agreement is lost, to take all reasonable steps in and about the recovery of such property. We will contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interest of the parties.

16. GENERAL PROVISIONS

All the Statutory Conditions, General Policy Coverage Conditions, General Property Coverage Conditions and General Provisions of this Policy will apply to this PART.

17. DEFINITIONS

Accident

A sudden and accidental breakdown of the **Object**, or part thereof, which manifests itself at the time of its occurrence by physical damage to the **Object** that necessitates repair or **Replacement** of the **Object** or part thereof, but **Accident** does not mean:

1. depletion, deterioration, corrosion or erosion of material;
2. wear and tear;
3. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
4. the breakdown of any electronic computer or **Electronic Data Processing Equipment** unless used solely to control or operate the **Object**;
5. the breakdown of any vacuum tube, gas tube or brush;
6. the functioning of any safety device or protective device;
7. the breakdown of any structure or foundation supporting the **Object** or any part of it;
8. loss from **Accident** to any **Object** while undergoing a hydrostatic, pneumatic or gas pressure test;
9. an explosion of gas or unconsumed fuel within the furnace of any **Object** or within the passages from the furnace of said **Object** to the atmosphere.

Accident to an Object

Loss of property directly damaged by an **Accident**, both as defined herein or as defined in any endorsement attached to PART 1 - Property of this Policy. The **Object** as defined must be owned by, leased by you or operated under your control and in use or connected ready for use at a location at which there is other property covered under PART 1 - PROPERTY of this Policy.

Automobiles

Any self-propelled land vehicle.

Building(s)

The **Building(s)** described on the **Declaration Pages** and includes:

1. fixed structures pertaining to the **Building(s)** and located on the **Premises**;
2. additions and extensions communicating and in contact with the **Building(s)**;
3. permanent fittings and fixtures attached to and forming part of the **Building(s)**;
4. materials, **Equipment** and supplies on the **Premises** for maintenance of, and normal repairs and minor alterations to the **Building(s)** or for building services;
5. growing plants, trees, shrubs or flowers inside the **Building(s)** used for decorative purposes when the Insured is the owner of the **Building(s)**.

Building Glass

Glass that is part of a building or structure to which insurance provided by this PART applies, and includes encasing frames for the glass and any lettering, ornamentation or burglar alarm foil on the glass, but does not include stained glass.

Cash Cards

Cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.

Clean Up

The removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of **Pollutants**, including testing which is integral to the aforementioned processes.

Computer Equipment

Electronic computer or other **Data** processing **Equipment** and storage, including peripherals used in conjunction with such **Equipment**, and electronic **Media** and records.

Computer Media

Material(s) on which **Data** is recorded.

Computer Virus

A set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Contents

Equipment and **Stock**.

Data

Representations of information or concepts, in any form.

Data Problem

1. ensure, destruction, corruption, misappropriation, misinterpretation of **Data**
2. error in creating, amending, entering, deleting or using **Data**; or
3. inability to receive, transmit or use **Data**

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this policy.

Drug Operations

Cultivating, harvesting, processing, manufacturing, distributing or selling of any substance falling within the Canadian Controlled Drugs and Substances Act. This includes, but is not limited to cannabis.

Earthquake

Earthquake shall include snow slide, landslide or other earth movements occurring concurrently with and directly resulting from an **Earthquake** shock.

Earthquake Occurrence

Earthquake Occurrence means all **Earthquake** shocks which occur within (168) consecutive hours, commencing during the policy period. The expiration of the policy will not reduce the 168 hour period.

Electronic Data and Media

All forms of converted **Data** and/or programs and/or instruction vehicles employed in your **Data** processing operation, except all such obsolete property.

Electronic Data Processing

A network of electronic components capable of accepting information and processing it according to a plan and which exists primarily to generate information in tangible form or on electronic **Media** including but not limited to telephone, facsimile and photocopying equipment.

Equipment

1. generally all **Contents** usual to the Insured's business, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances, other than **Building(s)** or **Stock**;

2. similar property belonging to others which the Insured is under obligation to keep insured or for which he/she is legally liable;
3. tenant's improvements, which are defined as building improvements, alterations and betterments made at the expense of the Insured to a **Building(s)** occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such **Building(s)**. 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.

Fine Arts

Paintings, etchings, pictures, tapestries and other bona fide works of art, including but not limited to valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac or other articles of rarity, historical value or artistic merit.

Flood

1. the rising of, the breaking out or overflow of any natural or artificial body of water and includes **Surface Water**, waves, tides, tidal waves and tsunamis.
2. all flooding which occurs within any 168 consecutive hours commencing during the policy period. The expiration of this policy will not reduce the 168 hour period.

Fungi

Includes but is not limited to, any form or type of mold, 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.

Green

Products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

Green Authority

An authority on **Green** buildings, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes, Energy Star Rating System or any other recognized **Green** rating system in Canada.

Media

The material on which **Data** is recorded or stored, such as magnetic tapes, disc packs, paper tapes and cards used in processing units.

Money

Currency, coins, bank-notes, or bullion. **Money** includes but is not limited to travellers cheques, register cheques and **Money** orders which you hold for sale to the public.

Named Peril

i. FIRE OR LIGHTNING

ii. EXPLOSION

Except with respect to explosion of natural, coal or manufactured gas, there will in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

1. a) the portions containing steam or water under steam pressure of all boilers generating steam, piping or other **Equipment** connected to said boilers and containing steam and water under steam pressure;
b) piping and apparatus or parts thereof normally containing steam or water under pressure from an external source while under such steam 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 from them; or
d) smelt dissolving tanks;
2. 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;
3. moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

4. any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion will not apply to other property insured under the terms of this agreement that has been damaged by such explosion; and
5. gas turbines.

The following are not explosion 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; or
- c. bursting or rupture of any safety disc, rupture, diaphragm or fusible plug.

iii. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE

The terms Aircraft and Spacecraft include articles dropped there from.

There will in no event be any liability under the terms of this agreement for loss or damage:

1. caused by land vehicles belonging to or under your control or any of your employees;
2. to aircraft, spacecraft or land vehicles causing the loss;
3. caused by any aircraft or spacecraft when being taxied or moved inside or outside of buildings; or
4. due to cumulative damage.

iv. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT

Meaning thereby the leakage or discharge of water or other substances from within the **Equipment** used for fire protection purposes for the premises herein described or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such **Equipment**.

The term **Fire Protective Equipment** includes tanks, watermains, 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:

1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
2. any watermains or appurtenances located outside of the described premises and forming a part of the public water distribution system;
3. any pond or reservoir in which the water is impounded by a dam.

v. RIOT, VANDALISM OR MALICIOUS ACTS

Includes but is not limited to open assemblies of strikers inside or outside of the premises who have quit work and locked out employees.

There will in no event be any liability for loss or damage:

1. due to cessation of work or by interruption to processes or business operations or by change(s) in temperature;
2. due to **Flood** or release of water impounded by a dam or due to any explosion;
3. due to theft or attempt thereat; but this exclusion does not apply to resultant damage therefrom to **Building(s)** insured under this PART or for which you are liable.

vi. SMOKE

Smoke due to a sudden, unusual or faulty operation of any stationary furnace. There will in no event be any liability under the terms of this agreement for any cumulative damage.

vii. SONIC SHOCK WAVES

Sonic shock waves means generated by aircraft, generally known as a sonic boom.

viii. WINDSTORM OR HAIL

There will in no event be any liability under the terms of this agreement for loss or damage:

1. to the interior of the **Building(s)** insured or Business Personal Property unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
2. 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 or landslide.

ix. ELEVATOR COLLISION

Elevator collision means direct and accidental loss caused by collision of the elevator or anything carried thereon with another **Object**.

The Insurer shall not be liable under this peril for loss due directly to the breaking, burning out or disruption of any electrical machine which is not located within the elevator car, nor for the loss to any electrical machine arising out of the breaking, burning out or disruption thereof.

Object

Any boiler, any fired vessel, any metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of **Contents**, any condensate return tank, any refrigerating or air conditioning system or any metal piping and its accessory **Equipment**, and including any boiler or pressure vessel mounted on mobile **Equipment** and all subject to the exclusions specified herein.

- i. Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

Object will not mean any of the following property:

- i. any boiler setting, any refractory material, any insulating material, non-metallic lining or covering, or any part of a boiler or fired pressure vessel which does not contain steam or water;
- ii. any sewer piping, underground piping or water piping other than:
 - feedwater piping between any boiler and its feed pumps or injectors;
 - boiler condensate return piping;
 - water piping connected to and forming part of a refrigerating, air conditioning or hot water heating system, but not including any water piping leading to or from any source of supply of cooling water for any condenser or compressor.
- iii. any piping not on the Insured's premises used to supply any premises not owned by, leased and or operated under the Insured's control.
- iv. any oven, stove, furnace, incinerator or fired kiln of the rotating type;
- v. any foundation or structure other than the bedplate of a machine;
- vi. any buried vessel;
- vii. any vehicle, aircraft, or any floating vessel or structure;
- viii. any elevator, escalator, conveyor, crane, hoist, power shovel, dragline or excavator, but not excluding any unfired pressure vessel or electrical **Equipment** mounted on, or forming a part of any such machine or apparatus;
- ix. any trailing cable or cable buried underground and which is not contained within a conduit, duct, or tunnel;
- x. any **Data** processing, calculating or computing **Equipment**, or any electronic machine, device or instrument unless used solely to control or operate any **Object**;
- xi. any X-ray machine, electron microscope, laser, particle accelerator, beta gauge, spectrograph, or any **Equipment** or apparatus utilizing radio-active materials;
- xii. any diagnostic or treatment machine or apparatus;
- xiii. any penstock, draft tube or well casing;
- xiv. any **Object** manufactured by you;
- xv. any maintenance machine or apparatus;
- xvi. any complete production machine or apparatus which processes, forms, cuts, shapes, grinds, or conveys raw material, material in process, waste material or finished product, and any **Equipment** forming a part of the driving or controlling mechanism for such production machine or apparatus, but not excluding:
 - any unfired pressure vessel, pump, compressor, fan, blower, engine, turbine motor or generator, or
 - any separate enclosed gear set connected to such production machine or apparatus by a coupling, clutch or belt.

Office Contents

Office Contents consisting principally of furniture, fixtures, **Equipment** and supplies except as excluded or limited, the property of the Insured and usual to an office occupancy, and, provided the Insured is liable therefore, similar property owned by others while in the custody of the Insured, all while in or on the premises described on the **Declaration Pages** and within 100 feet thereof; and if the Insured is not the building owner tenant's interest in improvements and betterments, consisting of fixtures alterations, installations, or additions comprising a part of the **Building(s)** on such premises and made at the expense of the Insured.

Peak Season Period

The time frame specified on the **Declaration Pages** as applicable to Peak Season Inventory coverage.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, odour, vapour, fumes, soot, acids, alkalis, chemicals and waste so long as the release, discharge or dispersal of the same takes place during the policy period. Waste includes materials to be recycled, reconditioned or reclaimed.

Premises

The entire area within the property lines and areas under adjoining sidewalks and driveways at:

1. each location described on the **Declaration Pages**;
2. temporary Locations and any Newly Acquired Location, if covered by this PART;
and
3. in or on vehicles within 100 metres (328 feet) of such locations.

Premium due date

Inception, renewal or anniversary date of the Policy to which this PART is attached.

Property of Every Description

Building(s), Equipment and Stock.

Replacement

Includes but is not limited to repair, construction or re-construction with new property of like kind and quality.

Replacement Cost

The cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

Securities

All negotiable and non-negotiable instruments or contracts which represent **Money** or other property, revenue and other stamps, tokens, tickets and credit card receipts. **Securities** does not include any property included in the definition of **Money**.

Services

Electricity, water, gas or steam.

Sewer Back-up

The backing up of sewers, sumps, septic tanks or drains.

Spores

Includes but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any **Fungi**.

Stock

1. merchandise of every description usual to the Insured's business;
2. packing, wrapping and advertising materials; and
3. similar property belonging to others which the Insured is under obligation to keep insured or for which Insured is legally liable.

Surface water

Water or natural precipitation temporarily diffused over the surface of the ground.

Terrorism

An ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or section of the public.

Valuable Papers and Records

Written, printed or otherwise inscribed documents and records including books of account, drawings, maps, card index systems or other records, including film, tape, disc, drum, cell or other magnetic recording or storage **Media** for **Electronic Data Processing** but does not include **Data** insured under Section 10. Extensions of Coverage G. Computer Equipment, Media & Breakdown of this PART nor does it mean **Money** or **Securities**.

In witness whereof, the Insurer has caused this Policy to be executed on the Declaration Pages.

**For purposes of the Insurance Companies Act (Canada), this document was issued
in the course of Berkley Insurance Company's insurance business in Canada.**

BerkleyOne
PART 2 – EQUIPMENT BREAKDOWN

Subject to all terms and conditions provided by PART 1 – PROPERTY and PART 3 – BUSINESS INCOME, the following additional coverage is added.

We will pay for direct physical loss of or damage to Covered Property at the premises described in the **Declaration Pages** caused by or resulting from **Equipment Breakdown**.

1. INSURED PROPERTY

With respects to **Equipment Breakdown**, the following property is excluded:

- i. Animals, including Research Animals
- ii. Self-propelled vehicles and mobile equipment

2. INSURED PERILS

Insured Perils include **Equipment Breakdown**.

3. PERILS EXCLUDED

The following Perils Excluded are deleted from PART 1 - PROPERTY:

- D. by centrifugal force, mechanical or electrical breakdown or derangement in or on the premises. This exclusion does not apply to loss or damage from any ensuing fire;
- I. ii explosion, (except explosion of natural, coal or manufacturer gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
 1. moving or rotating machinery or parts thereof; or
 2. steam or gas turbines; unless fire ensues and then coverage shall only be provided for the loss or damage caused by such ensuing fire;
- J. by the following:
 - i. 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;
 - ii. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii. 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;
 - iv. moving or rotating machinery or parts thereof;

4. EXTENSIONS OF COVERAGE

With respects to **Equipment Breakdown**, the following Special Coverages are added:

A. POLLUTANT AND/OR HAZARDOUS SUBSTANCE CLEAN UP AND REMOVAL

We will pay any expense incurred by you for the clean-up, repair or replacement, disposal and removal of **Pollutants** and/or hazardous substances at the described premises if the discharge, dispersal, seepage, migration, release or escape of the pollutant and/or hazardous substance is caused by or results from an **Equipment Breakdown**.

This Extension of Coverage does not apply to costs to test for, monitor, or assess the existence, concentration or effects of **Pollutants**. But we will pay for testing which is performed in the course of extracting the **Pollutants** from the land or water. The most that we will pay for loss or damage under this coverage is \$250,000 or as indicated on the **Declaration Pages**, PART 2 – EQUIPMENT BREAKDOWN.

