

BUSINESS INTERRUPTION INSURANCE

EXTRA EXPENSE FORM

INSURING AGREEMENTS

1. INDEMNITY AGREEMENT

This form insures against loss directly resulting from necessary **extra expense** incurred by the Insured in order to continue as nearly as practicable the **normal** conduct of the Insured's business following damage to or destruction by the perils insured against to the building(s) or additions thereto or contents thereof, for not exceeding such length of time, herein referred to as the period of restoration, commencing with the date of the loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

2. AMOUNT OF INSURANCE

The liability shall in no event exceed the amount of this insurance (at the time of loss) which is stated in the Declarations.

3. RESUMPTION OF OPERATIONS

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property described and, in so far as practicable, reduce or dispense with such **extra expenses** as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This form is extended to include the actual loss as insured hereunder during the period of time, not exceeding 4 weeks, while access to the 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.

SPECIAL EXCLUSIONS

The Insurer shall not be liable for:

1. Any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation 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 endorsement hereon;
2. 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;
3. Loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
4. Loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
5. The cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

ADDITIONAL DEFINITIONS

1. **Extra expense** means the excess (if any) of the total cost during the period of restoration for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred. The cost in each case to include expense of using other property or facilities of other concerned or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this form for loss of income nor for **extra expense** in excess of that necessary to continue as nearly as practicable the **normal** conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the **normal** cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of **extra expense**; liability for such excess cost however, shall not exceed the amount by which the total **extra expense** otherwise payable under this form is reduced. The Insurer shall also be liable for **extra expense** incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business. Any salvage value of such property remaining after resumption of **normal** operations shall be taken into consideration in the adjustment of any loss hereunder.
2. **Normal** means the condition which would have existed had no loss occurred.