

## Gross Rentals

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### 1. INDEMNITY AGREEMENT

This Form insures, up to the limit specified in the Declarations Page(s), against loss directly resulting from loss of "Gross Rentals" caused by "damage" by the perils insured against, to the buildings(s) on the "premises" specified in the Declaration Page(s), occurring during the term of the policy.

### 2. MEASURE OF RECOVERY

The insurance, subject to the limit of the amounts of insurance stated on the Declaration Page(s), is limited to the Insured's interest in Loss of "Gross Rentals" due to (a) REDUCTION IN GROSS RENTALS and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN GROSS RENTALS: The amount by which the "Gross Rentals" during the "Indemnity Period" shall, in consequence of the destruction or damage, fall short of the "Standard Gross Rentals".
- (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 "Gross Rentals" 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 Rentals" 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.

PROVIDED that if the Sum insured be less than the amount of the "Annual Gross Rentals" the amount payable shall be proportionately reduced.

The Insurer will pay the Insured in respect of Auditors' Fees the amount of reasonable fees incurred up to the amount stated on the Declaration Page(s) payable to the Insured's Auditors for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the loss payable in the event of a claim.

### 3. DEFINITIONS

- (a) "**BUSINESS**" means the business of the Insured as specified on the "Declaration Page(s)".
- (b) "**GROSS RENTALS**": The money paid or payable to the Insured by tenants in respect of rental of the premises.
- (c) "**DAMAGE**" means the direct physical loss or direct physical damage to property at the "Premises" from an Insured Peril.
- (d) "**INDEMNITY PERIOD**": The period beginning with the occurrence of the "Damage" and ending not later than twelve (12) consecutive calendar months (or such other period if so specified on the Declaration Page(s) as the maximum indemnity period) thereafter, during which the results of "Business" shall be affected in consequence of the "Damage". However, if media for, or programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be lost or damaged by a peril insured against, then the "Indemnity Period" in respect thereof shall not exceed beyond:

- (i) 30 consecutive days after the occurrence of such "Damage"; or
- (ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence;

whichever shall be the later.

- (e) "**ANNUAL GROSS RENTALS**": The "Gross rentals" during the twelve months immediately before the date of the destruction or damage by a peril insured against.

To which 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 Rentals" 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.

- (f) "**STANDARD GROSS RENTALS**": The "Gross Rentals" during that period in the twelve months immediately before the date of the destruction or damage by a peril insured against which corresponds with the Indemnity Period.

To which 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 Rentals" 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.

- (g) "**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.

#### **4. PROVISIONS**

- (a) 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 Rentals" during the "Indemnity Period".
- (b) The Liability of the Insurer shall in no case exceed the total sum insured.
- (c) 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 Form, 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 Rentals" or to avoid or diminish the loss.
- (d) If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of 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 Form that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.

#### **5. SPECIAL EXCLUSIONS**

The Insurer shall not be liable for:

- (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 license, contract or order, which may affect the Insured's "gross rent and rental value" after the period following any loss during which indemnity is payable.

#### **6. 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 business of the Insured.

#### **7. 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 "premises" described in the Declaration Page(s) 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.