B. REFRIGERANT CONTAMINATION

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an **Equipment Breakdown**.

The most that we will pay for loss or damage under this coverage is \$250,000 or as indicated on the Declaration Pages, PART 2 – EQUIPMENT BREAKDOWN.

C. CFC REFRIGERANTS

We will pay for the additional cost to repair or replace Insured Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances resulting from an **Equipment Breakdown**. Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved.

We pay no more than the least of the following:

1. The cost to repair the damaged property and replace any lost CFC refrigerant;
2. The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
3. The cost to replace the system with one using a non-CFC refrigerant.

D. COMPUTER EQUIPMENT

We will pay for loss or damage to your **Computer Equipment** caused by an **Equipment Breakdown**.

E. MEDIA OR DATA

We will pay for loss to your **Media** or **Data** caused by an **Equipment Breakdown**. We will pay for your cost to research, replace, restore all forms of electronic and magnetic tapes and disks and **Data** and the costs to reprogram instructions for use in any covered electronic computer or electronic **Data** processing equipment.

We will not pay to reproduce:

1. Software programs or operating systems that are not commercially available; or
2. **Data** that is obsolete, unnecessary or useless to you.

The most we will pay for loss or damage under this coverage for **Media** and **Data** is \$25,000, unless a higher limit is provided by an endorsement to the property form for which this PART is attached. In that case, whichever limit is greater will apply.

If **Media** is damaged or **Data** is lost or corrupted, we will pay your actual loss of Business Income and/or Extra Expense during the time necessary to:

- a. Research, replace or restore the damaged Media or lost or corrupted Data; and
- b. Reprogram instructions used in any covered Computer Equipment.

There shall be no coverage for any **Media** or **Data** that we determine is not, or cannot, be replaced or restored.

The most we will pay for loss or damage under this coverage is \$25,000 or as indicated on the **Declaration Pages**, PART 2 – EQUIPMENT BREAKDOWN.

F. SPOILAGE

We will pay for loss of **Perishable Goods** due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an **Equipment Breakdown** to types of property covered by this policy that are:

1. Located on or within 1,000 meters of your described premises; and
2. Owned or used by you, the building owner at your described premises or a public utility

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

- Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freeze, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The most that we will pay for loss or damage under this coverage is \$250,000 or as indicated on the **Declaration Pages**, PART 2 – EQUIPMENT BREAKDOWN.

G. SERVICE INTERRUPTION

Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an **Equipment Breakdown** to equipment that is:

1. Located on or with 1,000 meters of your described premises; and
2. Owned by a utility, landlord or other supplier, with whom you have a contract to supply you with any of the following services; electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or **Data** transmission.

The equipment must meet the definition of **Equipment Breakdown** except that it is not Covered Property.

H. GREEN ENVIRONMENTAL AND EFFICIENCY IMPROVEMENTS

If Insured Property requires repair or replacement due to **Equipment Breakdown**, we will pay:

1. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Insured Property with equipment of like kind and quality which qualifies as **Green**. "Like kind and quality" includes similar size and capacity.
2. The additional reasonable and necessary additional cost incurred for an accredited professional certified by a **Green Authority** to participate in the repair or replacement of physically damaged Insured Property as **Green**.

3. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Insured Property as **Green**.
4. The additional reasonable and necessary cost incurred by the Insured for **Green** in the removal, disposal or recycling of damaged Insured Property as **Green**.
5. The business interruption (if covered as indicated on the **Declaration Pages** PART 3 – BUSINESS INCOME to which PART 2 – EQUIPMENT BREAKDOWN is attached) loss during the additional time required for repair or replacement of Insured Property.

Green Environmental and Efficiency Improvements does not cover any of the following:

1. Insured Property does not include stock, raw materials, finished goods, **Production Machinery**, merchandise, electronic **Data** processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
2. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
3. Any loss covered under any other section of this policy.
4. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the **Equipment Breakdown**.

5. GENERAL PROPERTY COVERAGE CONDITIONS

The following General Property Coverage Conditions are added:

20. SUSPENSION

Whenever Insured Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Insured Property for the perils covered by this PART. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a) Your last known address; or
- b) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

21. JURISDICTIONAL INSPECTIONS

If any Insured Property under this PART requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

22. ENVIRONMENTAL, SAFETY AND EFFICIENCY IMPROVEMENTS

If Insured Property requires repair or replacement due to an **Equipment Breakdown**, we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

6. GENERAL POLICY COVERAGE CONDITION

The following General Policy condition is added:

27. INSURANCE UNDER TWO OR MORE COVERAGES

With regards to coverage provided by this PART 2 – EQUIPMENT BREAKDOWN, the following General Policy Condition is added:

If loss or damage to the same property is covered under more than one Extensions of Coverage or Insured Perils of this PART, then only the higher or highest applicable limit shall be payable.

7. DEFINITIONS

The following **Definitions** are added:

Computer Equipment

Insured Property that is electronic computer or other **Data** processing equipment, including peripherals used in conjunction with such equipment, and electronic **Media** and records.

Data

Information or instructions used by computers or computerized equipment.

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this policy.

Equipment Breakdown as used herein means:

- a) Physical loss or damage both originating within:

- (i) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - a. waste disposal piping;
 - b. any piping forming part of a fire protective system;
 - c. furnaces; and
 - d. any water piping other than:
 - 1. boiler feed water piping between the feed pump and the boiler;
 - 2. boiler condensate return piping; or
 - 3. water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
- (ii) All mechanical, electrical, electronic or fiber optic equipment; and
 - b. Caused by, resulting from, or consisting of:
 - 1. Mechanical breakdown;
 - 2. Electrical or electronic breakdown; or
 - 3. Rupture, bursting, bulging, implosion, or steam explosion.

However, **Equipment Breakdown** will not mean:

- b) Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

Wear and Tear;

- (i) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
 - (ii) Smog;
 - (iii) Settling, cracking, shrinking or expansion;
 - (iv) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
 - (v) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of **Data** by any computer system including any hardware, programs or software;
 - (vi) Scratching and marring;
- c) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss: Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

However, if electrical Insured Property requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

Green

Products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

Media

Material on which **Data** is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

Perishable Goods

Any personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

Production Machinery

Any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

All other terms and conditions of the PART 1 – PROPERTY and PART 3 – BUSINESS INCOME remain unchanged.

In witness whereof, the Insurer has caused this Policy to be executed on the Declaration Pages.

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Berkley Insurance Company's insurance business in Canada.

BerkleyOne
PART 3 – BUSINESS INCOME

This Business Income Coverage Options include:

- Option 1. COMPREHENSIVE COVERAGE;**
- Option 2. EXTRA EXPENSE;**
- Option 3. GROSS PROFITS;**
- Option 4. GROSS RENTS**

1. COMPREHENSIVE COVERAGE

Option 1. is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence. Unless a limit is shown on the **Declaration Pages** no coverage is provided.

1. INDEMNITY AGREEMENT

The Insurer will pay for the Insured's loss of business income including the Insured's incurred necessary **Extra Expense** during the Period of Indemnity resulting from **Covered Direct Physical Loss** subject to the provisions and limitations of this PART. The **Covered Direct Physical Loss** must occur on the Insured premise(s) that are showing a limit on the **Declaration Pages**, PART 3 – BUSINESS INCOME.

2. LIMIT OF LIABILITY

The Insurer will not be liable under Option 1. for more than the limit shown for each location on the **Declaration Pages**, as applicable to PART 3 – BUSINESS INCOME.

3. PERIOD OF INDEMNITY

When there is damage to property, the Insurer will cover the Insured's loss of business income for the shortest of the following periods, starting from the time of damage:

- i. the time required to resume the Insured's **Normal** business operations;
- ii. the time that is reasonably necessary to repair, rebuild or replace the damaged property, plus 90 days; or
- iii. 12 months.

If the Insured does not plan to resume operations, these same time limitations will apply except that the Insurer will not cover loss of business income for the additional 90 days after the time that would have been reasonably necessary to repair, rebuild or replace.

If damage involved was to a building being built or altered, the Insured can choose to have the period for which the Insurer will pay lost business income start on the date the Insured would have begun operations in the building, instead of the date of the damage. The time limitations described above will apply, no matter when the period begins. If necessary, the Insurer will pay for lost business income beyond the date that this Policy expires, but the time limitations described above will still apply.

4. DEDUCTIBLE

The Insurer is liable for the amount by which **Extra Expense** exceeds \$1,000, or any other sum shown as the deductible on the **Declaration Pages**, PART 3 – BUSINESS INCOME Option 1. in any one occurrence.

5. EXCLUSIONS

Under PART 3 – BUSINESS INCOME, Option 1., the Insurer will not cover the following losses and expenses:

- A. the cost of repairing or replacing the property, or the cost of research or other costs of replacing or restoring any type of recorded material. However, if these costs are necessary to speed up the Insured's return to **Normal** operations, the Insurer will cover them to the extent that they reduce the Insured's business income loss;
- B. any increase in the Insured's loss that results because strikers or other persons have interfered with repairs to damaged property or with any resumption of operations;
- C. any increase in the Insured's loss that results from the loss of a lease, license, other contract or order. However, if the loss of the lease, license, other contract or order is the direct result of an interruption of business due to damage to property at the Insured's premises as described on the **Declaration Pages**, the Insurer will cover the loss of business income only during the time that would have been required to repair, rebuild or replace the damaged property; or
- D. any other consequential or remote loss.

EXTENSIONS OF COVERAGE

A. CONTINGENT BUSINESS INCOME COVERAGE

The insurance under Option 1. is extended to pay for loss of business income resulting from interruption to the Insured's business due to loss or damage from an **Insured Peril to Contingent Property**, not specifically described, anywhere in Canada or the Continental United States, provided such location is not under the Insured's ownership, controlled or occupied by the Insured or by a public utility which furnishes heat, light, power or gas to the Insured.

This extension is limited to a maximum recovery of \$25,000 in any one occurrence.

B. OFF-PREMISES HEAT, POWER, GAS, WATER OR COMMUNICATION SERVICES EXTENSION

The insurance under Option 1. is extended to pay for loss of business income resulting from interruption of service caused by damage or destruction of off-premises public utility plants, transformer or switching stations, sub-stations, including underground power transmission and communications lines, which furnish heat, light, power, gas or communication services to your premises.

The damage must be due to an **Insured Peril** under PART 1 - PROPERTY of this Policy. This coverage does not apply if such property is located on your premises or is under your control or is located more than 304.8 meters (1000 feet) from your premises.

The Insurer's liability for each interruption of business begins only when the period of interruption exceeds 24 consecutive hours or as otherwise indicated on the **Declaration Pages**, PART 3 – BUSINESS INCOME or attached endorsement.

This extension is limited to a maximum recovery of \$25,000 in any one occurrence.

C. PROFESSIONAL FEES

The insurance under Option 1. is extended to the insurance provided by PART 1 – PROPERTY to include the expenses incurred by you for reasonable fees payable to the Insured Auditors, Accountants, Lawyers, Architects, Engineers, or other consultants, except Public Adjusters for producing particulars or details or other proofs, information or evidence as may be required by the Insured for the purpose of investigating or verifying any claim under PART 3 – BUSINESS INCOME of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account and other business books or documents.

This extension is limited to a maximum recovery of \$25,000 in any one occurrence.

D. CIVIL AUTHORITY

The insurance under Option 1. is extended to PART 1 – PROPERTY if the Insured is denied access to the premises as described on the **Declaration Pages** by a Government authority, due to damage to other property nearby, the Insurer will cover the Insured's loss of business income for up to two weeks. However, the other property involved must have been damaged by an **Insured Peril** as covered under PART 1 – PROPERTY of this Policy.

This extension is limited to a maximum recovery of 30 days in any one occurrence.

E. NEWLY ACQUIRED OR CONSTRUCTED BUILDINGS

The insurance under Option 1., is extended to PART 1 – PROPERTY, Section 2. **Insured Property**, to **Building(s)** to apply to loss or damage by an **Insured Peril** to:

- i. new **Building(s)** or structures acquired by the Insured after the inception date of this Policy;
- ii. the Insured's new **Building(s)** or structures while being built on a premises described on the **Declaration Pages**;
- iii. **Building(s)** that you acquire at a location(s) other than at the premises described on the **Declaration Pages**, within Canada;
- iv. **Building(s)** owned or controlled by an organization that you acquire or form (other than a joint venture) and in which you have a majority interest.

This extension of coverage will continue in force until the earliest of the following events:

- i. 90 days from the date construction begins; or,
- ii. the date of such acquisition; or
- iii. the date that the values are reported to us; or
- iv. the expiration date of the Policy

When such **Building(s)** are to be covered under this PART beyond 90 days, premium will be payable from the date construction begins or the date of acquisition.

If the Insurer provides business income coverage for the Insured's newly acquired property for more than 90 days, the Insurer will charge an additional premium from the date that the Insured first acquired the property. The Insurer will pay for the actual loss of business income that the Insured sustained, resulting from the loss or damage to property which the Insured acquired after the Policy takes effect, as long as the damage or destruction is from an **Insured Peril** as insured under PART 1 - PROPERTY of this Policy and the property is located in Canada.

This extension is limited to a maximum recovery as shown of \$250,000 in any one occurrence.

6. VALUATION

To indemnify the Insured under PART 3 – BUSINESS INCOME, Option 1., the Insurer will establish the amount by which the Insured's earnings have been reduced. This will include the reduction in any rents that Insured would have normally received. The Valuation will be determined as per the following:

- i. the Insurer will establish the amount by which the Insured's earnings have been reduced. This will include the reduction in any rents that the Insured would have normally received.
- ii. the Insurer will subtract those expenses that do not necessarily continue during the time the Insurer pays for the Insured's loss of business income.
- iii. the Insurer will consider any of the Insured's ordinary business expenses necessary if:
 1. they would have been covered by the earnings of the business before the loss, and
 2. they are required so that your business can return to operations with the same quality of service as before the loss.
- iv. the Insurer will add the **Extra Expense** you necessarily incur to continue or resume operations as nearly **Normal** as possible.

7. YOUR OBLIGATIONS

The Insured has certain additional obligations under Option 1. and the Insured may not be covered for a loss if they do not meet these obligations:

- i. the Insured must resume operations and stop all **Extra Expenses** as soon as possible and to whatever extent is possible, as long as this will not increase the loss.
- ii. the Insured must also make use of the merchandise, stock, or other property at the premises or at other locations if it would reduce the business income loss.

If the Insured fails to take any of these steps to reduce the loss, the Insurer will reduce the amount that will be paid for loss of business income by the amount which could have been saved.

