

Earnings Insurance No Co-Insurance Mercantile

Intact Insurance Company

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 9.

1. INDEMNITY AGREEMENT

This Form insures, up to the limit specified in the Declaration Page(s), against loss directly resulting from necessary interruption of the Insured's business caused by direct physical loss or direct physical damage by the perils insured against, to building(s), equipment or stock on the "premises" specified in the Declaration Page(s), occurring during the term of the policy.

2. MEASURE OF RECOVERY

(a) This insurance is limited to the Insured's interest in loss of "earnings" sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property.

The Insurer shall not be liable in any 30 consecutive calendar days for more than 25% of the amount stated.

(b) In determining the loss hereunder, due consideration shall be given to:

- (i) the "earnings" of the business before the date of damage or destruction and to the probable "earnings" thereafter, had no loss occurred;
- (ii) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;
- (iii) the reduction of loss which could be made possible by the Insured resuming complete or partial operation of the described property, or by making use of other property.

3. EXPENSES TO REDUCE LOSS

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

4. EXCLUSIONS

This Form does not insure:

- (a) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (b) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (c) loss due to the suspension, lapse or cancellation of any lease or licence, contract or order, which may affect the Insured's "earnings" after the period following any loss during which indemnity is payable.

5. MEDIA LIMITATION

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

- (a) 30 consecutive calendar days, or
- (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed,

whichever is the greater length of time.

6. INTERRUPTION BY CIVIL AUTHORITY

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

7. PERMISSION

Permission is hereby granted:

- (a) for other insurance concurrent with this Form;
- (b) to make additions, alterations or repairs;
- (c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

8. WAIVER OF TERM OR CONDITION

No term or condition of this policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this policy.

9. DEFINITIONS

Wherever used in this Form:

- (a) **"Earnings"** means the net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.
- (b) **"Premises"** means the entire area within the property lines at the locations described on the Declaration Page(s) and areas under adjoining sidewalks and driveways.