

# CONTRACTOR'S EXTENSION 3.0

## SUMMARY OF COVERAGES

SECTION 1 - CONTRACTOR'S EQUIPMENT EXTENSIONS (Refer to Note 1 below - applies only if Contractor's Equipment Form is attached to this policy)		
Item	Extensions of Coverage	Amount of Insurance per occurrence
1.	Contractor's Equipment Loss of Earnings	\$50,000
2.	Equipment Rental Expense Reimbursement	\$50,000
3.	Newly Acquired Contractor's Equipment	\$100,000
4.	Property while Waterborne or on Aircraft	\$5,000
5.	Rented, Leased or Borrowed Contractor's Equipment	\$50,000

SECTION 2 - CONTRACTOR'S EXTENSIONS (Refer to Note 2 below - applies only if a Building and/or Contents - Broad Form, and/or Contractor's Equipment Form is attached to this policy)		
Item	Extensions of Coverage	Amount of Insurance per occurrence
6.	Fines, Damages or Penalties for Breach of Contract	\$25,000
7.	Installation Floater	\$100,000
8.	Unscheduled Contractor's Equipment Floater	\$50,000
9.	Unscheduled Tool Floater	\$25,000

SECTION 3 - (Applies to all Extensions)		
Item	Extensions of Coverage	Amount of Insurance per occurrence
10.	Catch All Clause	\$50,000
11.	Replacement Cost Including Leased Equipment	Included

Certain words and phrases in bold font have special meaning as defined in the DEFINITIONS Section contained in the form to which this Form is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

**Note 1) Applicable to SECTION 1 - Contractor's Equipment Extensions only:**

The Coverages and Limits of Insurance shown under SECTION 1 in the Summary of Coverages in this Form only apply if a Contractor's Equipment Form is attached to this policy.

**Note 2) Applicable to SECTION 2 - Contractor's Extensions only:**

The Coverages and Limits of Insurance shown under SECTION 2 in the Summary of Coverages in this Form only apply if a Building and/or Contents Broad Form and/or Contractor's Equipment Form is (are) attached to this policy.

In the event that coverage provided under any Extension in SECTIONS 1, 2 or 3 of this Form is more specifically and separately insured elsewhere in this policy, then the relevant Extension with the highest limit shall apply.

In addition, if the Limit of Insurance specified in the Summary of Coverages in this Form and the Limit of Insurance shown on the Declaration Page(s) are different, the highest limit will apply.

Unless stated otherwise, the following Extensions of coverage are not subject to a co-insurance requirement.

## SECTION 1 - CONTRACTOR'S EQUIPMENT EXTENSIONS

The following Extensions in this SECTION 1 are subject to all terms, conditions, exclusions, stipulations and provisions and the deductible applicable to the Contractor's Equipment Form described in the Declaration Page(s) attached to this policy, unless stated otherwise.

### 1. Contractor's Equipment Loss of Earnings

This Form is extended to cover loss directly resulting from the necessary interruption of business caused by loss or damage by the insured perils to Contractor's Equipment insured under Contractor's Equipment Form described on the Declaration Page(s).

#### Measure of recovery

This insurance is limited to loss of **earnings** sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this policy as would be required with the exercise of due diligence and dispatch to repair or replace the damaged or destroyed equipment.

This insurance is applicable for only those written contracts of work already scheduled prior to the time of loss, for up to a maximum of 21 days after the date of loss.

The Insurer's liability under this Extension shall not exceed the amount specified in the Summary of Coverages in this Form. Each scheduled item is to be deemed separately insured.

The coverage provided by this Extension does not apply until 48 hours following the loss or damage being reported to the Insurer. The Insured shall then be eligible for indemnity beginning from the date that the loss or damage was reported to the Insurer.

#### Expenses to reduce loss

This Extension also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Extension, but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Extension is reduced.

#### Additional exclusions

The Insurer shall not be liable for:

- 1.1. loss due to fines or damages for breach of contract for late or non-completion of orders, of for any penalties of whatever nature;
- 1.2. loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's **earnings** after the period following any loss during which indemnity is payable;
- 1.3. any other consequential or remote loss.

**Earnings** means the sum of net profits, payroll expenses and, all other operating expenses earned by the business.

### 2. Equipment Rental Expense Reimbursement

This Form is extended to cover expenses incurred by the Insured for the rental of equipment required to replace equipment insured by this policy that must be withdrawn from normal use, as a result of loss or damage from an insured peril under the Contractors' Equipment Form shown on the Declaration Page(s).