8. DEFINITIONS

The following words wherever used in Option 1. shall be construed to mean:

Building(s)

The **Building(s)** described on the **Declaration Pages** and includes:

1. fixed structures pertaining to the **Building(s)** and located on the **Premises**;
2. additions and extensions communicating and in contact with the **Building(s)**;
3. permanent fittings and fixtures attached to and forming part of the **Building(s)**;
4. materials, **Equipment** and supplies on the **Premises** for maintenance of, and **Normal** repairs and minor alterations to the **Building(s)** or for building services;
5. growing plants, trees, shrubs or flowers inside the **Building(s)** used for decorative purposes when the Insured is the owner of the **Building(s)**.

Contingent Property

Including but not limited to:

- i. property which provides you or to anyone else on your behalf with products, materials or services;
- ii. property which receives your products, materials or services that you produce or sell; or
- iii. property that is in the vicinity of your business and attracts business to your vicinity.

Covered Direct Physical Loss means loss of or damage to **Insured Property** by an **Insured Peril** during the term of this Policy. However, any occurrence insured under the following PART 1 – PROPERTY, Section 10. Extensions of Coverage will not be considered a **Covered Direct Physical Loss** for the purposes of Option 1.

- B.** Automatic Fire Suppression System Recharge Expenses;
- H.** Condominium Loss Assessment;
- I.** Consequential Loss;
- P.** Fire Department Service Charges;
- S.** Installation Floater;
- U.** Lock and Key Replacement;
- BB.** Pollutant Cleanup and Removal;
- CC.** Professional Fees;
- HH.** Rewards;

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this Policy.

Extra Expense

The term **Extra Expense** wherever used in this PART is defined as the excess (if any) of the total cost during the period of restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred; the cost in each case to include the expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall Insurers be liable under PART for loss of income nor for **Extra Expense** in excess of that necessary to continue as nearly as practicable the **Normal** conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils Insured against, except cost in excess of the **Normal** cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of **Extra Expense**; liability for such excess cost, however, shall not exceed the amount by which the total **Extra Expense** otherwise payable under this PART is reduced. The Insurers shall also be liable for **Extra Expense** incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business, any salvage value of such property remaining after resumption of **Normal** operations shall be taken into consideration in the adjustment of any loss hereunder.

Insured Peril means perils insured under PART 1 – PROPERTY of this Policy.

Insured Property means **Insured Property** under PART 1 – PROPERTY of this Policy.

Normal

The condition that would have existed had no loss occurred.

10. GENERAL PROVISIONS

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to PART 3 – BUSINESS INCOME, Option 1.

2. EXTRA EXPENSE

Option 2., is limited to a maximum recovery as shown on the **Declaration Pages** in any one occurrence. Unless a limit is shown on the **Declaration Pages** no coverage is provided.

1. INSURING AGREEMENT

If the **Insured Property** described in PART 1 – PROPERTY is destroyed or so damaged by the Perils Insured against occurring during the term of this Policy as to necessitate incurring **Extra Expense** (as defined in this Option), the Insurers shall be liable for the **Extra Expense** so incurred, for not exceeding such length of time, herein referred to as the period of restoration, commencing with the date of the loss and not limited by the date of expiration of this Policy, as shall be required with the exercise of due diligence and dispatch by the Insured, to repair, rebuild, or replace such Property.

2. INSURED PERILS

PART 3 – BUSINESS INCOME, Option 2., insures against All Risks of direct physical loss or damage howsoever caused except as may be otherwise excluded in PART 1 – PROPERTY.

3. DUE DILIGENCE

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property herein described and, insofar as practicable, reduce or dispense with such **Extra Expenses** as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This PART of the Policy is extended to include the actual loss as covered hereunder up to a period of four (4) weeks, when as result of a peril not otherwise excluded, access to the premises described is prohibited by order of Civil or Military Authority.

5. EXCLUSIONS

Insurer shall not be liable under this PART for:

- (a) Loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature.
- (b) Loss due to the suspension, lapse or cancellation of any lease or licence, contract or order.
- (c) Any increase of loss due to interference at the described premises by strikers or other persons, with building, repairing or replacing the property, or with the resumption or continuation of business.

6. LIMITS

The maximum amount recoverable under this coverage shall be as per the **Declaration Pages** per occurrence. The period of indemnity shall not exceed twelve (12) months. However, for locations where the values are reported for a period of time longer or shorter than twelve months the period of indemnity shall be the term as on record with the Insurers. On newly acquired property, the period of indemnity shall be twelve (12) months.

7. PREVENTION OF INGRESS/EGRESS

The insurance under PART 3 – BUSINESS INCOME, Option 2., is extended to cover the actual loss as covered hereunder up to a period of four (4) weeks, when as a result of a peril not otherwise excluded ingress to or egress from the premises is prevented irrespective of whether the premises or property of the Insured shall have been damaged.

8. DEFINITIONS

The following words wherever used in Option 2., shall be construed to mean:

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this Policy.

Extra Expense

The term **Extra Expense** wherever used in this PART is defined as the excess (if any) of the total cost during the period of restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred; the cost in each case to include the expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall Insurers be liable under PART for loss of income nor for **Extra Expense** in excess of that necessary to continue as nearly as practicable the **Normal** conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils Insured against, except cost in excess of the **Normal** cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of **Extra Expense**; liability for such excess cost, however, shall not exceed the amount by which the total **Extra Expense** otherwise payable under this PART is reduced. The Insurers shall also be liable for **Extra Expense** incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business, any salvage value of such property remaining after resumption of **Normal** operations shall be taken into consideration in the adjustment of any loss hereunder.

Insured Property means **Insured Property** under PART 1 – PROPERTY of this Policy.

Normal

The condition that would have existed had no loss occurred.

3. GROSS PROFITS

Option 3.is limited to a maximum recovery as shown on the Declaration Pages in any one occurrence.

Unless a limit is shown on the Declaration Pages no coverage is provided.

1. INSURING AGREEMENT

The Insurer agrees with the Insured, subject to the terms and conditions expressed herein, that so long as this Policy shall be in force, if the business carried on by the Insured is interrupted or interfered with solely as a result of an Insured loss to property as defined in PART 1 – PROPERTY the Insurer will pay the Insured the amount of loss resulting from such necessary interruption or interference in accordance with the provisions herein contained.

- i. This insurance is limited to loss of **Gross Profit** due to a. Reduction in **Turnover** and b. increase in cost of working and the amount payable as indemnity hereunder shall be:
 - a. In respect of reduction in **Turnover**:
The sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** shall, in consequence of the destruction or damage by a peril insured against, fall short of the **Standard Turnover**;
 - b. In respect of increase in cost of working:
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Turnover** in consequence of the destruction or damage by a peril insured against, but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of reduction thereby avoided;
less any sum saved in respect of such of the Insured **Standing Charges** as may cease or be reduced in consequence of the destruction or damage by the perils Insured against.

2. PERILS INSURED

Option 3. insures against All Risks of direct physical loss or damage howsoever caused, including General Average and Salvage Charges, except as may be otherwise excluded in PART 1 – PROPERTY.

3. PROVISIONS

- i. If during the Policy Period specified on the **Declaration Pages** goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the **Turnover** during the **Turnover**, subject to the conditions of **Rate of Gross Profit** in Option 3., Section 9. Definitions.
- ii. This Insurer shall not be liable for any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.
- iii. The Liability of the Insurer shall in no case exceed the total sum Insured hereby or such other sum or sums as may hereafter be substituted therefore by endorsement signed by or on behalf of the Insurer.
- iv. On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Policy, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss.
- v. The Insurers shall be liable for actual loss sustained, as covered hereunder, during the period of time, when, as a direct result of the peril(s) Insured against, access to the premises described is prohibited by order of civil authority.

4. DEPARTMENTAL CLAUSE

If the business be conducted in Departments, the independent trading results of which are ascertainable, Option 3., Section 1. Insuring Agreement i. a. and i. b. shall apply separately to each Department affected by the damage.

5. CONTINGENT BUSINESS INTERRUPTION

Subject to the limit stated on the **Declaration Pages** Insurers shall be liable for loss resulting directly from necessary interruption of business caused by damage or destruction by the peril(s) Insured against during the term of this Policy, to any of the real or personal property of the Insured's direct customers, vendors or suppliers which results in their inability to supply or accept goods and/or materials, supplies, services, or the like, which wholly or partially prevents delivery of materials to the Insured or to others for the account of the Insured.

6. ORDINARY PAYROLL

Included in the Limit of Liability is the Insured's entire **Ordinary Payroll** expense for a period of time immediately following the date of loss, which may continue during a total or partial suspension of business, covering only to the extent necessary to resume the **Normal** business of the Insured with the same quality of service which existed immediately preceding the destruction or damage by a peril insured against, and which would have been earned had no destruction or damage by a peril insured against occurred. The above does not cover any portion of salaries described under **Standing Charges** in Option 3., Section 9. Definitions.

7. PREVENTION OF INGRESS/EGRESS

The insurance under PART 3 – BUSINESS INCOME, Option 3. is extended to cover the actual loss as covered hereunder during the period of time, when as a result of a peril not otherwise excluded ingress to or egress from the premises is prevented irrespective of whether the premises or property of the Insured shall have been damaged. The period of time is not to exceed four (4) weeks from the date when ingress to or egress from the premises is prevented.

8. INTERRUPTION BY CIVIL OR MILITARY AUTHORITY

The insurance under PART 3 – BUSINESS INCOME, Option 3. is extended to include the actual loss as covered hereunder up to a period of four (4) weeks, when as result of a peril not otherwise excluded, access to the premises described is prohibited by order of Civil or Military Authority.

9. DEFINITIONS

The following words wherever used in Option 3., shall be construed to mean:

Annual Turnover

The **Turnover** during the twelve months immediately before the date of the destruction or damage by a peril insured against.

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this Policy.

Gross Profit

The sum produced by adding to the **Net Profit** the amount of the insured **Standing Charges**, depreciation of plant and machinery not damaged by the **Insured Peril** and amortization of preproduction expenses, or if there be no **Net Profit**, the amount of the insured **Standing Charges** less such a proportion of any net trading loss as the amount of the insured **Standing Charges** bears to all the **Standing Charges** of the business.

Indemnity Period

The period beginning with the occurrence of the loss or damage and ending not later than the last day of the period specified in the **Declaration Pages**, during which the results of the business shall be affected in consequence of the loss or damage.

Insured Peril means perils insured under PART 1 – PROPERTY of this Policy.

Net Profit

The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

Normal

The condition that would have existed had no loss occurred.

Ordinary Payroll

The entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract including union contract requirements and other important employees.

Rate of Gross Profit

The **Rate of Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the destruction or damage by a peril insured against.

Standard Turnover

The **Turnover** during that period in the twelve months immediately before the date of destruction or damage by an Insured Peril against which corresponds with the **Turnover**.

Standing Charges

The following shall be deemed not to be **Standing Charges**:

- i. Depreciation of Stock,
- ii. Bad Debts,
- iii. Fines or Damages for breach of contract,
- iv. Wages and salaries other than salaries to permanent staff and wages to foremen and important employees whose services would not be dispensed with should the business come to a standstill.

It is agreed that the term **Standing Charges** is extended to include the value of consumable materials and supplies whose value is diminished due to design and/or specification changes. The coverage provided herein is subject to the following conditions:

- a. This coverage applies only to materials or supplies that have been purchased for a specific contract or series of contracts the completion of which is prevented or impaired as a direct result of an **Insured Peril** damaging **Insured Property** in PART 1 – PROPERTY of this Policy.
- b. The Insured must act with due diligence to minimize any loss covered by this clause.

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered. To which such adjustments shall be made as may be necessary to provide for trends of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by a peril insured against or which would have affected the business had the destruction or damage by a peril insured against not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage by the peril insured against would have been obtained during the relative period after the destruction or damage by a peril insured against. This clause is applicable to following definitions, **Annual Turnover**, **Ordinary Payroll**, **Rate of Gross Profit**, and **Standard Turnover**.

Please note:

Annual Turnover, **Ordinary Payroll**, **Rate of Gross Profit**, and **Standard Turnover** are all subject to adjustments that will be made as may be necessary to provide for trends of the business and for variations in or special circumstances affecting the business either before or after the destruction or damage by a peril insured against or which would have affected the business had the destruction or damage by a peril insured against not occurred so that the figures thus adjusted shall represent as nearly as may be

reasonably practicable the results which but for the destruction or damage by the peril insured against would have been obtained during the relative period after the destruction or damage by a peril insured against.

4. GROSS RENTS

Option 4 is limited to a maximum recovery as shown on the Declaration Pages in any one occurrence. Unless a limit is shown on the Declaration Pages no coverage is provided.

1. INSURING AGREEMENT

The Insurer agrees with the Insured, subject to the terms and conditions expressed herein, that if destruction or damage occurs to the Insured **Property**, when such destruction or damage is covered elsewhere in this Policy, payment shall be made to the Insured for loss of **Gross Rents** on the following basis:

This Insurance is limited to loss of **Gross Rents** due to i. Reduction in **Gross Rents** and ii. Increase in cost of working, and the amount payable as indemnity thereunder shall be:

- i. **Reduction in Gross Rents:**
The amount by which the **Gross Rents** during the **Indemnity Period** shall, in consequence of the destruction or damage, fall short of the **Standard Gross Rents**;
- ii. **Increase in cost of working:**
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Rents** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the destruction or damage, but not exceeding the loss of **Gross Rents** thereby avoided, less any sum saved during the **Indemnity Period** in respect of Costs as may cease or be reduced in consequence of the damage.

2. PROVISIONS

Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to the loss shall not affect the right of the Insured to recover.

- i. If, on the happening of any loss, there is in force more than one Policy insuring the same interest, irrespective of If during the **Indemnity Period** services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured the money paid or payable in respect of such services shall be brought into account in arriving at the **Gross Rents** during the **Indemnity Period**.
- ii. The liability of the Insurer shall in no case exceed the total sum insured.
- iii. The Insurer shall not be liable for any loss due to fines or damages for breach of contract, or for any penalties of whatever nature.
- iv. On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this Policy, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with **Gross Rents** or to avoid or diminish the loss.
- v. The Insurer shall be liable for actual loss sustained hereunder, during the period of time, not exceeding two consecutive weeks from the date when, as a direct result of the peril(s) insured against, access to the premises described is prohibited by order of civil authority.
- vi. The Insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery of the Insured against any person and may bring action in the name of the Insured to enforce such rights.
- vii. Whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other Policy, it is a condition of this Policy that the claim hereunder shall be adjusted with the Insured on the basis that such Policy or policies will contribute a ratable proportion of the loss unless it is otherwise expressly agreed in writing.
- viii. No term or condition of this Policy shall be deemed to be waived by this 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 the investigation or adjustment of any claim under this Policy.

