

MULTI-PERIL EXTENSION ENDORSEMENT

The following Extensions of Coverage apply in addition to the limits of insurance (except for extension 17.) stated on the Declaration Page(s) for the Building, the Contents or the Property of Every Description and are subject to all conditions of the Policy.

In the event that more than one Extension of Coverage applies to the same property lost or damaged as a result of a single occurrence, only the Extension with the highest amount of insurance will apply. In the event a more specific coverage elsewhere in the policy applies to a loss covered by one of these Extensions, only the specific coverage will apply.

The following Extensions cancel and replace those existing on the Property Coverage – Building and/or Contents – Broad Form, subject to the conditions, exclusions and limitations stipulated in this form and up to the limit per occurrence as specified in the Summary of Coverages provided in this form.

Special Provisions 2. CO-INSURANCE in the Building and/or Contents - Broad Form does not apply to the extensions in this Form unless otherwise indicated in this Form.

1. ACCOUNTS RECEIVABLE

This Form insures the actual loss sustained by the Insured through inability to effect collection of unpaid balances or accounts but only when such inability to effect collection results directly from loss of or damage to the Insured's accounts receivable records is covered, for an amount not to exceed \$10,000 or for the amount specified in the "declarations page(s)", whichever is the greater. This amount shall also include:

- (i) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- (ii) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (iii) Other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

This insurance applies:

- (a) While the insured records are contained in the Insured's "premises" specified in the "declarations page(s)";
- (b) While the insured records are being removed to and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the insured notifies the insurer in writing within 30 days of such removal;
- (c) While the insured records are being conveyed outside the Insured's premises or while temporarily within other premises except for storage.

ADDITIONAL EXCLUSIONS

In addition to the exclusions contained in the Building and/or Contents - Broad Form, the Insurer shall not be liable for loss or damage:

- (i) due to bookkeeping, accounting or billing errors or omissions;
- (ii) the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded in this Form;
- (iii) due to 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.

BASIS OF SETTLEMENT

(a) Determination of Receivables: Deductions

In order to accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- (i) the monthly average of accounts receivable shall be adjusted in accordance with the percentage increase or decrease in the 12 months average of monthly gross sales of goods and services which may have occurred in the interim;
- (ii) the monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from that average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivables within the fiscal month involved; but in no event shall the Insurer be liable for more than the limit of liability specified in the "declarations page(s)".

(b) Inspection and Audit

The Insurer shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by the Insured, and to examine and audit the Insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the Insured and the amount of recoveries of accounts receivable on which the Insurer has made any settlement.

(c) Recoveries

After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer, but all recoveries in excess of such amounts shall belong to the Insured.

2. BUILDING BYLAWS

1. INDEMNITY AGREEMENT

This insurance is, without increasing the amount of insurance, and only as a result of an insured peril, is extended to indemnify the Insured for:

- (a) loss occasioned by the demolition of any undamaged portion of the "building";
- (b) the cost of demolishing, and clearing the site of, any undamaged portion of the "building";
- (c) any increase in the cost of repairing, replacing, construction or reconstructing the "building" 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, ordinance or law which
 - (i) regulates zoning or the demolition, repair or construction or damaged "buildings"; and
 - (ii) is in force at the time of such loss or damage.

2. EXCLUSIONS

This extension does not insure against:

- (a) the enforcement of any by-law, regulation, 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;

- (b) direct or indirect loss, damage, cost or expense, arising out of "clean-up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
- (c) direct or indirect loss, damage, 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"; or
- (d) the enforcement of any bylaw, regulation, ordinance or law which would apply in the absence of a loss.

Section 5. COINSURANCE of Commercial Building and Contents Broad Form BF02 does apply to this extension.

3. CONTENTS AT NEWLY ACQUIRED LOCATIONS

"Contents of every description" are insured for an amount not to exceed \$100,000 or the amount shown in the "declarations page(s)", whichever is greater, while at the "premises" owned, leased or operated by the Insured other than those described in the "declarations page(s)". Coverage is automatic on condition that notification of such "contents of every description" shall be filed with the Insurer within 30 days of such acquisition and any additional premium required by the Insurer shall be effected from the date of acquisition.