The Insurer will pay for expenses so incurred whether the equipment is rented with or without an operator.

The Insurer's liability for such expense shall not exceed the amount incurred during the period commencing with the date of loss and ending when such equipment has been, or in the exercise of due diligence and dispatch should have been, repaired or replaced by the Insured, whichever first occurs.

The Insurer's liability under this Extension of coverage shall not exceed the amount specified in the Summary of Coverages in this Form in respect to each item of contractor's equipment insured; each scheduled item to be deemed separately insured.

This Extension is subject to the following provisions:

- 2.1. the Insured will substitute other equipment at their disposal if any such equipment is idle;
- 2.2. rental of replacement equipment shall be limited to equipment that is equivalent to the same type of equipment that is being replaced.

### 3. Newly Acquired Contractor's equipment

This Form is extended to cover newly acquired contractor's equipment that is owned by the Insured. This coverage attaches at the time of such acquisition and extends for a period of 60 days or the date of endorsement, whichever first occurs.

### 4. Property while Waterborne or on Aircraft

This Form is extended to cover property while:

- 4.1. waterborne; or
- 4.2. aboard an aircraft; or
- 4.3. being transported by an aircraft.

### 5. Rented, Leased or Borrowed Contractor's Equipment

This Form is extended to cover contractor's equipment rented, leased or borrowed from others and for which the Insured is legally liable under contract.

This Extension applies only to items rented, leased or borrowed for up to a maximum duration of 30 consecutive days.

## SECTION 2 - CONTRACTOR'S EXTENSIONS

The following Extensions in this SECTION 2 are subject to all terms conditions, exclusions, stipulations and provisions applicable to the Building and/or Contents - Broad Form, or the Contractor's Equipment Form as stated on the Declaration Page(s).

The following Extensions are subject to the deductible shown on the Declaration Page(s) for:

- 1) Building and/or Contents - Broad Form and/or;
  - 2) Contractor's Equipment Form;
- whichever is highest.

**The following Extensions will replace those contained under the Edge Complete Form, if this Form is attached to this policy.**

### 6. Fines, Damages or Penalties for Breach of Contract

This Form is extended to cover such sums the Insured shall be legally liable to pay in discharge of fines, damages or penalties incurred solely for late or non-completion of orders in consequence of loss or damage from an insured peril to the insured property.

### 7. Installation Floater

This Form is extended to cover property, while in transit or otherwise, in the process of installation, construction, repair or reconstruction, or any other job in connection with the operations of the Insured, provided that:

- 7.1. the Insured is the owner, or has care, custody or control and may be held responsible for the property described above;
- 7.2. such property is intended to enter into and form part of the project performed by the Insured; and
- 7.3. the property is located in Canada or in the United States of America.

### Limits of Liability

The Insurer shall be liable for up to the Limit of Insurance specified in the Summary of Coverages in this Form on property at any single project site.

#### Property Excluded

This Form does not insure property while located on any premises owned, leased or occupied by the insured.

### Cessation of Coverage

This insurance will be terminated:

7.4. at the time of use or occupancy of any part or section of the project unless such use or occupancy is for:

- 7.4.1. construction purposes;
- 7.4.2. office or habitation purposes;
- 7.4.3. installing, testing or storing equipment or machinery;

7.5. thirty (30) days after completion of the installation; or

7.6. the expiration of this insurance;

whichever occurs first.

## 8. Unscheduled Contractor's Equipment Floater

8.1. Property Insured

This Form is extended to cover Unscheduled Contractor's Equipment, located anywhere within Canada and the United States of America, being the property of the Insured or the property of others for which the Insured is legally liable, but only for an amount not exceeding whichever is the least of:

- 8.1.1. the actual cash value of the property at the time of loss or damage;
- 8.1.2. the interest of the Insured in the property;
- 8.1.3. the amount of insurance specified on the Summary of Coverages in this Form in respect of the property lost or damaged.

Where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interest shall be limited in the aggregate to the amount of insurance specified on the Summary of Coverages in this Form.

8.2. Limit of Liability

This Insurer shall not be liable for more than the amount shown on the Summary of Coverages in this Form in any one occurrence either in case of partial or total loss or salvage or other charges or expenses or all combined.

8.3. Property Excluded

#### This Extension does not insure:

- 8.3.1. personal belongings or personal effects;
- 8.3.2. property while located underground, in caissons or under water;
- 8.3.3. property which has become a permanent part of any structure;
- 8.3.4. tires or tubes unless the loss or damage is caused by fire or theft, or is coincident with other loss or damage insured by this Form, but in no event for more than the actual cash value of the tires or tubes at the time of loss or damage;
- 8.3.5. property while airborne unless otherwise endorsed hereon;
- 8.3.6. property leased, rented or loaned to others unless otherwise endorsed hereon.