3. PERIOD OF INDEMNITY

When there is damage to property, the Insurer will cover the Insured's loss of business income for the shortest of the following periods, starting from the time of damage:

- i. the time required to resume the Insured's **Normal** business operations;
- ii. the time that is reasonably necessary to repair, rebuild or replace the damaged property, plus 90 days; or
- iii. as specified on the **Declaration Pages**.

If the Insured does not plan to resume operations, these same time limitations will apply except that the Insurer will not cover loss of business income for the additional 90 days after the time that would have been reasonably necessary to repair, rebuild or replace.

If damage involved was to a building being built or altered, the Insured can choose to have the period for which the Insurer will pay lost business income start on the date the Insured would have begun operations in the building, instead of the date of the damage.

The time limitations described above will apply, no matter when the period begins. If necessary, the Insurer will pay for lost business income beyond the date that this Policy expires, but the time limitations described above will still apply.

4. DEFINITIONS

The following words wherever used in Option 4. shall be construed to mean:

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this Policy.

Gross Rentals

The money paid or payable to the Insured by tenants in respect of rental of the premises.

Indemnity Period

The period beginning with the occurrence of the destruction or damage and ending not later than the expiration of the length of time indicated on the **Declaration Pages** thereafter during which the **Gross Rentals** shall be affected in consequence of the destruction or damage by a peril insured against.

Insured Property means **Insured Property** under PART 1 – PROPERTY of this Policy.

Normal

The condition that would have existed had no loss occurred.

Standard Gross Rentals

The **Gross Rentals** during that period in the length of time specified on the **Declaration Pages** immediately before the date of the destruction or damage by a peril insured against or which corresponds with the **Indemnity Period**.

To the annual Gross Rentals and **Standard Gross Rentals** such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting **Gross Rentals** either before or after the destruction or damage or which would have affected **Gross Rental** had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

All other terms and conditions of the PART 1 – PROPERTY remain unchanged.

In witness whereof, the Insurer has caused this Policy to be executed on the Declaration Pages.

**For purposes of the Insurance Companies Act (Canada), this document was issued
in the course of Berkley Insurance Company's insurance business in Canada.**

BerkleyOne
PART 4 – MISCELLANEOUS PROPERTY FLOATER

Coverage will only be provided if a limit of insurance is included on the Declaration Pages, PART 4 – MISCELLANEOUS PROPERTY FLOATER. If no limit of insurance is shown on the Declaration Pages, PART 4 – INLAND MARINE no coverage is provided.

1. INSURED PROPERTY

This form insures:

- a. the Insured's property, as described on the Declaration Pages or attached Miscellaneous Property Floater Schedule; and
- b. similar property of others in the Insured's custody or control and for which the Insured is legally liable; while it is anywhere within the limits of Canada and the continental United States.

2. INDEMNITY AGREEMENT

In the event that any of the property insured be lost, destroyed or damaged during the policy period by a peril insured against, the Insurer will indemnify the Insured to an amount not exceeding the limits of insurance specified on the **Declaration Pages** 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 **Declaration Pages**.

3. LIMITS OF LIABILITY

The Insurer shall not be liable under this form for more than the amount shown on **Declaration Pages** or shown on the attached Miscellaneous Property Floater Schedule (which amount is agreed to be the value of the property for the purposes of this insurance) in any one occurrence.

4. CO-INSURANCE

This clause applies separately to each location or division of the property insured and only where the total loss exceeds the lesser of 5% of the applicable limit of liability or \$10,000. This clause applies separately to each item shown on the **Declaration Pages** and/or on the attached Miscellaneous Property Floater Schedule.

The Insured agrees to maintain insurance concurrent with this PART on the insured property to the extent of at least the amount produced by multiplying the actual cash value of the property set out on the **Declaration Pages** and/or on the attached Miscellaneous Property Floater Schedule by 100%. If the Insured fails to do so, recovery under this PART will be restricted to 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. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds \$1,000, or any other dollar or percent amount shown as the deductible on the **Declaration Pages** in any one occurrence. If both a percentage deductible and dollar deductible are shown in on the **Declaration Pages**, the higher deductible will apply.

6. PERIL INSURED

This PART, except as otherwise provided, insures against all risks of direct physical loss of or damage to the property.

7. PERILS EXCLUDED

This PART does not (except as may be provided in Section 10. Extensions of Coverage) insure loss of or damage to:

- a. mechanical breakdown, but other loss or damage insured by this Policy following mechanical breakdown will not be excluded;
- b. latent defect, inherent vice, gradual deterioration or wear and tear;
- c. electrical disturbances to electrical 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 caused by such ensuing fire or explosion;
- d. corrosion, rust, dampness of atmosphere, freezing or extremes of temperature;
- e. rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril otherwise insured and not otherwise excluded under this form;
- f. misappropriation, secretion, conversion, infidelity or any dishonest act on your part or other party of interest, his or their employees or agents or any person or persons to whom the property may be entrusted (bailees for hire excepted);
- g. any mysterious disappearance or any loss or shortage disclosed on taking inventory;

- h. or resulting from delay, loss of market or loss of use;
- i. explosion, rupture or bursting of steam boilers, steam pipes, steam turbines, steam engines or flywheels, if any of the foregoing are owned, operated or controlled by you;
- j. or resulting from
 - (1) the weight of the load imposed on a machine and any attachments thereto exceeding the capacity for which such machine and equipment was designed, or
 - (2) the weight or any load (including the load block and any and all rigging) exceeding any limits set out in the manufacturer's specifications, capacity tables or rating sheets for the particular unit involved, or
 - (3) operating contrary to any instructions or recommendations set out in the manufacturer's specifications or capacity tables; or
- k. breaking through ice or subsidence of ice.

8. PROPERTY EXCLUDED

This form does not insure against loss of or damage to:

- a. automobiles, aircraft, watercraft, motorcycles or similar conveyances; money, notes, securities, accounts, bills, evidences of debt or valuable papers: plans, blueprints, designs or specifications;
- b. personal belongings or personal effects;
- c. property while located underground, in caissons or under water or on offshore rigs;
- d. property which has become a permanent part of any structure:
- e. property while waterborne, except while being transported on any regular ferry or in or on railway cars or transfers in connection therewith, this form insures against direct physical loss or damage to the property insured caused by fire or the standing, sinking or collision of the vessel, including general average and salvage charges;
- f. property while airborne, unless specifically endorsed hereon; or
- g. property which occurs while the property is actually being worked upon, and is directly caused by or resulting from such work or from 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.

9. VALUATION

The Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage will be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and will in no event exceed what it would then cost to repair or replace the same with material of like kind of quality.

10. DEFINITIONS

The following words wherever used in PART 4 – INLAND MARINE, MISCELLANEOUS PROPERTY FLOATER, shall be construed to mean:

Declaration Pages

The **Declaration Pages**, including any supplementary pages or schedule of coverage attached thereto, applicable to this policy.

In witness whereof, the Insurer has caused this Policy to be executed on the Declaration Pages.

**For purposes of the Insurance Companies Act (Canada), this document was issued
in the course of Berkley Insurance Company's insurance business in Canada.**

BerkleyOne
PART 5 - CRIME

Coverage will only be provided if limits of liability are included on the Declaration Pages, PART 5 - CRIME. If no limits of liability are shown on the Declaration Pages, PART 5 - CRIME no coverage is provided.

A. Insuring Agreements

1. Employee Dishonesty

Loss of **Money**, **Securities** and other property which the **Insured** shall sustain, to an amount not exceeding the amount specified in the **Declaration Pages** applicable to this Insuring Agreement, resulting directly from one or more fraudulent or dishonest acts committed by an **Employee**, acting alone or in collusion with others, *provided that*:

- I. Such fraudulent or dishonest acts:
 - a. are committed during the Policy Period specified in the **Declaration Pages**;
 - b. are committed by any **Employee** engaged in the regular service of the Insured within the territory specified in the **Declaration Pages**;
 - c. are discovered in accordance with General Condition #6; and
- II. Such dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such **Employee** with the manifest intent:
 - a. to cause the **Insured** to sustained such loss; and
 - b. to obtain financial benefit for the **Employee**, or for any other person or organization intended by the **Employee** to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit-sharing, pensions, or other employee benefits earned in the normal course of employment.

Loss Caused by Unidentifiable Employees

If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the **Employees** and the **Insured** shall be unable to designate the specific **Employee(s)** causing the loss, the **Insured** shall nevertheless have the benefit of this Insuring Agreement, subject to the provisions of this Policy, provided that the evidence submitted demonstrates, based on the preponderance of evidence, that the loss was due to the fraud or dishonesty of one or more of the said **Employees**, and provided further, that the aggregate liability of the **Insurer** for such loss shall not exceed the Limit of Liability applicable to this Insuring Agreement.

Cancellation as to any Employee

The insurance provided by this Insuring Agreement shall be deemed cancelled in respect of any **Employee** upon the effective date and at the time specified in a written notice mailed to the **Insured** by the **Insurer**. Such effective date shall not be less than fifteen (15) days after the date of mailing. The mailing by the **Insurer** of notice as aforesaid to the **Insured** at the address shown in the **Declaration Pages** shall be sufficient proof of notice. Delivery of such written notice by the **Insurer** shall be equivalent to mailing.

2. Loss Inside The Premises

I. Money and Securities

Loss of and/or damage to **Money** and **Securities**, occurring during the Policy Period specified in the **Declaration Pages**, up to the amount specified in the **Declaration Pages**, by the actual destruction, disappearance or wrongful abstraction thereof within the **Premises** or within any **Banking Premises** or similar recognized places of deposit.

II. Other Property

Loss of and/or damage to other property occurring during the Policy Period specified in the **Declaration Pages**, up to the amount specified in the **Declaration Pages**, and within the **Premises**, caused by:

- a. Safe Burglary
Felonious abstraction from within a vault or safe located within the **Premises**, *provided that*:
 - (i) the door of which is equipped with a combination lock and all doors thereof of are duly closed and locked by all combination locks thereon and,

- (ii) such loss or damage is committed by a person making criminal entry into such vault or safe and any vault containing the safe and,
- (iii) such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of such vault or safe.

Felonious abstraction of such safe from within the **Premises**.

b. **Robbery**

The taking of insured property from a custodian by violence, by putting him/her in fear of violence or by any other overt criminal act committed in his/her presence and of which he/she was actually cognizant and,

- (i) from within the **Premises** by compelling a **Messenger** or **Custodian** by violence or threat of violence while outside the **Premises** to admit a person into the **Premises** or to provide means of entry into the **Premises** or,
- (ii) from a showcase or show window within the **Premises** while regularly open for business, by a person who has broken the glass thereof from outside the **Premises**.

III. Cash Drawer, Cash Box or Cash Register

Loss of and/or damage to a locked cash drawer, cash box or cash register by felonious entry within the **Premises** or attempt thereat or by felonious abstraction of such container from within the **Premises** or attempt thereat occurring during the Policy Period up to the amount specified in the **Declaration Pages**.

IV. Damage to Premises

Damages to **Premises** occurring during the Policy Period specified in the **Declaration Pages**, following any of the perils listed in this Insuring Agreement, provided always that the Insured is the owner of the **Premises** or is liable for such damage.

3. Loss Outside The Premises

I. Money and Securities

Loss of and/or damage to **Money** and **Securities** occurring during the Policy Period, up to the amount and Territory specified in the **Declaration Pages**, caused by the actual destruction, disappearance or wrongful abstraction thereof outside the **Premises** while being conveyed by a **Messenger** or any armored motor vehicle company, or security company, or while within the living quarters in the home of any **Messenger**.

II. Other Property

Loss of and/or damage to other property occurring during the Policy Period, up to the amount and within the Territory specified in the **Declaration Pages** caused by:

a. **Theft or attempted theft**

Theft or attempt thereat while within the living quarters of any **Messenger**

b. **Robbery**

The taking from a **Messenger** or **Custodian** outside the **Premises** by violence, putting him/her in fear of violence, or any other overt criminal act committed in his/her presence and of which he/she was actually cognizant.

4. Money Orders And Counterfeit Paper Currency

Loss occurring during the Policy Period up to the amount specified in the **Declaration Pages** and within the Territory specified in the **Declaration Pages**, due to the acceptance in good faith, in exchange for merchandise, **Money** or services, of any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit Canadian or United States paper currency.

5. Depositors Forgery

Loss which the **Insured** or any bank, which is included in the **Insured's** proof of loss and with whom the **Insured** carries a chequing or savings account, as their respective interests may appear, shall sustain during the Policy Period up to the amount specified in the **Declaration Pages** through forgery or alteration of or in any cheque, draft, promissory note, bill of exchange or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the **Insured**, or made or drawn by one acting as agent of the **Insured**, or purporting to have been made or drawn as hereinbefore set forth, including:

a. **Fictitious Payee**

any cheque or draft made or drawn in the name of the **Insured**, payable to a fictitious payee and endorsed in the name of such fictitious payee;

b. **Procured by Third Parties**

any cheque or draft procured in a face to face transaction with the **Insured**, or with one acting as agent of the **Insured**, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one impersonated; and

c. **Payroll Cheques**

any payroll cheque, payroll draft or payroll order made or drawn by the **Insured**, payable to the bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Facsimile Signatures

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

Priority of Payment

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the **Insured** or such bank, shall be paid directly to the **Insured** in its own name, except in cases where such bank shall have already fully reimbursed the **Insured** for such loss. The liability of the **Insurer** to such bank for such loss shall be part of and not in addition to the amount of insurance applicable to the **Insured's** office to which such loss would have been allocated had such loss been sustained by the **Insured**.

Legal Fees, Costs or Expenses

If the **Insured** or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinabove set forth, alleging that such instruments are forged or altered, and such refusal shall result in legal proceedings being brought against the **Insured** or such bank to enforce such payment and the **Insurer** shall give its written consent to the defence of such proceedings, then any reasonable legal fees, court costs, or similar legal expenses incurred and paid by the **Insured** or such bank in such defence shall be construed to be a loss under this Insuring Agreement and the liability of the **Insurer** for such loss shall be in addition to any other liability under this Insuring Agreement.

6. Third Party Computer And Funds Transfer Fraud

Loss occurring during the Policy Period up to the amount specified in the **Declaration Pages** and within the Territory as specified in the **Declaration Pages**, resulting directly from:

I. Computer Fraud

The **Theft** of any of the **Insured's** property by **Computer Fraud**; or

II. Funds Transfer Fraud

The **Theft** of any of the **Insured's** funds from the **Insured's Transfer Account** at a **Financial Institution** through **Fraudulent Transfer Instructions** communicated to such **Financial Institution**.

