

Rents without building

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THE DEFINITIONS SECTION OF THIS FORM.

1. INDEMNITY AGREEMENT

This Form insures, subject to the provisions, limitations, exclusions, conditions and other terms of this Policy and this Form and its endorsements, to indemnify the Insured against loss of rent and rental value resulting from direct physical loss or direct physical damage, caused by the perils stated in this Form, to building(s), structures and any additions or extensions communicating therewith, but only while occupied and situated as described in the Declaration Page(s).

2. COINSURANCE CLAUSE

The Insured shall maintain insurance concurrent in form with this Insurance to the extent of at least the co-insurance percentage, specified in the Declaration Page(s) for this Form, of the annual Gross Rent and Rental Value, herein defined, of the premises described in the Declaration Page(s) and that failing to do so shall be a co-insurer to the extent of an amount sufficient to make the aggregate equal to the percentage specified in the Declaration Page(s) of the annual Gross Rent and Rental Value of the premises described in the Declaration Page(s), and, in that capacity, shall bear their proportion of any loss that may occur.

3. AMOUNT OF INSURANCE

The maximum liability of the Insurer, in any one loss, shall not exceed the limit of insurance specified in the Declaration Page(s) for this Form.

4. INSURED PERILS

This form, except as herein provided, insures loss of rent and rental value resulting from all risks of direct physical loss or direct physical damage to the building(s), structures and any additions or extensions communicating therewith.

5. EXCLUDED PERILS

This Form does not insure against loss of rent and rental value resulting from:

- (a) earthquake, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment;
- (b) flood, including waves, tides, tidal waves, tsunamis, and the rising of, the breaking out or the overflow of any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment or from a water main;

Exclusions (a) and (b) do not apply to property in transit;

- (c) water damage as follows:
 - i. seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently caused by a peril not otherwise excluded;
 - ii. the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently caused by a peril not otherwise excluded;

- (d) centrifugal force, mechanical breakdown or electrical breakdown or derangement in or on the “premises”, unless fire ensues and then only for the loss or damage caused by such ensuing fire;
- (e) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by fire, lightning, smoke, windstorm, hail, explosion, strike, riot, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, vandalism or malicious acts, theft or attempt thereat or accident to transporting conveyance, or rupture of:
 - i. any pressure vessel having normal internal working pressure less than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
 - ii. tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use ;
 - iii. manually portable gas cylinders;
- (f) smoke from agricultural smudging or industrial operations;
- (g) rodents, insects or vermin, unless directly caused by a peril otherwise insured and not otherwise excluded under this Form;
- (h) delay, loss of market or loss of use, or occupancy;
- (i) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (j) any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
- (k) misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted);
- (l) wear, tear, gradual deterioration, latent defect or inherent vice;
- (m) the cost of making good
 - i. faulty or improper material;
 - ii. faulty or improper workmanship;
 - iii. faulty or improper design;
 provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- (n) loss or damage sustained to the property insured while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of the property insured, unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- (o) snowslide, landslide, subsidence or other earth movement, except for ensuing loss or damage which results from fire, explosion, smoke or leakage from fire protective equipment;
- (p) explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused by such ensuing fire:
 - 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 does not exceed 103 kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - iv. moving or rotating machinery or parts thereof;
 - v. any vessels and apparatus and pipes connected therewith while undergoing pressure test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - vi. gas turbines;
- (q) settling, expansion, contraction, moving, shifting or cracking unless concurrently caused by a peril not otherwise excluded;

NOR DOES THIS FORM INSURE:

- (r) any increase or loss directly or indirectly, proximately or remotely resulting from, or contributed to by, the operations of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, unless the liability is otherwise specifically assumed by the endorsement hereon;
- (s) any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing the property;
- (t) loss due to the suspension, lapse or cancellation of any lease or license or contract which may affect the insured's rent or rental value after the period following any loss during which the indemnity is payable.

6. MEASURE OF RECOVERY

The measure of recovery in the event of loss under this Form shall be the reduction in "Gross Rent and Rental Value" directly resulting from being untenable solely and directly due to destruction or damage by the perils insured against to the building(s) described in the Declaration Page(s), less charges and expenses which do not necessarily continue during the period the building(s) is so untenable, for not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the building(s) described in the Declaration Page(s) as has been destroyed or damaged, commencing with the date of such destruction or damage and limited to a period of twelve consecutive calendar months from the date of such destruction or damage, but not exceeding the ACTUAL LOSS SUSTAINED by the Insured resulting from the building(s) being untenable.

7. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as covered 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 damage to neighbouring premises by a peril insured against.

8. PERMISSION

Permission is 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.

9. 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.

10. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the policy period, or within a year after termination or expiration, to examine the Insured's books, records and such policies as relate to any insurance provided in this Form. Such examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

11. DEFINITIONS

- (a) "Building(s)" means,

the building(s) specified in the Declaration Page(s) and fixed structures pertaining to the building(s) and located on the "premises", and includes:

- i additions and extensions communicating therewith;
- ii permanent fittings and fixtures attached to and forming part thereof;
- iii materials, equipment and supplies on the premises for maintenance of, and normal repairs and minor alterations to the "building(s)" or for "building" services;
- iv at the option of the Insured, and without increasing the limit(s) of liability specified in the Declarations, and only in respect of residentially occupied building(s) (excluding Strata Corporations and Co-Operatives): landlord's permanent fittings and fixtures (excluding furniture and furnishings of furnished suites or apartments) and generally everything pertaining to the structure of the building(s) or connected therewith; also heating and cooking apparatus, electrical fixtures and equipment, blinds, refrigerators, fuel, summer and winter doors, screens, awnings and shutters belonging to the building(s), including fencing;

(b) "Fire protective equipment" includes, tanks, water-mains, hydrants, valves and any other equipment, whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

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

(c) "Gross Rent and Rental Value" means, the sum of:

- i the actual total annual Gross Rent and Rental Value of the occupied portion or portions of the "building(s)";
- ii the estimated annual Gross Rent and Rental Value of the unoccupied portion or portions of the "building(s)"; and
- iii a fair rental value of the portion, if any, of the "building(s)" occupied by the Insured.

(d) "Premises" means, the entire area within the property lines at the location(s) herein described and areas under adjoining sidewalks and driveways.