4. COURIER AND PARCEL POST

This Form insures \$500 on property in any one package in course of transit by parcel post or courier.

5. DAMAGE TO BUILDINGS BY THEFT

Damage to buildings caused by theft or attempted theft is insured for an amount not to exceed \$7,500 or for the amount specified in the "declarations page(s)", in respect to damage to that part of a building occupied by the Insured, directly resulting from theft or attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of the building and is legally liable for such damage and the building is not otherwise insured under this form.

6. EXHIBITION

This Form insures \$5,000 on "stock" and "equipment" temporarily on exhibition at locations not owned by the Insured and while in transit to and from any such exhibition site(s) in Canada or the Continental United States of America.

7. FIRE DEPARTMENT SERVICE CHARGES

Fire department service charges are covered for an amount not to exceed \$5,000 in any one occurrence when:

- (a) The Insured had assumed such charges by contract or agreement prior to the loss;
- (b) The fire department is called to save or protect the insured property from an insured peril; and
- (c) The insured property is on the insured "premises".

8. GROWING PLANTS, TREES, SHRUBS OR FLOWERS

This Form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the **building** caused directly by **Named Perils** (with the exception of windstorm or hail), or from theft or attempted theft.

- (i) \$500 for each growing plant, tree, shrub or flower; and
- (ii) \$25,000 for any one "occurrence".

9. MONEY COVERAGE

Money and securities used in and incidental to the Insured's business (as evidenced by the Insured's account records) while on the "premises" of the Insured as specified in the "declarations page(s)" or away from such "premises" while being carried or held strictly incidentally to the Insured's business are covered up to \$1,000 any one occurrence.

For the purpose of this coverage, "money" means currency, coins, bank notes and bullion. "Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include money.

10. NON-OWNED LOCATIONS

"Contents of every description" are insured for an amount not to exceed \$25,000 or the amount shown on the "declarations page(s)", whichever is greater, while at a location not owned, rented or controlled in whole or in part by the Insured, but this extension of coverage does not apply to the following property:

- (i) Tools and contractor's equipment;
- (ii) Electronic data processing equipment, media, and accessories;
- (iii) Property temporarily on exhibition at locations not owned by the Insured.

11. PEAK SEASON INCREASE

The limit of liability shown in the "declarations page(s)" for "stock" insured under this policy, or the amount of "stock" included in the limit for "contents of every description" (if there is no limit shown on the policy for "stock") shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the limit of liability shown in the "declarations page(s)" for this coverage is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the latest effective date (inception or renewal), or in the event the Insured has been in business for less than 12 months, such shorter period of time.

12. PROFESSIONAL FEES

The Insurer will pay reasonable fees to auditors, accountants, architects, lawyers, surveyors, engineers or other professional consultants for producing and certifying particulars or details of the Insured's business required by the Insurer in order to arrive at the amount of the loss payable under this policy in the event of a claim.

This extension only applies to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer.

The limit of the Insurer's liability shall not exceed \$5,000.

13. REMOVAL

If any of the insured property is necessarily removed from the location(s) specified in the "declarations page(s)" to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the policy if less than 30 days, insure the property removed and any property remaining in the location(s) specified in the "declarations page(s)" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

This extension shall not increase the limit(s) specified in the "declarations page(s)".

14. REPLACEMENT COST

This section 18 applies only if "replacement cost" is indicated on the "declarations page(s)" as applying.

With respect to "building(s)", "equipment", "contents of every description", and/or "property of every description" at the "premises", the value of the insured property shall be amended to "replacement cost" subject to the following:

1.
 - (i) "Replacement" shall be effected by the Insured with due diligence and dispatch;
 - (ii) Settlement on a "replacement cost" basis shall be made only when "replacement" has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such "replacement";
 - (iii) Any other insurance effected by or on behalf of the Insured in respect of the insured perils under this policy on the property to which this endorsement is applicable shall be on the basis of "replacement cost";
 - (iv) Failing compliance by the Insured with any of the above provisions, settlement shall be made as if this endorsement had not been in effect.