Limit of Liability

Notwithstanding anything to the contrary contained herein the Limit of Liability set forth in the **Declaration Pages** for this Insuring Agreement is the maximum limit of the **Insurer's** liability to pay loss arising from one occurrence. All acts committed by any person or in which such person is involved or implicated will be considered one occurrence. Unless the circumstances conclusively demonstrate the contrary, all acts committed by unidentifiable persons will be considered to have been committed by one person. If loss arising from or attributable to an occurrence is insured under two or more Insuring Agreements or under both **I.** and **II.** of this Insuring Agreement the **Insurer's** liability will not be cumulative, and the **Insurer's** total liability on account of such loss shall not exceed the largest available Limit of Liability.

III. Computer Program and Electronic Data Restoration Expense

Reasonable **Restoration Expense** to restore or replace damaged or destroyed **Computer Programs** or **Electronic Data** stored within the **Insured's Computer System** directly caused by a **Computer Violation**.

For the purposes of **III.** of this Insuring Agreement, a single loss involving **Computer Program** and **Electronic Data Restoration Expense** applies to reasonable **Restoration Expense** incurred between the time the damage or destruction is discovered by the **Insured** and the time the **Computer Program** or **Electronic Data** is restored to the level of operational capability that existed immediately preceding a **Computer Violation**.

Payment of reasonable **Restoration Expense** applies:

- a. only to **Computer Programs** and **Electronic Data** owned by the **Insured** or for which the **Insured** is legally liable; and
- b. only if the **Insured** is unable to reproduce such **Computer Programs** or **Electronic Data** from back-up data copies.

The **Insurer** shall pay reasonable **Restoration Expense** pursuant to this section, subject to the sub-limit stated in the **Declaration Pages**, upon the completion of the restoration of the damaged or destroyed **Computer Programs** or **Electronic Data**. Such **Restoration Expense** shall be part of, and not in addition to, the Limit of Liability available for this Insuring Agreement.

In the event the **Insured** maintains any other valid and collectible insurance that is available to cover the expenses outlined under **III.** above, any coverage contained herein shall be specifically excess over such other insurance and shall not serve to contribute any amount until such other insurance has been fully exhausted.

7. Credit Card Forgery

Loss occurring during the Policy Period and within the Territory as specified in the **Declaration Pages**, resulting directly from:

I. Credit Card Forgery

Loss which the **Insured** shall sustain up to the amount specified in the **Declaration Pages** through forgery or alteration of, on or in any written instrument required in conjunction with any Credit Card issued to the **Insured** or to any partner, officer or employee of the **Insured** or to the **Insured's** spouse or any child residing permanently in the residence of the **Insured**; provided, however, that the **Insured** shall fully comply with the provisions, conditions and other terms under which such Credit Card shall have been issued.

II. Legal Fees

Reasonable legal fees, court costs or similar legal expenses incurred and paid by the **Insured** in defence of any proceedings brought against the **Insured** to enforce payment on any written instrument specified in the preceding paragraph, alleging that such instrument is forged or altered; provided, however, that such proceedings shall have resulted from the refusal of the **Insured** to pay the instrument, that the **Insurer** shall have given its written consent to the defence of such proceedings and that the **Insured** shall have fully complied with the provisions, conditions and other terms under which any Credit Card, as aforesaid, shall have been issued. The liability of the **Insurer** under this Insuring Agreement for such legal fees, court costs or similar legal expenses shall be in addition to any other liability under this Insuring Agreement.

B. General Definitions

- a) **Banking Premises** means the interior of that portion of any building which is occupied by a banking institution in conducting its business and within the Territory specified in the **Declaration Pages**.
- b) **Computer Fraud** means the wrongful conversion of assets under the direct or indirect control of a computer system by means of:
- (i) the fraudulent accessing of such computer system;
 - (ii) the insertion of fraudulent data or instructions into such computer system; or
 - (iii) the fraudulent alteration of data, programs or routines in such computer system.
- c) **Computer Program** means a set of related electronic instructions which direct the operations and functions of a **Computer System** or devices connected to it which enable the **Computer System** or devices to receive, process, store, retrieve, send, create or otherwise act upon **Electronic Data**.
- d) **Computer System** means a computer or network and all input, output, processing, storage and communication facilities and equipment which are connected to such a device and which the operating system or application software used by the **Insured** are under the direct operational control of the **Insured**. Off-line media libraries are deemed to be part of such **Computer System**.
- e) **Computer Violation** means:
- (i) a Computer Virus designed to damage or destroy a Computer Program or Electronic Data; or
 - (ii) vandalism by a natural person, including an **Employee**, who was gained unauthorized access to the **Computer System**.
- f) **Computer Virus** means a set of unauthorized instructions, programmatic or otherwise:
- (i) directed solely against the Insured; and
 - (ii) that propagate themselves through the Computer System or networks; provided that such instructions were maliciously introduced by a natural person.
- g) **Custodian** means the **Insured** or a partner of the **Insured** or any **Employee** who is duly authorized by the **Insured** to have the care and custody of the insured property within the **Premises**, excluding any person while acting as a watchman, porter or janitor.
- h) **Electronic Data** means facts or information converted to a form:
- (i) usable in a Computer System; or
 - (ii) which does not provide instructions or directions to a Computer System; or
 - (iii) which is stored on electronic processing media for use by a Computer Program.
- i) **Employee** means
1. (i) any natural person while in the regular service of the **Insured** in the ordinary course of the **Insured's** business during the Policy Period specified in the **Declaration Pages**, and
 - (ii) retired employees of the **Insured** or other natural persons who are in the service of the **Insured** in the capacity of consultants, whose engagement by the **Insured** is confirmed by written contract or agreement, while performing services for the **Insured** at any of the **Insured's** offices or **Premises** covered hereunder;
- whom the **Insured**:
- compensates by salary, wages or commissions, and
 - has the right to govern and direct in the performance of such services;

including any part-time or temporary employees subject to the above provisions.

2. students gaining work experience with the **Insured**.
3. any person(s) assigned to perform employee duties within the **Premises** for the **Insured** by any agency furnishing temporary personnel on a contingent or part-time basis; provided, however, that this policy does not cover any loss caused by such person(s) if such loss is also covered by any insurance or suretyship held by the agency furnishing such temporary personnel to the **Insured**.
4. any non-compensated officer of the **Insured**.

EXCLUDING:

- a. any director or trustee of the **Insured**, if a corporation, who is not also an officer or employee thereof in some other capacity,
 - b. any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character.
5. each natural person, partnership or corporation authorized by written agreement with the **Insured** to perform services as an electronic data processor of cheques or other accounting records of the **Insured** (not including preparation or modification of computer software or programs), herein called the "Processor" (each such Processor, and the partners, officers and employees of such Processor, shall, collectively, be deemed to be one **Employee** for all the purposes of this policy).
 6. natural person who is in a training position with the **Insured** and whose compensation is provided by public funds, while such person is performing services for the **Insured** at any of the **Insured's** offices or **Premises** covered hereunder, and whom the **Insured** has the right to direct and control while performing services for the **Insured**.

Any **Employee** as defined in paragraphs 1, 3 and 6 above, shall be deemed to be an **Employee** for up to a period of sixty (60) days following termination of employment, subject to General Condition #1.

- j) **Financial Institution** means:
- (i) a banking or saving institution; or
 - (ii) a stockbroker, mutual fund dealer or similar investment institution at which the Insured maintains a Transfer Account.
- k) **Fraudulent Transfer Instructions** means
- (i) fraudulent electronic, telegraphic, cable, Teletype, telex or telephone instructions to a **Financial Institution** to debit a **Transfer Account** and to transfer, pay or deliver funds from such account, which instructions purport to have been transmitted by the **Insured** or by a person duly authorized by the **Insured** to issue such instructions but which have been fraudulently transmitted by another, and
 - (ii) fraudulent written instructions (other than those described under Insuring Agreement #5) to a **Financial Institution** to debit a **Transfer Account** and to transfer, pay or deliver funds for such account through an electronic funds transfer system at specified times or under specified conditions, which written instructions purport to have been duly issued by the **Insured** but which have been fraudulently issued, forged or altered by another.
- l) **Insured** means the entity(ies) named on the **Declaration Pages**.
- m) **Insurer** means Berkley Insurance Company.
- n) **Messenger** means the **Insured** or a partner of the **Insured** or any **Employee** who is duly authorized by the **Insured** to have the care and custody of the insured property outside the **Premises**.
- o) **Money** means currency, coins, bank notes and bullion and travelers cheques, register cheques and money orders held for sale to the public.
- p) **Premises** means the interior of that portion of any building which is occupied by the **Insured** in conducting its business and within the Territory specified in the **Declaration Pages**.
- q) **Restoration Expense** means reasonable costs incurred to reproduce **Computer Programs** and **Electronic Data** and enable the **Insured** to restore its **Computer System** to the level of operational capability that existed immediately preceding a **Computer Violation**.

Restoration Expense does not include:

- (i) internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;
- (ii) (expenses incurred as a result of the reconstruction of Computer Programs and Electronic Data recorded on media, including but not limited to, magnetic or optical media if there are no analyses files, specifications or backups of Computer Programs or Electronic Data held outside the Premises;
- (iii) expenses incurred as a result of the reconstruction of Computer Programs and Electronic Data if an Insured knowingly used illegal copies of programs;

- (iv) expenses incurred to render the Computer Programs and Electronic Data usable by replacement processing equipment;
 - (v) expense incurred to design, update or improve Computer Programs or Electronic Data or to perfect their operation or performance;
 - (vi) expenses incurred as a result of alteration in Computer Programs and Electronic Data held on magnetic media due to the effect of magnetic fields; incorrect usage of the Computer Programs and Electronic Data, or the obsolescence of the Computer System;
 - (vii) lost revenue, sales or profits; or
 - (viii) expenses incurred by any customer.
- r) **Theft** means the intentional and unlawful taking of insured property to the deprivation of the **Insured**.
- s) **Transfer Account** means an account, maintained by the **Insured** at a **Financial Institution**, from which the **Insured** or the **Insured's** authorized representatives may cause the transfer, payment or delivery of funds:
- (i) by means of electronic, telegraphic, cable, Teletype, tested telex or telephone instructions (communicated directly or through a cash management service of funds transfer system), or
 - (ii) by means of written instructions (other than those described in Insuring Agreement 5) establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer.
- t) **Securities** means all negotiable and non-negotiable instruments or contracts representing either money or property and includes revenue and other stamps in current use, tokens and tickets, but does not include **Money**.

C. Exclusions

This policy does not apply:

(Applicable to Insuring Agreement 1 – Employee Dishonesty):

- a. to loss, or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent solely upon an inventory computation or a profit and loss computation; provided that, where an **Insured** establishes wholly apart from such computations that it has sustained a loss covered under Insuring Agreement 1, then such **Insured** may offer its inventory records and other computations in support of other evidences in as to the amount of loss claimed;
- b. to any **Employee** from and after the time that the **Insured** or any partner or officer thereof not in collusion with such **Employee** shall have knowledge or information that such **Employee** has committed any dishonest or fraudulent act whether such act be committed before or after the date of employment by the **Insured**;
- c. if, prior to the issuance of this policy, any fidelity insurance in favour of the **Insured** or any predecessor in interest of the **Insured** and covering one or more of the **insured's Employees** shall have been cancelled as to any such **Employees** by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the **Insurer** or not, and if such **Employees** shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the **Insurer** shall not be liable on account of such **Employees** unless the **insurer** shall agree in writing to include such **Employees** within the coverage of Insuring Agreement 1;

(Applicable to Insuring Agreement 2 – Loss Inside the Premises):

- d. to loss of and/or damage to **Money** contained in coin-operated amusement devices or vending machines, unless the amount of **Money** deposited within the device or machine is recorded by a continuous recording instrument therein;
- e. to loss of and/or damage, other than loss of and/or damage to **Money**, **Securities**, caused by fire howsoever caused;

(Applicable to Insuring Agreement 3 – Loss Outside the Premises):

- f. to loss of and/or damage to insured property while in the custody of any armored motor vehicle company or security company unless such loss and/or damage is in excess of the amount recovered, recoverable, received by the **Insured** under:
 - (i) the **Insured's** contract with said armored motor vehicle company or security company, or
 - (ii) any insurance and/or indemnity in force in whatsoever form carried by the said armored motor vehicle company or security company for the benefit of users of its services, and then this Insuring Agreement 3 shall only cover such excess amount.

(Applicable to Insuring Agreements 2 – Loss Inside the Premises & 3 – Loss Outside the Premises):

- g. to loss due to any fraudulent, dishonest or criminal act by an employee, director, partner, trustee or authorized representative of any **insured**, while working or otherwise and whether acting alone or in collusion with others, provided that this exclusion does not apply to safe burglary or robbery or attempt thereof;

- h. to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- i. to loss:
 - (i) due to the giving or surrendering of **Money** or **Securities** in any exchange or purchase,
 - (ii) due to accounting or arithmetical errors or omissions,
 - (iii) of or to manuscripts, books of account or records;
- j. to loss due to nuclear reaction, nuclear radiation or radioactive contamination or to any act or condition incident to any of the foregoing;

(Applicable to Insuring Agreement 6 – Third Party Computer & Funds Transfer Fraud):

- k. to loss:
 - (i) resulting from loss of computer time or use;
 - (ii) resulting from unintentional errors or omissions;
 - (iii) to loss due to the voluntary giving or surrendering of insured property in a purchase or exchange, whether legitimate or fraudulent;
 - (iv) to loss due to any fraudulent, dishonest or criminal act by an **Employee**, director, trustee or authorized representative of any **Insured**, while working or otherwise and whether acting alone or in collusion with others;
- l. to the benefit of any **Financial Institution** (other than the **Insured**) or to any electronic funds transfer system or electronic data processor and any coverage hereunder shall be specifically excess of any indemnity from or insurance taken for the benefit of customers of any of the aforesaid;

(Applicable to all Insuring Agreements):

The insurance provided by this policy excludes:

- m. loss due to any fraudulent, dishonest or criminal act by any **Insured** or a partner therein, whether acting alone or in collusion with others;
- n. the costs of defending any legal proceeding brought against the **Insured**, or the fees, costs or expenses incurred or paid by the **Insured** in prosecuting or defending any legal proceeding, whether or not such proceeding results or would result in a loss to the **Insured** covered by this policy, except as may be specifically stated to the contrary under Insuring Agreements 5 and 7 of this policy;
- o. loss of potential income, including but not limited to interest and dividends, not realized by the **Insured** because of a loss covered under this policy;
- p. damages of any type for which the **Insured** is legally liable, except direct compensatory damages arising from a loss covered under this policy;
- q. costs, fees and other expenses incurred by the **Insured** in establishing the existence of or the amount of loss covered under this policy, except as may be specifically stated to the contrary under General Condition #9 of this policy;
- r. loss due to loss of and/or damage to proprietary information, trade secrets, confidential processing methods, or other confidential information of any kind;
- s. loss due to the surrender of **Money**, **Securities** and other property away from the **Premises** as a result of a threat to do:
 - (i) bodily harm to any person, or
 - (ii) damages to the **Premises** or property owned by the **Insured** or held by the **Insured** in any capacity; provided, however, this exclusion does not apply: (A) to Insuring Agreement 1 if coverage is afforded thereunder, or (B) to Insuring Agreement 3 in respect of loss of **Money**, **Securities** or other property while being conveyed by a **Messenger** when there was no knowledge by the **Insured** of any such threat at the time the conveyance was initiated;
- t. loss under Insuring Agreements 5 & 7 through forgery or alteration of, on or in any instrument, if such forgery or alterations is committed by any **Employee** or by any person in collusion with any **Employee**.