8.4. Perils Excluded

#### This Extension does not insure:

- 8.4.1. loss or damage caused by or resulting from the weight of any load including the load block, if any, and all rigging exceeding any or all of:
  - 8.4.1.1. the maximum allowable load;
  - 8.4.1.2. the lifting capacity;
  - 8.4.1.3. the rated load;
  - 8.4.1.4. eighty-five percent (85%) of the minimum tipping load; any or all of which may be set out in the manufacturer's specifications, capacity tables, or rating sheets for the particular unit involved;
- 8.4.2. loss, damage or expense caused by or resulting from misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or other party of interest, the employees or agents of the Insured or any person or persons to whom the property may be entrusted (bailees for hire excepted) or any mysterious disappearance or loss or shortage disclosed upon taking inventory;
- 8.4.3. loss or damage caused by electrical currents other than lightning unless fire or explosion ensues and then only for such destruction or damage as results from such damage or explosion;
- 8.4.4. loss or damage caused by or resulting from subsidence or breaking through ice, or by sinking in muskeg, swamp, sand or other soft ground;
- 8.4.5. loss or damage caused by any blasting or dynamiting operation conducted by or under control of the Insured, unless fire ensues, and then only for direct physical loss or damage caused by ensuing fire;
- 8.4.6. loss or damage caused by the inability of or failure of any electronic data processing equipment, or other equipment including embedded microchips, computer program, software, media, data, memory storage system, memory storage device, real time clock, date calculator or any other related component, system, process or device to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming.

This exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, strike, civil commotion, vandalism, malicious acts, smoke, leakage from fire protective equipment, windstorm or hail, theft, burglary, freezing of a plumbing, heating or air conditioning system, sewer back-up or water from any source, to the extent that such losses are otherwise insured by this policy.

## 9. Unscheduled Tool Floater

This Form is extended to cover loss of or damage to unscheduled portable tools, while located anywhere within Canada and the United States of America, caused by an insured peril.

## SECTION 3 - CONTRACTOR'S EXTENSIONS

### 10. Catch All Clause

In the event of a claim being made under any Extension specified under this Form, and following the application of all terms, deductibles, and conditions applicable to the Extension, if the amount of insurance is insufficient to fully indemnify the Insured for loss or damage, then the insurance under this Form is extended to provide additional coverage, in excess of any such adjusted claim.

In no event shall the Insurer be liable, in any one occurrence, for more than:

- 10.1. the difference between the amount payable, under the adjusted claim(s), and the amount required to fully indemnify the Insured; or
- 10.2. the amount of Insurance specified for this Extension in the Summary of Coverages in this Form;

whichever is the lesser amount.

If the amount of insurance for more than one Extension is insufficient, this Catch All Clause may be applied to one or more Extensions in any one loss occurrence. In the event that claim is made under this Catch All Clause, the Insured shall elect which Extensions shall receive the benefit of this Catch All Clause.

The Insurer shall not be liable for more than the amount shown in the Summary of Coverages in this Form in any one occurrence, no matter how many Extension limits are insufficient.

### 11. Replacement cost including leased equipment

The Insurer agrees to amend the basis of valuation from Actual Cash Value to **Replacement Cost**, subject to the following provisions:

- 11.1. the equipment is 60 months old or newer at the time of loss or damage;
- 11.2. **replacement cost** shall not apply to betterment resulting from the repair or replacement of parts having prior unrepaired damage;
- 11.3. **replacement** shall be effected by the Insured with due diligence and dispatch;
- 11.4. failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this Extension had not been in effect;
- 11.5. this Extension applies separately to items of Contractor's Equipment;
- 11.6. any coinsurance calculation shall be based on a valuation of **replacement cost**.
- 11.7. In this clause:
  - 11.7.1. **replacement cost** means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the equipment damaged or destroyed with new equipment of like kind and quality without deduction for depreciation;
  - 11.7.2. **replacement** includes repair, construction or reconstruction with new equipment of like kind and quality.
- 11.8. In the event that new equipment of like kind and quality is not obtainable, new equipment which is as similar as possible to that damaged or destroyed 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 clause;
- 11.9. this clause also applies to Extensions Item 8 - Unscheduled Contractor's Equipment Floater, and item 9 - Unscheduled Tool Floater.