

## SECTION II. COVERAGE B. EXTRA EXPENSE

### SECTION I – COVERAGE

#### 1. INSURING AGREEMENT

We will pay the actual and necessary loss you sustain as **extra expense** due to the interruption, postponement or cancellation of an **insured production**. The interruption, postponement or cancellation must be from a **covered cause of loss** during the **term of coverage**.

#### 2. ADDITIONAL EXCLUSIONS

For the purposes of this Coverage, the following exclusions apply in addition to the exclusions described in **SECTION II – COMMON EXCLUSIONS** of the MPTV Producers Portfolio Policy Special Conditions.

We will not pay for loss or damage caused by or resulting from any of the following:

- 2.1. Wear and tear; any quality in the property that causes it to damage or destroy itself; hidden or latent defect; gradual deterioration; depreciation; mechanical breakdown or electrical breakdown; insects; vermin; rodents; corrosion; rust; dampness; cold or heat.

This exclusion does not apply to verifiable breakdown or malfunction of generators, camera equipment, sound equipment, lighting equipment or computerized systems used to control them.

- 2.2. Processing or work upon the property.

But if processing or work upon the property results in fire or explosion, this exclusion does not apply to direct loss or damage caused by that fire or explosion, if the fire or explosion would be covered under this Coverage.

- 2.3. Unexplained or mysterious disappearance or shortage found upon taking of inventory.

- 2.4. Rain, ice, sleet, snow or hail, whether driven by wind or not, to property stored in the open.

This exclusion does not apply to property that was built or designed to be stored in the open.

- 2.5. Intentional acts committed by you or at your direction.

This exclusion does not apply to damage, destruction or threat of destruction to software or computer media by an external person or by an internal employee when such external person or internal employee breaches your authority and any safeguard designed to protect such software or computer media, subject to a limitation up to:

2.5.1. \$25,000 per occurrence for an inside attack arising from an internal employee when you have authorized to access your software or computer media;

2.5.2. \$10,000 per occurrence and in the aggregate for an outside attack arising from an external person when you have not authorized to access your software or computer media.

Additional Condition:

If your computer system is protected by a security software you must maintain and upgrade it as necessary to provide technologically credible levels of security.

- 2.6. Delay, loss of use (including loss of use of animals), loss of market, interruption of business or any other consequential loss.

### SECTION II – LIMITS OF INSURANCE

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations for Extra Expense Coverage, including any sublimits shown for Extra Expense.

### SECTION III – DEDUCTIBLE

We will not pay for loss in any one occurrence until the amount of the adjusted loss before applying the applicable limit of insurance exceeds the deductible amount shown in the Declarations for Extra Expense Coverage. We will then pay the amount of the adjusted loss in excess of the deductible, up to the applicable limit of insurance.

### SECTION IV – METHOD OF VALUATION

1. The amount of your loss will be determined based on:

- 1.1. All **insurable production cost** that exceeds the amount of **insurable production cost** you would have incurred during the period of restoration if no direct physical loss or damage had occurred; and

- 1.2. All other necessary expenses that reduce the amount of loss otherwise payable.

2. We will reduce the amount of your loss:

- 2.1. By the salvage value that remains of any property bought for temporary use as a result of the direct physical loss or damage; and

- 2.2. To the extent you can resume **principal photography** and discontinue **extra expense** or do not resume **principal photography** as quickly as possible.

We will pay based on the length of time it would have taken to resume **principal photography** as soon as possible.

3. If you abandon an **insured production** that has been made substantially valueless solely because one or more **covered cause of loss** reasonably, practically and necessarily prevents you from completing **principal photography**, irrespective of any completion or delivery date requirements for the **insured production**, we will pay as loss the total **insurable product cost** you have incurred for the **insured production**.

## SECTION V – ADDITIONAL CONDITION

The following condition applies in addition to any applicable condition in the MPTV Producers Portfolio Policy Special Conditions and to any General Condition.

### **Additional Duty in the Event of Loss or Damage**

Unless you intend to abandon **principal photography**, you must resume the **insured production** as quickly as possible.

## SECTION VI – ADDITIONAL DEFINITIONS

For the purposes of this Coverage, the following definitions apply in addition to the Definitions shown in **SECTION III – COMMON DEFINITIONS** of the MPTV Producers Portfolio Policy Special Conditions.

1. **Covered cause of loss** means risks of direct physical loss or damage to **covered property** except those causes of loss listed in the Exclusions.
2. **Covered property:**
  - 2.1. Means property used or intended to be used in connection with an **insured production**.
  - 2.2. Does not include negative film, video tape, tapes, cells, transparencies, positives, sound tracks, art work, software, programs or any other form of media.
3. **Extra expense** means the following expenses you actually incur or plan to incur during the **period of restoration** that you would not have incurred had there been no direct physical loss or damage to **covered property**:
  - 3.1. Necessary additional **insurable production cost** incurred to avoid or minimize the interruption, postponement or cancellation of the **insured production**; and
  - 3.2. Necessary expenses incurred to the extent they reduce the amount of loss that otherwise would be payable under this Coverage.

**Extra expense** does not include loss of earnings or profit.
4. **Term of coverage** means the period beginning with the effective date shown in the Declarations, and continuing until the earliest of the following dates:
  - 4.1. The date of delivery required under the completion guarantee agreement with any distributor;
  - 4.2. The date your completion guarantor is released from further obligations to you;
  - 4.3. Twelve (12) months after inception of **principal photography**;
  - 4.4. The date on which a protection print or duplicate tape has been completed and physically removed from the premises where the original negative or tape is located;
  - 4.5. The date your interest in the property ceases; or
  - 4.6. The date on which cancellation or termination of coverage under this Policy for the **insured production** becomes effective.

The expiration date of this Policy will be extended, if necessary, until the earliest of these dates. We may charge additional premium for this extension.
5. **Period of restoration** means the period of time that:
  - 5.1. Begins with the date of direct physical loss or damage resulting from any **covered cause of loss**; and
  - 5.2. Ends on the earlier of:
    - 5.2.1. The date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality and **principal photography** is resumed; or
    - 5.2.2. The date the **insured production** is abandoned.

The expiration date of this policy will not cut short the **period of restoration**.