D. General Conditions

(Applicable to all Sections unless otherwise stated)

1. Termination or Cancellation

This policy terminates in its entirety upon occurrence of any of the following:

- (a) No less than sixty (60) days after the receipt by the **Insured** of a written notice from the **Insurer** of its desire to cancel this policy, and no less than fifteen (15) days if cancelled for non-payment of premium; or

- (b) Immediately upon the receipt by the Insurer of a written notice from the Insured of its desire to cancel this policy; or
- (c) Immediately upon the taking over of the Insured by a receiver or other liquidator or by Provincial, Federal or State officials; or
- (d) Immediately upon the taking over of the **Insured** by another institution or entity.

The **Insurer** shall, on request, refund to the **Insured** the unearned premium, computed pro rata, if this policy be terminated or cancelled or reduced by notice from or at the instance of, the **Insurer**, or if terminated or cancelled as provided in subsection (c) or (d) of the preceding paragraph. The **Insurer** shall refund to the **Insured** the unearned premium computed at short rates if this policy be terminated or cancelled or reduced by notice from, or at the instance of the **Insured**. Failure or delay in tendering such unearned premium shall not delay or impair the termination or cancellation of the attached policy.

2. Additional Offices or Employees and Consolidation, Merger or Acquisition

- a. If the **Insured** shall, while this policy is in force:
 - (i) establish any additional offices other than by consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity; or
 - (ii) create a legal corporate entity that is controlled and managed by the Insured, and the newly created entity is more than 50% owned by one or more of the Insureds;

such offices or newly created entities shall be automatically covered hereunder from the date of such establishment or creation without the requirement of notice to the **Insurer** or the payment of additional premium for the remainder of the Policy Period.

- b. If the **Insured** shall, while this policy is in force, consolidate or merge with, or purchase or acquire assets or liabilities of, another entity, the **Insured** shall have such coverage as is afforded under this policy for loss which:
 - (i) has occurred or will occur in offices or premises, or
 - (ii) has been caused or will be caused by an employee or employees of such entity, or
 - (iii) has arisen or will arise out of the assets or liabilities
- c. acquired by the **Insured** as a result of such consolidation, merger or purchase or acquisition of assets or liabilities without the requirement of notice to the **Insurer** or the payment of additional premium for the remainder of the Policy Period, provided the entity has:
 - (i) assets in the amount of 20% or less of the consolidated assets of the **Insured** as at the date of such action;
 - (ii) no more than 20% of the consolidated number of employees; and
 - (iii) not incurred any employee dishonesty losses in the past three (3) years.
- d. If any of the conditions under items (c): (i) through (iii) above, are not met, the **Insured** shall not have coverage as is afforded under this policy for loss which:
 - (i) has occurred or will occur in offices or premises, or
 - (ii) has been caused or will be caused by an employee or employees of such entity, or
 - (iii) has arisen or will arise out of the assets or liabilities
- e. acquired by the **Insured** as a result of such consolidation, merger or purchase or acquisition of assets or liabilities unless the **Insured**:
 - (i) gives the **Insurer** written notice of the consolidation, merger or purchase or acquisition of assets or liabilities within sixty (60) days after the effective date of such action; and
 - (ii) obtains the written consent of the **Insurer** to extend the coverage provided by the policy to such additional offices or premises, employees and other exposures; and
 - (iii) upon obtaining such consent, pay to the **Insurer** an additional premium.

3. Joint Insured

(a) First Named Insured

- (i) if more than one **Insured** is covered under this policy, the **insured** first named shall act for itself and for every other **Insured** for all purposes of this policy.
- (ii) payment of any loss under this policy by the **Insurer** to the **Insured** first named shall fully release the **Insurer** on account of such loss.
- (iii) if the **Insured** first named ceases for any reason to be covered under this policy, then the **Insured** next named shall thereafter be considered as the **Insured** first named for all purposes of this policy.

(b) Knowledge or Discovery by Insured

Knowledge possessed or discovery made by any **Insured** or by any partner, director or officer thereof shall for the purposes of Exclusion (b), the cancellation condition contained in Insuring Agreement 1, and General Conditions #12, 13, and 14 of this Policy constitute knowledge possessed or discovery made by every **Insured**.

(c) Cancellation

- (i) Cancellation of the insurance hereunder as respects any employee as provided under the cancellation condition applicable to Insuring Agreement 1, shall apply to every **Insured**.

- (ii) If, prior to the cancellation or termination of this Policy, this Policy or any Insuring Agreement hereof is cancelled or terminated as to any **Insured**, there shall be no liability for any loss sustained by such **Insured** unless discovered within the terms of General Condition #6.

(d) *Limit of Liability – Named Insured*

The liability of the **Insurer** for loss sustained by any or all of the **Insured** shall not exceed the amount for which the **Insurer** would be liable had all such loss been sustained by any one of the **Insured**.

4. Limits of Liability

The payment of any loss under this policy shall not reduce the **Insurer's** liability for other losses; provided, however, that the maximum liability of the **Insurer** shall not exceed the amount set forth on the **Declaration Pages** or endorsement amendatory thereto applicable to:

- (a) *Insuring Agreement 1* – for all loss by any **Employee** or in which such **Employee** is concerned or implicated, regardless of when, during the period of this policy or prior thereto, such acts concerned.
- (b) *Insuring Agreements 5 & 7* – for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments.
- (c) *All other Insuring Agreements* – for the total limit of the **Insurer's** liability with respect to all loss of property of one or more persons or organizations arising out of one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the **Premises**, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid, the limit for the **Insurer's** liability as specified in the **Declaration Pages** shall not be cumulative from year to year or period to period.

5. Limit of Liability under this Policy and Prior Insurance

With respect to loss as covered under Insuring Agreements 1, 5 & 7 which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the **Insurer** to the **Insured** or to any predecessor in interest of the **Insured** and are terminated and cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the **Insurer** under this policy and under such other bonds and policies shall not exceed, in the aggregate, the amount carried under Insuring Agreements 1, 5 & 7 of this policy on such loss or the amount available to the **Insured** under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

6. Discovery Period

Loss is covered under this policy only if discovered during the Policy Period or the Discovery Period.

The Discovery Period under this policy with respect to any loss will not be greater than the number of months specified on the **Declaration Pages**, following the termination of this policy or of the coverage under this policy which applies to such loss or cancellation or termination of this policy as to any **Insured**.

7. Deductible and Other Insurance

Coverage under this policy will be excess of the greater of the following amounts with respect to each and every loss:

- (a) the Deductible Amount(s) set forth in ITEM 5 of the **Declaration Pages**, or
- (b) the amount of any other valid and collectible insurance or suretyship available to the **Insureds** on account of such
- (c) other insurance or suretyship is stated to be primary, excess, contributing, contingent or otherwise, unless such other insurance or suretyship is written only as specific excess insurance over the limits of liability provided under this policy, and then for such excess only, but in no event for more than the applicable limit of liability stated on the Declaration Pages.

All loss caused by acts committed by any person or in which such person is concerned or implicated and/or arising from any one occurrence (as set forth under General Condition #4 of this policy) will be considered a single loss for the purpose of this Condition. If a loss is covered in part under this policy and in part under a prior similar policy or bond superseded by this policy, the Deductible Amount(s) applicable to such loss under the policy will be reduced by the amount of any deductible(s) actually applied to such loss under such other policy or bond.

8. Ownership of Money or Other Property

The insured property (including **Money** and **Securities**) may be owned by the **Insured**, or held by the **Insured** in any capacity whether or not the **Insured** is liable for the loss thereof, or may be property as respects which the **Insured** is legally liable, provided that Insuring Agreements 2, 3 & 4:

- (a) apply only to the interest of the **Insured** in such property, including the **Insured's** legal liability to others, and
- (b) do not apply to the interest of any person or organization in such property unless included in the **Insured's** proof of loss, in which event General Condition 14 of this policy is applicable to them

9. Audit Expenses

This policy is extended to indemnify the **Insured** for reasonable expenses incurred by the **Insured** for services of independent outside accountants, with the prior approval of the **Insurer**, to determine the amount and extent of a loss falling under the terms of this policy. The total amount payable by reason of this extension is limited to ten percent (10%) gross amount of the loss so

established, before Deductible, or Fifty Thousand dollars (\$50,000), whichever is less, and will be part of and not in addition to the limit of liability stated on the **Declaration Pages**. This extension shall not apply in respect of losses falling within the Deductible stated on the **Declaration Pages**.

10. Loss under Prior Bond or Policy

If the coverage of any Insuring Agreement of this policy is substituted for any prior bond or policy of insurance carried by the **Insured** or by any predecessor in interest of the **Insured**, which prior bond or policy is terminated, cancelled or allowed to expire as of the time of such substitution, the **Insurer** agrees that such Insuring Agreement applies to loss which is discovered as provided under General Condition #6 of this policy and which would have been recoverable by the **Insured** or such predecessor under such prior bond or policy except for the fact that the time within which to discover such loss thereunder had expired provided that:

- (a) the insurance under this Condition shall be part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Policy;
- (b) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its terms, conditions and limitations as of the time such substitution was in force when the acts or events causing the loss were committed or occurred; and
- (c) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

11. Cancellation of Prior Insurance

The **Insured** by the acceptance of this policy gives notice to the **Insurer** terminating or cancelling prior policy(ies) or bond(s) issued by the **Insurer** as stated on the **Declaration Pages**, such termination or cancellation is effective as of the time this policy becomes effective.

12. Notice, Proof of Loss and Action against the Underwriter

Upon knowledge or discovery (as provided under General Conditions 3(b) and 14 of this policy) of loss or of an occurrence which may give rise to a claim for loss, the **Insured** shall:

- (a) give notice as soon as practicable, not to exceed sixty (60) days, to the **Insurer** or any of its authorized agents and, except under Insuring Agreements 1, 5 & 7, also to the police if the loss is due to a violation of law, and
- (b) file detailed proof of loss, duly sworn to (which includes but is not limited to a completed proof of loss form in the format agreed by the **Insurer**), with the **Insurer**, within six (6) months from the discovery or knowledge of the loss, or within such further period as agreed to in writing by the **Insurer**.

Proof of loss under Insuring Agreements 5 & 7 shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the **Insured** or the **Insured's** bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until ninety (90) days after the required proof of loss have been filed with the **Insurer**, nor at all unless commenced within two (2) years from the date when the **Insured** discovered the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

13. Submission of Records & Co-operation

Upon the **Insurer's** request, the **Insured** shall submit to examination by the **Insurer**, subscribe the same, under oath if required, and produce for the **Insurer's** examination any and all pertinent records, all at such reasonable times and places as the **Insurer** shall designate, and shall co-operate with the **Insurer** in all matters pertaining to loss or claims with respect thereto.

14. Knowledge or Discovery of Loss

Knowledge of discovery occurs when the **Insured** first becomes aware of facts which would cause a reasonable person to assume that a loss covered by this policy has been or will be incurred, even though the exact amount or details of the loss may not then be known.

15. Basis of Valuation

(a) *Securities*

In no event shall the **Insurer** be liable as respects **Securities** for more than the actual cash value thereof, at the close of business on the business day next preceding the day on which the loss was discovered.

(b) *Books of Accounts and Records*

In the case of loss of or damage to property consisting of books of accounts or other records (other than electronic data) used by the **Insured** in the conduct of their business, the **Insurer** shall be liable under this policy only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which shall have been furnished by the **Insured** in order to reproduce such books and other records.

(c) *Electronic Data*

In the event that a loss as covered under this policy results in the destruction, erasure or theft of electronic data used by the **Insured** while such data are stored within the **Insured's** computer system, the **Insurer** shall be liable under this policy if such data are actually reproduced and coverage hereunder shall only apply to the cost of labour for the actual transcription or copying of data, which shall have been furnished by the **Insured** in order to reproduce such Electronic Data.

(d) *Damage to Premises*

In the case of damage to the **Premises**, the **Insurer** shall not be liable for more than the actual cost of repairing such **Premises** with material of like quality and value.

(e) *Foreign Currency*

If a foreign currency (being a currency other than the currency in which this policy is written) is involved in a loss sustained by the **Insured** under this policy, then for the purpose of any calculation required in the settlement of a loss, the rate of exchange shall be the free rate of exchange on the date of such settlement.

(f) *Other Property*

In no event shall the **Insurer** be liable as respects other property (not included in the above), for more than the actual cash value thereof at the time of loss or for more than the actual costs of repairing such other property or of replacing same with property or material of like quality and value, provided however, the actual cash value of such other property held by the **Insured** as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the **Insured** when making the advance of loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

16. Settlement of Loss

- (a) The **Insurer** may, with the consent of the **Insured**, settle any claim for loss of property with the owner thereof. Any property for which the **Insurer** has made indemnification shall become property of the **Insurer**.
- (b) The **Insurer** may, at its sole discretion, pay such actual cash value, or make such repairs or replacements. If the **Insurer** and the **Insured** cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

17. Recoveries

If the **Insured** shall sustain any loss covered by this policy to which a Deductible Amount applies and such loss exceeds the applicable amount of insurance hereunder plus such Deductible Amount, the **Insured** shall be entitled to all recoveries made after payment by the **Insurer** of loss covered by this policy (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the **Insurer**) by whomsoever made, less the actual costs of effecting such recoveries, until reimbursed for such excess loss; and any remainder, or, if there be no such excess loss, any such recoveries shall be applied first in reimbursement of the **Insurer** and thereafter in reimbursement of the **Insured** for that part of such loss within such Deductible Amount.

18. Subrogation

In the event of any payment under this policy, the **Insurer** shall be subrogated to all the **Insured's** rights of recovery therefor against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after loss to prejudice such rights.

19. Acceptance of Policy

By acceptance of this policy, the **Insured** agrees that it embodies all agreements existing between the **Insured** and the **Insurer** or any of its agents relating to this insurance.

20. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the **Insurer** from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy signed by an officer of the **Insurer**.

21. No Benefit to Bailee

(Applicable to Insuring Agreements 2 & 3)

The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

22. Assignment

Assignment of interest under this policy shall not bind the **Insurer** until its consent is endorsed hereon.