2. Any coinsurance calculation shall be based on a valuation of "replacement cost".
3. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that lost or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
4. **EXCLUSIONS**
- This endorsement does not apply to:
- (a) "stock";
 - (b) patterns, dies, moulds;
 - (c) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (d) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs);
 - (e) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

5. **DEFINITIONS**

Wherever used in this Form:

- (a) "replacement" includes repair, construction or re-construction with new property of like kind and quality; and
- (b) "replacement cost" means whichever is the least of the cost of replacing, repairing, constructing or reconstructing the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.

This extension does not increase the limit(s) of insurance indicated on the "declarations page(s)" applicable to "building", "equipment", "contents of every description" or "property of every description".

15. **SALESMEN'S SAMPLES**

This Form insures \$5,000 on insured property, whether in transit or otherwise, in the custody of salesmen.

16. **STOCK SPOILAGE**

Insurance is extended to include up to \$5,000 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 (a) or (b) below.

- (a) Physical loss of or damage to "building" 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" or of the "equipment" that sustains loss or damage must be used for refrigerating, cooling, humidifying, dehumidifying, heating or for generating or converting power.
- (b) 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 25 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:

- (i) loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
- (ii) lack of sufficient capacity; or
- (iii) intentional reduction in supply.

As used in this extension "services" means electricity, water, gas or steam.

This extension does not increase the limit of insurance provided under this policy.

17. **TRANSPORTATION**

INSURED PROPERTY AND LIMIT OF INSURANCE

This Form insures direct physical loss of or damage to contents while in transit other than by parcel post or courier, for an amount not to exceed \$5,000. or for the limits of insurance specified in the "declarations pages", whichever are the greater, for any one loss.

TERRITORIAL LIMITS

Property insured under this extension is insured anywhere in Canada or the Continental United States of America.

ADDITIONAL EXCLUSIONS

This extension does not insure:

- (i) valuable papers and records, as defined elsewhere in this Form;
- (ii) fine arts;
- (iii) money and securities;
- (iv) samples or containers while in the care, custody or control of the Insured's sales representative;
- (v) property insured under Extension 6. Exhibition.

18. **VALUABLE PAPERS AND RECORDS**

This Form insures the actual loss sustained by the Insured through direct physical loss of or damage to valuable papers and records for an amount not to exceed \$5,000 or for the amount specified in the "declarations page(s)", whichever is the greater.

The term "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not include money or securities.

This Insurance applies:

- (i) While the insured valuable papers and records are contained in the Insured's premises specified in the "declarations page(s)". It is a condition precedent to any right of recovery hereunder, that the valuable papers and records shall be kept in protective container(s), at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in (ii) and (iii) below.
- (ii) While the insured valuable papers and records are being removed to, and while at a place of safety because of an imminent danger of loss or damage and while being returned from such place, provided the Insured notifies the Insurer in writing within 30 days of such removal.
- (iii) While the valuable papers and records are being conveyed outside the Insured's "premises" or while temporarily within other premises except for storage for an amount not to exceed \$5,000 or the amount specified in the "declarations page(s)", whichever is greater.

ADDITIONAL EXCLUSIONS

In addition to the exclusions contained in the Building and/or Contents - Broad Form, the Insurer will not be liable for loss or damage:

- (i) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (ii) to property held as samples or for sale or for delivery after sale;
- (iii) to property not specifically declared and described, if such property cannot be replaced with other of like kind and quality.

BASIS OF SETTLEMENT

The limit of the Insurer's liability for loss shall not exceed the actual cash value of the property at time of loss, nor what it would then cost to repair or replace the property with other of like kind and quality, nor the limit of insurance amount stated in the "declarations page(s)".

The Insurer may pay for the loss in money, or may repair or replace the property and may settle any claim for loss of the property either with the Insured or the owner thereof. Any property so paid for or replaced shall become the property of the Insurer. The Insured or the Insurer, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitled to the property upon reimbursing the Insurer for the amount so paid or the cost of replacement.

Application of the Insurance to property of more than one person shall not operate to increase the applicable limit of insurance.

Except as otherwise provided under this Form all terms and conditions of this policy shall remain unchanged.