In witness whereof, the Insurer has caused this Policy to be executed on the Declaration Pages.

**For purposes of the Insurance Companies Act (Canada), this document was issued
in the course of Berkley Insurance Company's insurance business in Canada.**

STATUTORY CONDITIONS
(Applicable to all Provinces except the Province of Quebec which follows the Civil Code)

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Form except those specifically stated to apply only to other PARTS.

STATUTORY CONDITIONS, Clause 5. TERMINATION does not apply to PART 5 - CRIME.

PART 5 - CRIME, Section D. General Conditions, 1. Termination or Cancellation will remain unchanged.

1. MISREPRESENTATION

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within Fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. TERMINATION

- a. This contract may be terminated:
 - i. by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered;
 - ii. by the Insured at any time on request;
- b. Subject to c. below, the Insurer may terminate this Policy by mailing or delivering to the Insured:
 - i. 5 days written notice of termination personally delivered, or
 - ii. 15 days notice of termination by registered mail if termination is for non-payment of premium, or
 - iii. 30 days notice of termination by registered mail if termination is for any other reasonRegistered mail termination takes effect 15 or 30 days after the registered letter or notification of it is delivered to the Insured's postal address. Proof of mailing will be sufficient proof of notice.
- c. To the extent that the Civil Code of the Province of Quebec is applicable to this Policy, the termination conditions are as per the Civil Code.
- d. The Insurer will mail or deliver notice to the Insured's mailing address last known to the Insurer.
- e. The Policy period will end on the date the termination takes effect.
- f. If this Policy is terminated, we will send the Insured any premium refund due. If we terminate, the refund will be pro rata. If the Insured terminates, the refund may be less than pro rata. The termination will be effective even if the Insurer has not made or offered a refund.

6. REQUIREMENTS AFTER LOSS

- a. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of Conditions 9, 10 and 11:
 - i. forthwith give notice thereof in writing to the Insurer;
 - ii. deliver as soon as practicable to the Insurer a Proof of Loss verified by a Statutory Declaration.
 - A. Giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed.

- B. Stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes.
- C. Stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured.
- D. Showing the amount of other insurances and the names of other Insurers.
- E. Showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property.
- F. Showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract.
- G. Showing the place where the property insured was at the time of loss.
- iii. if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
- iv. if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by Statutory Declaration, and furnish a copy of the written portion of any other contract.

- b. The evidence furnished under Clauses (iii) and (iv) of subparagraph (a) of this condition shall not be considered Proofs of Loss within the meaning of Conditions 12 and 13.

7. FRAUD

Any fraud or willfully false statement in a Statutory Declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

8. WHO MAY GIVE NOTICE AND PROOF

Notice of loss may be given, and Proof of Loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. SALVAGE

- a. The Insured in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- b. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph (a) of this condition according to the respective interests of the parties.

10. ENTRY, CONTROL, ABANDONMENT

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

11. APPRAISAL

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after Proof of Loss has been delivered.

12. WHEN LOSS PAYABLE

The loss is payable within Sixty (60) days after completion of the Proof of Loss, unless the contract provides for a shorter period.

13. REPLACEMENT

- a. The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within Thirty (30) days after receipt of the Proofs of Loss.
- b. In the event the Insurer shall commence to so repair, rebuild, or replace the property within Forty-Five (45) days after receipt of the Proofs of Loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. ACTION

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

15. NOTICE

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

Notwithstanding the foregoing, all notices to the Insurer under this Policy shall be given in writing addressed to:

Berkley Canada
Attn: Claims
145 King Street West
Suite 1000
Toronto, ON M5H 1J8

GENERAL POLICY COVERAGE CONDITIONS

All the General Provisions, Conditions, Exclusions and Definitions of the Policy apply to this Form except those specifically stated to apply only to other PARTS.

1. ASSIGNMENT

Assignment of this Policy will not be valid except with our written consent. However, in the event of your death, the insurance afforded by this Policy will apply to your legal representative but only while acting within the scope of his or her duties as such.

2. CONFORMITY WITH STATUTE

Where the terms of this Policy and forms attached hereto are in conflict with the Statutes of the Province in which the premises insured are located, such terms are amended to conform to such Statutes.

3. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this Policy at any time during the Policy period and up to three years afterward.

4. INSPECTIONS AND SURVEYS

- a. We have the right to:
 - i. Make inspections and surveys at any time;
 - ii. Give you reports on the conditions we find; and
 - iii. Recommend changes.
- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.

5. LIBERALIZATION

If, during the Policy period, we review, by law or otherwise, the terms and conditions of the forms and endorsements belonging of the Policy, as to broaden the insurance coverage without an additional premium charge, such extended or broadened insurance will become a term of this Policy and will be used to your benefit.

6. NOTICE

Any written notice to us may be delivered at or sent by registered mail to the agent/broker through whom this Policy was issued or to any of our branches in Canada. Written notice may be given to you by letter personally delivered to you or by registered letter addressed to you at your last post office address notified to us; or, except in Quebec, where no address is notified and the address is not known, addressed to you at the post office of the agency, if any, from which the application was received. In this condition, the expression "Registered" will mean registered in or outside Canada. Notice to the first Insured named on the Declaration Pages will constitute notice to all Insureds.

7. TERMINATION OF INSURANCE

This Policy may be terminated in accordance with Statutory Condition 5. or, if applicable, article 2477 of the Civil Code of the Province of Quebec, Title Fifth of Insurance (replaced 1974, Bill 7,s.2) subject to the following modifications:

- a. We agree that where notice of termination is not personally delivered and termination is for any reason other than non-payment of premium, we will not terminate this Policy without first giving to you thirty days' written notice of termination by registered mail or five days' notice if personally delivered.
- b. Except in the Province of Quebec, the thirty days mentioned in sub condition a. of this provision commences to run on the day following receipt of the registered letter at the post office to which it is addressed.
- c. In the Province of Quebec, the thirty days mentioned in sub condition a. of this provision commences to run from the date of receipt of the notice of termination at your latest known address.

8. BANKRUPTCY

Your bankruptcy or insolvency or your estates' bankruptcy or insolvency will not relieve us of our obligations under this Policy.

9. IMPAIRMENT OF RECOVERY RIGHTS

Any act or agreement by you before or after a loss or damage whereby any of your rights to recover in whole or in part for loss or damage to property covered under the terms of this agreement against any carrier, bailee or other party liable therefore, is released, impaired or lost, will render this insurance null and void, but your right to retain or recover the premium will not be affected. We are not liable for any loss or damage which, without our written consent, has been settled or compromised by you. It shall, however, be permissible for you, without prejudice to this insurance, to accept the ordinary bills of lading or shipping receipts issued by carriers limiting their liability to less than the actual value.

10. INSURANCE UNDER MORE THAN ONE PART

In the event of loss or damage to property covered under the terms of this Policy, we will not, under any circumstances, be liable for more than the actual loss sustained by you, even though more than one PART applies to such loss.

11. NO BENEFIT TO BAILEE

It is warranted by you that this Policy will in no way be used directly or indirectly to the benefit of any carrier or other bailee for hire.

12. NOTICE TO AUTHORITIES

Where loss is due to malicious acts, theft, burglary, robbery, or attempt thereof, or is suspected to be so due, you must give immediate notice thereof to the Insurer (us) or other authorities having jurisdiction.

13. PROPERTY OF OTHERS

At our option, any loss may be paid to you or adjusted with and paid to the customer or the owner of the property.

14. CANADIAN CURRENCY CLAUSE

All limits of insurance, premiums and other amounts as expressed in this Policy are in Canadian currency.

15. CHANGES

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declaration Pages is authorized to make changes in the terms of this Policy with our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

16. LEGAL ACTION AGAINST US

No person or organization has a right under this form:

- a. To join us as a party or otherwise bring us into an "action" asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

17. PREMIUM AUDIT

- a. We will compute all premiums for this Policy in accordance with our rules and rates.
- b. Premium shown in this Policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the Policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declaration Pages of this Policy.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

18. PREMIUMS

The first Named Insured shown in the Declaration Pages:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

19. REPRESENTATIONS

By accepting this Policy, you agree:

- a. The statements in the Declaration Pages are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

20. SEPARATION OF INSURED, CROSS LIABILITY

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "action" is brought.

21. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.

22. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS FORM

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

23. BREACH OF CONDITIONS

If you do not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable. We will not deny a claim for this reason if you prove that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if you fail to comply with a condition in part of the premises over which you have no control.

24. CLAIMS AGAINST THIRD PARTIES

In the event of any loss of or damage to the property covered under the terms of this Policy, you must immediately make a claim in writing against the carrier(s), bailee(s) or others involved.

25. PAIRS, SETS AND PARTS

- a. In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such articles will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of set.
- b. In the case of loss of or damage to any part of the Insured property whether scheduled or unscheduled, consisting, when complete for use, of several parts, we are not liable for more than the Insured value of the part lost or damaged, including the cost of installation.

26. DECLARATION OF EMERGENCY ENDORSEMENT EXTENSION OF TERMINATION OR EXPIRY DATE

The effective date of termination of this Policy by the Insurer or the expiry date of this Policy is extended, subject to the conditions and definitions set out below, as follows when an **emergency** is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The **emergency** must have a direct effect or impact on:
 - a. the Insured, the Insured site or insured property located in the declared emergency area; or
 - b. the operations of the Insurer or its agents/broker location in the declared emergency area.
2.
 - a. Any time limitation described in the Termination condition of this Policy, with respect to termination of this Policy by the Insurer, will not continue to run until the **emergency** is terminated plus the lesser of:
 - i. 30 days; or
 - ii. the number of days equal to the total time the **emergency** order was in effect.
 - b. If this Policy is due to expire during an **emergency**, it will continue in force until the **emergency** is terminated plus the lesser of:
 - i. 30 days
 - ii. the number of days equal to the total time the **emergency** order was in effect.
3. In no event shall the total term of this extension exceed 120 consecutive days. The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

Emergency means the first statutory declaration of an emergency:

- i. With respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the force of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
 - ii. As provided by the relevant governing legislation if different from 1.
- But does not include any subsequent statutory declaration(s) that may be issued related to the same event.

GENERAL PROPERTY COVERAGE CONDITIONS

Applicable only to PART 1 – PROPERTY, PART 2- EQUIPMENT BREAKDOWN and PART 3 – BUSINESS INCOME.

1. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Policy is void as to all Insureds in any case of fraud by any Insured as it relates to this Policy at any time. It is also void if any Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Policy;
- b. The Insured Property;
- c. The Insured's interest in Insured Property; or
- d. A claim under this Policy.

2. CONFORMITY TO STATUTES

Any provisions required by law to be included in policies issued by the Insurer shall be deemed to have been included in this Policy.

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy shall be read so as to eliminate such conflict or deemed to include such provisions for Insured Locations within such jurisdictions.

3. CONTROL OF DAMAGED GOODS

In the event of direct physical loss of or damage to Finished Stock caused by a Covered Cause of Loss; this Policy gives control of the physically damaged property as follows, all subject to d. of this clause:

- a. The Insured will have full rights to the possession and control of damaged property in the event of Insured direct physical loss or damage to such property provided the Insurer agrees that the property is physically damaged.
- b. The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- c. Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- d. The salvage value of property that is claimed damaged shall be determined at the time of loss. The Insured will allow the Insurer to deduct from the amount of loss otherwise payable, the fair market value of such salvage, which could have been obtained on any sale or other disposition of goods or products through normal insurance industry salvage practices.

4. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency designated on the Declaration Pages, unless directed otherwise by the Insured. In the event of a loss adjustment involving Local Currency, the exchange-selling rate will be calculated as follows:

- a. As respects to the calculation of Deductibles and Limits of Liability, the rate of exchange published by The Bank of Canada on the date of settlement.
- b. As respects to direct physical loss or damage to Real and Personal Property:
 - i. The cost to repair or replace Real and Personal Property will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published by The Bank of Canada on the date of settlement.
 - ii. If such property is not replaced or repaired, the conversion will be based on the rate of exchange published by The Bank of Canada on the date of loss.

- c. As respects to Time Element loss the conversion will be based on the average of the rate of exchange published by The Bank of Canada on the date of loss and the rate of exchange published by The Bank of Canada on the last day of the Period of Liability.

If The Bank of Canada rate was not published on the stipulated date, the rate of exchange will be as published on the next business day.

5. INSPECTIONS AND SURVEYS

- a. The Insurer has the right but not the obligation to make inspections and surveys at any time, to give the Insured reports on the conditions found, and to recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public, nor does it represent that conditions are safe, healthful, or comply with laws, regulations, codes or standards.

This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization that makes insurance inspections, surveys, reports or recommendations for or on behalf of the Insurer.

6. JURISDICTION

Any disputes arising hereunder will be exclusively subject to the jurisdiction of a court of competent jurisdiction within Canada.

7. LENDERS LOSS PAYEE AND MORTGAGE HOLDER INTERESTS AND OBLIGATIONS

- a. This Policy insures for loss to specified Insured Property under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- b. The interest of the Lender or Mortgagee (as the case may be) in Insured Property under this Policy will not be invalidated by:
 - i. Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - ii. Foreclosure, notice of sale, or similar proceedings with respect to the property.
 - iii. Change in the title or ownership of the property.
 - iv. Change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Insurer of any known change in ownership, occupancy, or hazard and, within ten (10) days of written request by the Insurer, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- c. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate ten (10) days after the Insurer sends to the Lender or Mortgagee written notice of cancellation, unless:
 - i. This Policy is terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender, Mortgagee, or its agent or
 - ii. This Policy is replaced by the Insured, with a Policy providing comparable coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement Policy, notwithstanding any other provision of this Policy.
- d. The Insurer may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice sixty (60) days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment of premium. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Insurer may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice ten (10) days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- e. The Insurer has the right to invoke this Policy's Suspended Property clause. When the Insurer suspends the insurance, it will apply to the interest of the Lender or Mortgagee in any Insured Property, subject to the suspended insurance. The Insurer will provide the Lender or Mortgagee at the last known address a copy of such notice.

- f. If the Insurer pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Insurer will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Insurer may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Insurer, and the remaining debt or mortgage will be paid to the Insurer.
- g. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within sixty (60) days of notice and will be subject to the provisions of this Policy.
- h. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

8. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations are revised by statute so as to broaden this insurance without additional premium charge, such extended or broadened insurance will inure to the benefit of the Insured within such jurisdiction, effective the date of the change specified in such statute.

9. LOSS ADJUSTMENT/PAYABLE

Loss, if any, will be adjusted with and payable to the First Named Insured specified on the Declaration Pages as shown on this Policy, or as directed by the First Named Insured specified on the Declaration Pages. Additional Insured interests will also be included in loss payment as their interests may appear when named as lender, mortgagee and/or loss payee in the Certificates of Insurance on file with the Insurer.

10. LOSS CONDITIONS

a. DUTIES IN THE EVENT OF LOSS OR DAMAGE

The Insured must see that the following are done in the event of direct physical loss or damage to Insured Property:

- i. Notify the police if a law may have been broken.
- ii. Give the Insurer prompt notice of the loss or damage. Include a description of the property involved.
- iii. As soon as possible, give the Insurer a description of how, when and where the loss or damage occurred.
- iv. Take all reasonable steps to protect the Insured Property from further damage caused by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also, keep a record of expenses for emergency and temporary repairs for consideration in the settlement of the claim. This will not increase the Limit of Liability.
- v. At the Insurer's request, provide a complete inventory of the damaged and undamaged property, including quantities, costs, values and amount of loss claimed.
- vi. As often as reasonably required, permit the Insurer to inspect the property and records evidencing the loss or damage, including taking some or all of damaged and undamaged property for inspection, testing and analysis, and permit the Insurer to make copies of the Insured's books and records.
- vii. Permit the Insurer to question the Insured, the Insured's employees and agents under oath, while not in the presence of any other Insured and at such times as may be reasonably required, about any matter relating to this insurance or the loss or damage, including an Insured's books and records. In the event of this examination, an Insured's answers must be signed or attested to by a notary public or certified court reporter.
- viii. Give the Insurer a signed sworn statement of loss containing the information necessary to investigate the claim. If requested by the Insured, the Insurer will supply the necessary form and the Insured must return this completed form within sixty (60) days of the request or as required by law.
- ix. Cooperate with the Insurer in the investigation or settlement of the claim.

b. ABANDONMENT

There may be no abandonment of any property to the Insurer.

c. SUBROGATION

The Insured is required to cooperate in any subrogation proceedings. To the extent of the Insurer's payment, the Insured's rights of recovery against any party are transferred to the Insurer.

The Insurer acquires no rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Insurer in such proceedings, will be payable to the Insured in the proportion that the amount of any applicable deductible and/or any provable uninsured loss, bears to the entire provable loss amount.

d. **APPRAISAL**

If the Insured and the Insurer fail to agree on the value of the property or the amount of loss, each will, on the written demand of either, select a competent, disinterested, and impartial appraiser, who has no direct or indirect financial interest in the claim. Each will notify the other of the appraiser selected within 20 days of such demand. The Insured may not invoke appraisal unless it has first fully complied with all provisions of this Policy, including Duties in the Event of Loss or Damage and has provided the Insurer with a signed and sworn statement of loss.

The appraisers will first select a competent, disinterested and impartial umpire. If the appraisers fail to agree upon an umpire within 15 days then, on the request of the Insured or the Insurer, a judge of a court of record in the jurisdiction in which the appraisal is pending will select the umpire. The appraisers will then appraise the value of the property or the amount of loss. They will state separately, the Actual Cash Value and Replacement Cost Value, as of the date of loss and the amount of loss, each item of physical loss or damage or, if for Time Element loss, the amount of loss for each Time Element Coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. An award stating separately the Actual Cash Value and Replacement Cost value, as of the date of loss and the amount of loss, for each item of physical loss or damage or, if for Time Element loss, the amount of loss for each Time Element Coverage of this Policy agreed to in writing by any two will determine the amount of loss.

Once there is an award, the Insurer retains the right to apply all Policy terms and conditions (including but not limited to deductibles, exclusions, and Limits of Liability) to the award. The Insurer further retains its right to deny the claim in whole or in part.

The Insured and the Insurer will each pay its chosen appraiser and bear equally the other expenses of the appraisal and umpire.

e. **SUIT AGAINST THE COMPANY**

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the Insured has fully complied with all the provisions of this Policy. Legal action must be started within (12) twelve months after the date of direct physical loss or damage to Insured Property or to other property as set forth herein.

If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.

11. PROPERTY POLICY LIMIT REINSTATEMENT

Loss or damage shall not reduce the amount of insurance recoverable, except where an Annual Aggregate applies. The reinstatement of any exhausted Annual Aggregate is not permitted unless authorized by the Insurer in writing.

12. OTHER INSURANCE

The Insurer will not be liable if, at the time of loss or damage, there is any other insurance that would attach in absence of this insurance; except that this insurance shall apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted.

This provision shall not apply if this Policy is written in coordination with other insurance that is intended to pay proportionally with this insurance as a part of a property insurance plan or program expressly written with other participants subject to the same terms, conditions and provisions as those in this Policy.

The Insurer gives the Insured permission to purchase insurance for all or any part of the deductibles in this Policy, and the existence of underlying insurance shall not prejudice the Insured's rights under this Policy. If the limits of underlying insurance exceed the deductible that would apply, then the insurance provided by this Policy shall apply only as excess after that portion which exceeds the deductible has been exhausted.

The Insured can purchase excess insurance commencing on or after the inception of this Policy that is specifically excess over the Limits of Liability set forth in this Policy without prejudice to this Policy and the existence of such insurance shall not reduce any liability under this Policy.

13. PROPERTY POLICY MODIFICATION

This Policy contains all of the agreements between the Insured and the Insurer concerning this insurance. The Insured and the Insurer may request changes to this Policy. Only endorsements issued by the Insurer and made a part of this Policy, can change this Policy.

14. BRANDS AND LABELS

If branded or labeled Insured Property sustains direct physical loss or damage and the Insurer elects to take all or any part of that property, the Insurer will pay for the Insured, to stamp salvage on the property or its containers, to remove, destroy, or disclaim the brands, labels, warranties, service contracts, or guarantees relating to the property if doing so will not damage the property. In any event, the Insured must re-label such property or its containers to comply with any applicable law.

15. BASIS OF LOSS SETTLEMENT

a. Loss Payment

In the event of loss or damage to Insured Property, the Insurer will, at its option, either:

- i. Pay the value of lost or damaged property;
- ii. Pay the cost of repairing or replacing the lost or damaged property;
- iii. Take all or any part of the property at any agreed valuation; or
- iv. Repair, rebuild or replace the property with other property of like kind and quality.

b. The Insurer will give notice of its intentions within thirty (30) days after receiving the sworn statement of loss or as required by law.

c. The Insurer will pay for covered loss or damage within sixty (60) days or as required by law, after receiving the sworn statement of loss, if the Insured has complied with all the terms of this Policy; and

d. The Insurer has reached agreement on the amount of loss; or

e. An appraisal award has been made.

f. Notice to any agent or knowledge possessed by any agent or by any other person will not create a waiver or change any part of this Policy or prevent the Insurer from asserting any rights under the Policy.

16. SUSPENDED PROPERTY

When Insured Property is found to be in, or exposed to, a dangerous condition, any of the Insurer's representatives may immediately suspend this insurance for that Insured Property. This can be done by delivering or mailing a written notice to the First Named Insured's mailing address as specified on the Declaration Pages or to the address where the Insured Property is located. Once suspended, this insurance can be reinstated only by an endorsement. Any unearned premium due will be returned by the Insurer.

17. TITLES

The titles of the various paragraphs and endorsements are solely for reference and shall not in any way affect the provisions to which they relate.

18. TRANSFER OF RIGHTS AND DUTIES

The Insured's rights and duties under this Policy may not be transferred without the Insurer giving written consent.

19. VALUATION

In the event of any claim for direct physical loss of or damage to Insured Property:

a. The basis of adjustment is on a Replacement Cost basis unless a specific valuation applies as per the Statement of Values or property schedule filed with the Insurer. Replacement Cost shall be the cost to repair, rebuild or replace the damaged property (without deduction for depreciation) with materials of like kind, quality and capacity at the same or another site, but no more than the lesser of:

- i. The cost to repair;
- ii. The cost to rebuild or replace on the same or another site with materials of equivalent size, kind, quality and capacity;

- iii. The necessary cost actually expended in repairing, rebuilding or replacing on the same or another site, but not exceeding the operating capacity that existed at the time of the loss; or
- iv. The Limits of Liability applicable to the lost or damaged property.

If there is direct physical loss of or damage to Insured Property which is not repaired, rebuilt or replaced within two (2) years from the date of direct physical loss or damage, the Insurer will not be liable for more than the Actual Cash Value of the property destroyed.

- b. The following property shall be valued as specified below:
 - i. For raw materials, supplies and other merchandise not manufactured by the Insured, the Replacement Cost.
 - ii. For Stock in Process, the value of raw materials and labour expended plus the proportion of overhead charges attributable to that Stock in Process.
 - iii. For Finished Stock manufactured by the Insured, the regular cash selling price at the Location where the loss occurs, less all discounts, pilferage, waste, returns and charges to which the Finished Stock would have been subject had no loss occurred.
 - iv. The Insurer, at its option, will pay the reduction in value of Insured components or parts of products directly resulting from physical loss or damage caused by a Covered Cause of Loss to other Insured parts or components of such property as follows:

In case of loss or damage to any part of a pair or set, the Insurer will:

- A. Pay the cost of repairing or replacing any part to restore the pair or set to its value before the loss or damage;
- B. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- C. Pay the difference between the value of the pair or set before and after the loss or damage. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such property to the Insurer.
 - v. For Media, data and programming for electronic and electromechanical data processing and production equipment, the cost of reproducing Media, data and programming from duplicates or originals of the previous generation of the data.
 - vi. For Fine Arts articles, the lesser of the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss or the cost to replace the article or the value if stated on a schedule on file. If the Fine Arts article cannot be replaced and an appraisal is not available, the valuation shall be market value based on prevailing conditions at the time of loss or damage.
 - vii. The selling price of buildings (or structures) or machinery and equipment, other than stock, offered for sale on the date of loss, but no more than the cost to repair or replace.
 - viii. The cost to replace non-repairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages, represents an improvement in function, or forms part of a program of system enhancement.
 - ix. The non-amortized value of Improvements and Betterments if such property is not repaired or replaced at the expense of the Insured.
 - x. For property that is useless to the Insured or obsolete, the Actual Cash Value.
 - xi. For Vehicles, the Actual Cash Value.

The Insured may elect not to repair or replace such damaged Insured Property, however, if loss settlement proceeds are expended on other capital expenditures related to the business activities of the Insured within two years from the date of loss, the lesser of the repair or Replacement Cost of such property will be paid. As a condition of collecting under this clause, such expenditure must be unplanned as of the date of loss and be made at a Scheduled Location. This clause does not extend to Demolition and Increased Cost of Construction.

Berkley Insurance Company

This endorsement changes the policy.
Please read it carefully.

Earthquake Endorsement

This Endorsement applies only to Part 1 – Property of the BerkleyOne Policy

This insurance is hereby extended to include loss or damage caused directly by the peril of **Earthquake** subject to the following conditions:

EARTHQUAKE

For the purpose of this endorsement **Earthquake** shall include snow slide, landslide or other earth movements occurring concurrently with and directly resulting from an **Earthquake** shock.

Notwithstanding the foregoing, the Insurer shall not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

EARTHQUAKE OCCURRENCE

For the purpose of this endorsement **Earthquake Occurrence** shall include all **Earthquake** shocks which occur within (168) consecutive hours, commencing during the policy period. The expiration of the policy will not reduce the 168 hour period.

Notwithstanding the foregoing, the Insurer shall not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this Policy.

DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by earthquake exceeds the amount of the deductible specified on the **Declaration Pages** for **Earthquake** in any one occurrence. If a percentage is specified,

- a) the amount of the deductible shall be that percentage of the actual cash value (or for those items subject to a replacement cost endorsement, the replacement cost) of the insured property or interest,
- b) or the minimum amount specified on the **Declaration Pages**, whichever is greater.

EXCLUSIONS

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, **Leakage From Fire Protective Equipment**, theft, riot, vandalism or malicious acts, **Flood** of any nature, waves, tides, tidal waves, tsunamis, high water, waterborne objects or ice.

EXTENSIONS OF COVERAGE

The Insurer shall be liable for loss or damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from an **Earthquake**.

PRO RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the Policy covers two or more items, this provision shall apply to each item separately.

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

B1-10501 (V1)

Insured:
Effective Date:
Policy Number:
Date Issued:

Berkley Insurance Company

This endorsement changes the policy.
Please read it carefully.

Flood Endorsement

This Endorsement applies only to Part 1 – Property of the BerkleyOne Policy.

This insurance is hereby extended to include loss or damage caused directly by the peril of **Flood** subject to the following conditions:

FLOOD

For the purpose of this endorsement, flood shall mean:

- a) the rising of, the breaking out or overflow of any natural or artificial body of water and includes **Surface Water**, waves, tides, tidal waves and tsunamis.
- b) all flooding which occurs within any 168 consecutive hours commencing during the policy period. The expiration of this policy will not reduce the 168 hour period.

DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by flood exceeds the amount of the deductible specified on the **Declaration Pages** for **Flood** in any one occurrence.

EXCLUSIONS

This endorsement does not cover loss or damage caused directly or indirectly by:

- a) water which backs up through sewers, sumps, septic tanks or drains;
- b) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- c) any of the following perils whether or not caused by our attributable to flood: fire, explosion, smoke, **Leakage from Fire Protective Equipment** or from a watermain, theft, riot, vandalism or malicious acts.

EXTENSIONS OF COVERAGE

The Insurer shall be liable for loss or damage to the Insured Property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from a flood.

ANNUAL AGGREGATE LIMIT

If a Limit of Insurance is specified on **Declaration Pages** for **Flood**, the said limit is the maximum payable by the Insurer in each **Annual Period**.

PRO RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the Policy covers two or more items, this provision shall apply to each item separately.

DEFINITIONS

Annual Period

Each consecutive period of one year commencing from the inception date of this Policy, or if the last consecutive period is less than twelve (12) months, such period of less than twelve (12) months.

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

B1-10500 (V1)

Insured:
Effective Date:
Policy Number:
Date Issued:

Berkley Insurance Company

This endorsement changes the policy.
Please read it carefully.

Sewer Back-Up Endorsement

This Endorsement applies only to Part 1 – Property of the BerkleyOne Policy.

This Endorsement applies separately to each location for which **Sewer Back-up** is specified on the **Declaration Pages**.

1. Insured Peril

This insurance is extended to include **Sewer Back-up**.

2. Deductible

The Insurer is liable for the amount by which the loss or damage caused by **Sewer Back-up** exceeds the amount of the deductible specified on the **Declaration Pages** for this coverage in any one occurrence.

This Deductible clause applies separately to each location to which this endorsement applies.

3. Limit of Insurance

If an amount of insurance is specified on the **Declaration Pages** for this coverage the Insurer shall not be liable for more than that amount.

4. Definition

Sewer Back-up

The backing up of sewers, sumps, septic tanks or drains located inside the **Building(s)**.

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

B1-10502 (V1)

Insured:
Effective Date:
Policy Number:
Date Issued: