

EDGE COMPLETE 4.0

TABLE OF CONTENTS

	pages
SUMMARY OF COVERAGES.....	3
SECTION 1 – BLANKET EXTENSIONS.....	3
SECTION 2 – BLANKET EXTENSIONS.....	3
SECTION 3 – INDIVIDUAL EXTENSIONS.....	4
SPECIAL PROVISIONS.....	5
PROPERTY COVERAGE.....	5
EXTENSIONS OF COVERAGE.....	5
SECTION 1 – BLANKET EXTENSIONS.....	5
ACCOUNTS RECEIVABLE.....	5
BRANDS AND LABELS.....	6
BUILDING DAMAGE BY THEFT.....	6
ENVIRONMENTAL (GREEN) UPGRADE.....	6
EXPEDITING EXPENSES.....	6
FIRE OR POLICE DEPARTMENT SERVICE CHARGES.....	6
FIRE SUPPRESSION RECHARGE EXPENSE.....	6
PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS.....	6
PROFESSIONAL FEES.....	6
PROOF OF LOSS AND INVENTORY PREPARATION EXPENSE.....	7
REPLACEMENT OF LOCKS AND KEYS.....	7
TENANT LEASEHOLD INTEREST – RENTS.....	7
VALUABLE PAPERS AND RECORDS, COMPUTER DATA.....	7
SECTION 2 – BLANKET EXTENSIONS.....	7
ACCRUED STORAGE CHARGES.....	7
ARSON AND THEFT REWARD.....	7
CONTENTS AT INSURED RESIDENCE OR INSURED'S EMPLOYEE'S RESIDENCE.....	7
CONTENTS AT OTHER THAN SPECIFIED LOCATIONS.....	7
CONTENTS TEMPORARILY AWAY FROM THE LOCATION(S).....	8
DEFERRED PAYMENT PLAN STOCK.....	8
EXHIBITION FLOATER.....	8
FINE ARTS.....	8
FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT.....	8
INSTALLATION FLOATER.....	8
MOBILE INVENTORY MANAGEMENT EQUIPMENT.....	8
MORTGAGE RATE GUARANTEE.....	8
MOULDS AND PATTERNS.....	8
PROPERTY IN CUSTODY OF SALES REPRESENTATIVES.....	8
SECTION 3 – INDIVIDUAL EXTENSIONS.....	9
BAILEE'S CUSTOMER.....	9
BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON VEHICLE.....	9
BUILDING BY-LAWS.....	9
CATCH ALL CLAUSE.....	9
COMPUTER SYSTEMS, MEDIA AND DATA BREAKDOWN.....	9
CONDOMINIUMS – COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS.....	10
CONDOMINIUMS – COMMON EXPENSE.....	10
CONDOMINIUMS – TRUSTEES FEES.....	10
CONDOMINIUMS – PROPERTY IN CUSTODY.....	10

CONDOMINIUMS – UNIT OWNERS' ADDITIONAL COVERAGES.....	10
CONFISCATION OR SEIZURE OF PROPERTY.....	10
CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION.....	10
CONSEQUENTIAL LOSS – ON PREMISES (EXTENDED COVERAGE).....	11
CONSTRUCTION OF ADDITIONS, EXTENSIONS, ALTERATIONS AND REPAIRS.....	11
CONTAMINATION, MARRING OR SCRATCHING, SHRINKAGE.....	11
CRANE OPERATOR'S INSURANCE.....	11
DEBRIS REMOVAL – ADDITIONAL EXPENSES.....	11
ELECTRICAL DEVICES, APPLIANCES OR WIRING.....	11
ENTRANCE OF RAIN, SLEET OR SNOW.....	11
EQUIPMENT UPGRADE.....	11
EXTRA EXPENSE.....	12
GROWING PLANTS, TREES, SHRUBS, LAWNS OR FLOWERS.....	12
LAND AND WATER POLLUTANT CLEAN UP EXPENSES.....	12
MONEY AND SECURITIES.....	12
NEWLY ACQUIRED CONTENTS.....	12
NEWLY ACQUIRED LOCATION.....	13
OFFICE CONTENTS.....	13
PEAK SEASON INCREASE.....	13
PRECIOUS METALS.....	13
PROPERTY IN TRANSIT.....	13
PROPERTY LEASED, RENTED OR LOANED.....	13
REMOVAL.....	13
ROADWAYS, WALKWAYS AND PARKING LOTS.....	13
SEEPAGE, LEAKAGE OR INFLUX OF WATER.....	13
SETTLING, EXPANSION, SHIFTING OR CRACKING.....	13
SEWERS, DRAINS, WATERMAIN.....	14
SNOWSLIDE, LANDSLIDE, SUBSIDENCE.....	14
SYSTEM SOFTWARE ERASURE.....	14
UNSCHEDULED TOOL FLOATER.....	14
WAREHOUSEMAN'S LEGAL LIABILITY.....	14
SPECIAL PROVISIONS.....	14
BASIS OF VALUATION – REPLACEMENT COST.....	14
NOTICE OF CANCELLATION/TERMINATION AMENDMENT.....	15
TERRITORIAL LIMITS.....	15
WAIVER OF DEDUCTIBLE FOR A MAJOR LOSS.....	15

SUMMARY OF COVERAGES

SECTION 1

SECTION 1 – BLANKET EXTENSIONS		
Item	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
1.	Accounts Receivable	\$1,000,000
2.	Brands and Labels	
3.	Building Damage by Theft	
4.	Environmental (Green) Upgrade	
5.	Expediting Expenses	
6.	Fire or Police Department Service Charges	
7.	Fire Suppression Recharge Expense	
8.	Personal Property of Officers, Employees and Volunteers	
9.	Professional Fees	
10.	Proof of Loss and Inventory Preparation Expense	
11.	Replacement of Locks and Keys	
12.	Tenant Leasehold Interest – Rents	
13.	Valuable Papers and Records, Computer Data	

SECTION 2

SECTION 2 – BLANKET EXTENSIONS		
Items	Extensions of Coverage	Total Combined Amount of Insurance per occurrence
14.	Accrued Storage Charges	\$250,000
15.	Arson and Theft Reward (sub-limited)	
16.	Contents at Insured's Residence or Insured's Employee's Residence	
17.	Contents at Other than Specified Locations	
18.	Contents Temporarily Away from the Location(s)	
19.	Deferred Payment Plan Stock	
20.	Exhibition Floater	
21.	Fine Arts	
22.	Fines, Damages or Penalties for Breach of Contract	
23.	Installation Floater	
24.	Mobile Inventory Management Equipment	
25.	Mortgage Rate Guarantee	
26.	Moulds and Patterns	
27.	Property in Custody of Sales Representatives	

SECTION 3

SECTION 3 – INDIVIDUAL EXTENSIONS		
Item	Extension of Coverage	Amount of Insurance per occurrence (unless otherwise stated)
28.	Bailee's Customer	\$30,000
29.	Breakdown of Refrigeration or Heating Equipment on Vehicle	\$50,000
30.	Building By-laws	
30.1.	Value of Undamaged Portion	Included
30.2.	Cost of Demolition	Included
30.3.	Increased Cost of Construction	Included + 10% / \$1,000,000
31.	Catch all Clause	\$50,000
32.	Computer Systems	\$100,000
	Computer Media	\$50,000
	Computer Data	\$50,000
33.	Condominiums – Common Elements Contents or Common Area Contents	\$100,000
34.	Condominiums – Common Expense	Included
35.	Condominiums – Trustees Fees	2% / \$100,000
36.	Condominiums – Property in Custody	\$7,500 per unit owner / \$75,000 per occurrence
37.	Condominiums – Unit Owners' Additional Coverages	
37.1.	Contingent Condominium Unit Coverage	\$350,000
37.2.	Special Loss Assessment	\$350,000
37.3.	Betterments and Improvements	\$50,000
38.	Confiscation or Seizure of Property	\$25,000
39.	Consequential Loss – Off-premises Service Interruption	\$50,000
40.	Consequential Loss – On Premises (Extended Coverage)	Included
41.	Construction of Additions, Extensions, Alterations and Repairs	\$150,000
42.	Contamination, Marring or Scratching, Shrinkage	Included
43.	Crane Operator's Insurance	\$25,000
44.	Debris Removal – Additional Expenses	Included + 10% / \$1,000,000
45.	Electrical Devices, Appliances or Wiring	Included
46.	Entrance of Rain, Sleet or Snow	Included
47.	Equipment Upgrade	\$50,000
48.	Extra Expense	\$100,000
49.	Growing Plants, Trees, Shrubs, Lawns or Flowers	\$50,000
50.	Land and Water Pollutant Clean Up Expenses	\$100,000 aggregate per policy period
51.	Money and Securities	\$5,000
52.	Newly Acquired Contents	\$500,000 (Equipment) / \$25,000 (Stock) / (30 days)
53.	Newly Acquired Location	\$2,000,000 (Building) / \$500,000 (Contents) / (90 days)
54.	Office Contents	\$50,000
55.	Peak Season Increase	25%
56.	Precious Metals	\$25,000
57.	Property in Transit	\$50,000
58.	Property Leased, Rented or Loaned	Included + \$100,000
59.	Removal	Included (60 days)
60.	Roadways, Walkways and Parking Lots	\$100,000
61.	Seepage, Leakage or Influx of Water	Included

62.	Settling, Expansion, Shifting or Cracking	Included
63.	Sewers, Drains, Watermain	Included
64.	Snowslide, Landslide, Subsidence	Included
65.	System Software Erasure	\$30,000 aggregate per policy period
66.	Unscheduled Tool Floater	\$10,000
67.	Warehouseman's Legal Liability	\$100,000

SECTION 4

Item	SPECIAL PROVISIONS
	Basis of Valuation – Replacement Cost
	Notice of Cancellation/Termination Amendment
	Territorial Limits
	Waiver of Deductible for a Major Loss

PROPERTY COVERAGE

The following **EXTENSIONS OF COVERAGE** Section deletes and replaces the **EXTENSIONS OF COVERAGE** Section in the Building and/or Contents – Broad Form and, except as otherwise provided under the **EXTENSIONS OF COVERAGE** Section below, is subject to all terms, conditions, limitations and exclusions of the Building and/or Contents – Broad Form.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are not subject to a co-insurance requirement unless stated otherwise.

In the event that more than one Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section applies to the same loss or damage as a result of a single occurrence and provides any duplicative coverage, only the Extension of Coverage with the highest available amount of insurance will apply to the portion of the loss or damage with duplicative coverage.

In the event that coverage for loss or damage as a result of a single occurrence provided by an Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is also provided elsewhere in the policy, except in the Business Interruption Extension endorsement, then the Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is deleted in its entirety.

In the event that coverage for loss or damage as a result of a single occurrence provided by an Extension of Coverage in this **EXTENSIONS OF COVERAGE** Section is also provided in the Business Interruption Extension endorsement, then only the Extension of Coverage with the highest amount of insurance will apply.

SECTION 1 – BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to a total combined limit per occurrence as specified in the Summary of Coverages for Section 1 – BLANKET EXTENSIONS.

1. ACCOUNTS RECEIVABLE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 1.1. all sums due to the Insured from customers, provided the Insured is unable to collect such sums as the result of direct physical loss of or direct physical damage to records of accounts receivable which are inside the **building** at the location designated on the Declaration Page(s), provided such loss or damage is caused by an insured peril;
- 1.2. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
- 1.3. collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- 1.4. other expenses, while reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

The Insurer shall not be liable for loss or damage:

- 1.5. due to bookkeeping, accounting or billing errors or omissions;
- 1.6. the proof of which as to its factual existence, is dependent upon an audit of records or an inventory computation. This shall not preclude the use of such procedures in support of claim for loss;
- 1.7. 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

- 1.8. When there is proof that a loss insured by this Extension has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Insured's monthly accounts receivable and shall be computed as follows:
 - 1.8.1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
 - 1.8.2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
 - 1.8.3. the amount determined under paragraph 1.8.1. above, increased or decreased by the percentage calculated under paragraph 1.8.2. above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
 - 1.8.4. the amount determined under paragraph 1.8.3. above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectable by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

2. BRANDS AND LABELS

If **stock** damaged by an insured peril is salvageable and bears a brand or trademark or guarantee, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the removal of such brand, trademark or guarantee before sale of such **stock** as salvage.

3. BUILDING DAMAGE BY THEFT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical damage (except by fire) to that part of a **building** occupied by the Insured, 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 such **building**, the Insured is legally liable for such damage and the **building** is not otherwise insured under this Building and/or Contents – Broad Form.

4. ENVIRONMENTAL (GREEN) UPGRADE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 4.1. any difference between the certified **green** cost and the established **replacement cost**;
- 4.2. any additional costs incurred by the Insured for the services of a **green authority**, in accordance with the design, construction, restoration or reconstruction of certified **green** property which suffered an insured loss; and
- 4.3. any additional costs incurred by the Insured to obtain the certification or the recertification of repaired or replaced insured property to be certified **green**;

following direct physical loss of or direct physical damage to **building(s)** and **equipment** caused by an insured peril.

For the purposes of this Extension, the Insured shall comply with the co-insurance clause applicable to the **building(s)** and **equipment**.

Green means products, materials, methods and processes certified by a **green authority** and that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

Green Authority means an authority on building products, materials, methods or processes that are certified and accepted by industry associations or government as supporting environmental sustainability and/or energy conservation. These entities include but are not limited to: Leadership in Energy and Environmental Design (LEED), Green Building Initiative (Green Globes), Energy Star, Building Owners and Managers Association (BOMA) BEST, any applicable Canadian Standards Association guideline, ISO Standards or any other environmental sustainability or energy conservation rating or certification system recognised by the Insurer.

5. EXPEDITING EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expediting expenses, including overtime, incurred as a result of direct physical loss of or direct physical damage to insured property caused by an insured peril, for such costs incurred to:

- 5.1. make reasonable temporary repairs;
- 5.2. expedite reasonable permanent repairs;
- 5.3. expedite permanent **replacement** of the insured property that has been lost or damaged.

This Extension does not apply to additional costs incurred for the rental or borrowing of property while the damaged property is being repaired or replaced.

Replacement means repair, construction or reconstruction with new property of like kind and quality.

6. FIRE OR POLICE DEPARTMENT SERVICE CHARGES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover service charges assessed when a fire or police department is called to save or protect the insured property from fire or another insured peril at the location(s) described in the Declaration Page(s).

This Extension only provides reimbursement for service charges for which the Insured is legally liable and which have been received directly from:

- 6.1. the Insured's municipal fire or police department; or
- 6.2. a neighbouring municipality's fire department or police department for which there is an inter-municipal agreement.

7. FIRE SUPPRESSION RECHARGE EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover any **fire suppression system** recharge expense (including system inspection expenses) incurred by the Insured due to the leakage or discharge of the fire suppressant within any **fire suppression system** at the **premises** of the Insured where such discharge or leakage is caused by or results from an insured peril.

Coverage under this Extension, may also be applied to the cost incurred during the policy period of upgrading any **fire suppression system** following loss or damage arising out of a fire to which this Form otherwise applies, and that caused such **fire suppression system** to discharge. The cost incurred for upgrading **fire suppression systems** does not apply to any **automatic sprinkler system** designed to protect the **building** or **contents**.

Fire Suppression System means special fire suppression equipment, which is not water based and has been designed and installed to conform with National Fire Protection Association (NFPA) guidelines.

Automatic Sprinkler System means a system that consists of an integrated network of piping designed in accordance with fire protection engineering standards that includes a water supply source, a water control valve, a water flow alarm and a drain. The system shall be activated by heat from a fire that automatically discharges water over the fire area.

8. PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS

At the option of the Insured, **equipment** includes personal property of officers, employees and volunteers of the Insured.

9. PROFESSIONAL FEES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover necessary and reasonable fees incurred by the Insured, with the prior written approval of the Insurer, for professional services provided by auditors, accountants, architects, surveyors, engineers and other professionals.

This Extension only applies to professional services required for the purpose of producing or certifying particulars or details of the Insured's business that are requested by the Insurer, in connection with direct physical loss of or direct physical damage to insured property caused by an insured peril, in order for the Insurer to arrive at the loss payable under this Building and/or Contents – Broad Form.

This Extension does not apply to any fees:

- 9.1. relating to the preparation of a proof of loss or inventory;
- 9.2. incurred for services provided by lawyers, public adjusters, loss appraisers, loss consultants or the Insured's own employees.

10. PROOF OF LOSS AND INVENTORY PREPARATION EXPENSE

If, as the result of direct physical loss of or direct physical damage to insured property caused by an insured peril, the Insurer requests:

- 10.1. the preparation of a proof of loss; or
- 10.2. the preparation of inventories to help determine the amount of the loss;

the insurance provided by this Building and/or Contents – Broad Form is extended to cover the necessary expenses incurred to prepare such proofs or inventories.

This Extension does not apply to expenses to prove this Building and/or Contents – Broad Form insures against a loss, nor for expenses incurred under the condition of this policy relating to appraisal.

11. REPLACEMENT OF LOCKS AND KEYS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the replacement, repair or reprogramming of locks in the event of direct physical loss of or direct physical damage to master keys, electronic passes, or key cards controlling the doors to location(s) described in the Declaration Page(s), caused by an insured peril.

12. TENANT LEASEHOLD INTEREST – RENTS

If, as a result of direct physical loss of or direct physical damage to insured property caused by an insured peril, the landlord terminates the lease in accordance with the conditions of the lease, this Extension will cover the difference between the higher rent at the new premises and the rent stipulated in the prior lease for:

- 12.1. the unexpired term of the prior lease; or
- 12.2. twenty four (24) months from the date of loss;

whichever time period is shorter.

The difference shall be calculated on the basis that the new premises are of similar size, condition and location without allowances for improvement.

13. VALUABLE PAPERS AND RECORDS, COMPUTER DATA

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **valuable papers and records** and **computer data** on the **premises** caused by an insured peril.

In the event of such loss or damage, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the extra expense necessarily incurred in the reproduction of the **valuable papers and records** and **computer data**, including the cost of gathering or assembling information or data for such reproduction.

This Extension does not apply to:

- 13.1. errors or omissions in processing or copying unless fire or explosion ensues and then, coverage is only provided for direct physical loss of or direct physical damage to **valuable papers and records** and **computer data** caused by such ensuing fire or explosion;
- 13.2. **money** or **securities**;
- 13.3. computer viruses, harmful code or similar instructions introduced into or enacted on a **computer system**, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

Computer Data means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of **data** or the direction and manipulation of such computer equipment.

Computer System means electronic office equipment including computer servers, component parts, networks, mainframes, accounting machines, drives, associated peripheral equipment, and any storage devices that are used for **computer data** storage and processing.

Money means currency, coins, bank notes and bullion, traveller's cheques, registered cheques and money orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts representing **money** or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include **money**.

Valuable Papers and Records means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.

SECTION 2 – BLANKET EXTENSIONS

The following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to a total combined limit per occurrence as specified in the Summary of Coverages for Section 2 – BLANKET EXTENSIONS.

14. ACCRUED STORAGE CHARGES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the amount of uncollectible accrued storage charges that arise from direct physical loss of or direct physical damage to the movable property of others that is stored or transported by the Insured, provided such loss or damage is caused by an insured peril. No coverage is provided for storage charges that are more than thirty (30) days in arrears.

15. ARSON AND THEFT REWARD

In the event of direct physical loss of or direct physical damage to insured property resulting from an act of arson or theft, for which coverage is afforded under this policy, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the reimbursement, to the Insured, for **rewards** up to a maximum amount equal to 25% of such covered loss, subject to the total combined limit per occurrence specified in the Summary of Coverages under this Section 2 – BLANKET EXTENSIONS.

Rewards means amounts paid for information directly leading to convictions for the act of arson or theft, or for the recovery of stolen property.

The Insurer's liability under this Extension shall not be increased by the number of people who provide information.

16. CONTENTS AT INSURED'S RESIDENCE OR INSURED'S EMPLOYEE'S RESIDENCE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such **contents** are at the residence of the Insured or the Insured's employees.

17. CONTENTS AT OTHER THAN SPECIFIED LOCATIONS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such **contents** are at a location not owned, rented, or controlled in whole or in part by the Insured anywhere in the world.

18. CONTENTS TEMPORARILY AWAY FROM THE LOCATION(S)

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **contents** caused by an insured peril, while such **contents** are temporarily removed from the location(s) described in the Declaration Page(s) and at an unnamed location anywhere in the world.

19. DEFERRED PAYMENT PLAN STOCK

The insurance provided by this Building and/or Contents – Broad Form is extended to cover **stock** the Insured has sold conditionally or whose price is payable at a future date or by installments. If direct physical loss of or direct physical damage to such **stock** caused by an insured peril occurs after it has left the Insured's custody but before the Insured has received full payment, the Insurer will indemnify the Insured for the unpaid balance. This Extension does not insure against default by the purchaser.

20. EXHIBITION FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the insured property caused by an insured peril, from the time such property leaves any **premises** of the Insured, while in transit to and from any exhibition site and while at such exhibition site.

21. FINE ARTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to fine arts that are the property of the Insured, or the property of others for which the Insured may be legally liable, caused by an insured peril, while such fine arts are at the locations(s) described in the Declaration Page(s).

Fine arts includes paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

22. FINES, DAMAGES OR PENALTIES FOR BREACH OF CONTRACT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover sums the Insured is legally liable to pay in discharge of fines, damages or penalties incurred solely for late or non-completion of orders in consequence of direct physical loss of or direct physical damage to insured property caused by an insured peril.

23. INSTALLATION FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, caused by an insured peril, while in transit or in the process of installation, construction, repair, or reconstruction, or any other project in connection with the operations of the Insured, provided that:

- 23.1. the Insured is the owner, or has care, custody or control and may be held responsible for the property described above; and
- 23.2. such property is intended to enter into and form part of the project performed by the Insured.

The Insurer shall be liable for up to the amount of insurance specified in the Summary of Coverages under this Section 2 on property at any single **project site**.

Property Excluded

This Extension does not insure property while located on any **premises** owned, leased or occupied by the Insured.

Cessation of Coverage

This insurance will be terminated:

- 23.3. at the beginning of use or occupancy of any part or section of the project unless such use or occupancy is for:
 - 23.3.1. construction purposes;
 - 23.3.2. office or habitational purposes;
 - 23.3.3. installing, testing or storing equipment or machinery;
- 23.4. thirty (30) days after completion of the installation; or
- 23.5. the expiration of this insurance;

whichever occurs first.

Project Site means any work site at which the Insured has been contracted to do work usual to the operations of the Insured.

24. MOBILE INVENTORY MANAGEMENT EQUIPMENT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **mobile inventory management equipment**, including **data** and media, caused by an insured peril. This Extension applies to property only while away from the **premises**.

Paragraph 2.16. Data Exclusion, of the Building and/or Contents – Broad Form, does not apply to this Extension.

This Extension does not apply to loss or damage due to electrical or magnetic injury, computer viruses, malware or any form of malicious code, or the disturbance or erasure of electronic recordings, except by lightning.

Mobile Inventory Management Equipment means mobile computers, computerized equipment and related component parts that are used away from the **premises** solely to manage and control inventory.

25. MORTGAGE RATE GUARANTEE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the increase in mortgage cost required as a result of direct physical loss of or direct physical damage to a **building** caused by an insured peril where loss or damage to such **building** is deemed to be total, and where the mortgagor at the time of the loss closes the existing mortgage as a result of the insured loss, requiring a new mortgage at a higher but competitive rate of interest.

The new mortgage must be the same term, amortization, and interest rate option of the previous mortgage.

Indemnity shall be based on the difference between the mortgage rate in effect on the date of the loss and the new mortgage rate, based on the outstanding mortgage balance.

This Extension will continue:

- 25.1. for the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- 25.2. until the Insured relinquishes title or interest in the **building**; or
- 25.3. for a period not exceeding sixty (60) months;

whichever occurs first.

Settlement of partial losses to the **building** shall be made as if this Extension had not been in effect.

26. MOULDS AND PATTERNS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to moulds and patterns that are the property of the Insured, or the property of others in the custody of the Insured for which the Insured is legally liable, caused by an insured peril.

27. PROPERTY IN CUSTODY OF SALES REPRESENTATIVES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by an insured peril, while in the custody of sales representatives, whether in transit or otherwise.

SECTION 3 – INDIVIDUAL EXTENSIONS

Except for Extensions 34. CONDOMINIUMS – COMMON EXPENSE, 40. CONSEQUENTIAL LOSS – ON PREMISES (EXTENDED COVERAGE), 42. CONTAMINATION, MARRING OR SCRATCHING, SHRINKAGE, 45. ELECTRICAL DEVICES, APPLIANCES OR WIRING, 46. ENTRANCE OF RAIN, SLEET OR SNOW, 59. REMOVAL, 61. SEEPAGE, LEAKAGE OR INFLUX OF WATER, 62. SETTLING, EXPANSION, SHIFTING OR CRACKING, 63. SEWERS, DRAINS, WATERMAIN, and 64. SNOWSLIDE, LANDSLIDE, SUBSIDENCE, the following Extensions of Coverage apply in addition to the limits of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description up to an individual limit per occurrence as specified in the Summary of Coverages for Section 3 – INDIVIDUAL EXTENSIONS, unless otherwise stated.

28. BAILEE'S CUSTOMER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to all lawful goods and articles belonging to the Insured's customers and clients while such goods or articles are:

- 28.1. on the **premises** for the purpose of the Insured performing the business service or professional service described on the Declaration Page(s); or
- 28.2. in transit if the goods or articles are in the possession of the Insured;

provided such loss or damage is caused by an insured peril.

This Extension does not apply to loss or damage to goods or articles received for storage, or for which a storage charge has been or will be made.

29. BREAKDOWN OF REFRIGERATION OR HEATING EQUIPMENT ON VEHICLE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property due to spoilage resulting from sudden or accidental breakdown or failure of refrigeration or heating equipment forming part of the transporting vehicle owned, rented or leased by the Insured, subject to the following conditions:

- 29.1. it is warranted that the Insured or the Insured's agents shall exercise due diligence in maintaining in complete working order all refrigeration or heating units and related equipment, in accordance with the manufacturer's specified precautions and service procedures. If the Insured fails to maintain written records of such maintenance or fails to inspect, repair or otherwise keep such units and related equipment in good working order, there will be no coverage for loss or damage to cargo caused by or resulting from changes in temperature;
- 29.2. the insurance afforded by this Extension shall only apply as excess and in no event as contributing over any other valid and collectible insurance available to the Insured, unless there is no valid and collectible insurance, in which case this policy shall be primary.

30. BUILDING BY-LAWS

In the event of direct physical loss of or direct physical damage to a **building** caused by an insured peril, the insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 30.1. loss occasioned by the demolition of any undamaged portion of the **building**;
- 30.2. the cost of demolishing and clearing the site of any undamaged portion of the **building**; and
- 30.3. any increase in the cost of repairing, replacing, constructing or reconstructing the damaged portion of 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 regulates zoning or the demolition, repair or construction of damaged **buildings**, and is in force at the time of such loss or damage.

Coverage provided under this Extension is included in the limit of insurance stated on the Declaration Page(s) for the Building.

In the event such limit is exhausted, the Insurer shall be liable under paragraph 30.3. of this Extension only, for up to an additional 10% of the limit of insurance stated on the Declaration Page(s) for the Building, subject to the maximum amount stated in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS.

This Extension does not apply to:

- 30.4. the enforcement of any by-law, regulation, ordinance or law;
 - 30.4.1. which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
 - 30.4.2. which would apply in the absence of a loss;
 - 30.4.3. that the Insured was required to comply with prior to the loss but failed to do so;
 - 30.4.4. if the Insured elects not to repair, replace or reconstruct the damaged **building** at all;
- 30.5. any part of the damaged **building** which is subject to the by-law, regulation, ordinance or law and which the Insured elects not to repair, replace or reconstruct;
- 30.6. any part of the damaged **building** which is not subject to the by-law, regulation, ordinance or law and which the Insured elects to repair, replace or reconstruct;
- 30.7. direct or indirect loss, damage, cost or expense:
 - 30.7.1. 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**;
 - 30.7.2. 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**.

31. CATCH ALL CLAUSE

In the event of a claim being made under any Extension specified under this Section 3 – INDIVIDUAL EXTENSIONS, except for the Extensions mentioned at paragraph 31.1. below, 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 the insured loss or damage, then the insurance under this Extension 31. CATCH ALL CLAUSE provides additional coverage in excess of any such adjusted claim.

This Extension does not apply to:

- 31.1. Extensions 39. CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION, 51. MONEY AND SECURITIES and 54. OFFICE CONTENTS.

If, in an occurrence, claim is made under more than one Extension under this Section 3 – INDIVIDUAL EXTENSIONS for which the amount of insurance is insufficient and to which this Catch All Clause may apply, then the Insured shall elect the Extension(s) to receive the benefit of the Catch All Clause.

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

- 31.2. the difference between the amount payable under the adjusted claim(s) and the amount required to fully indemnify the Insured; or
- 31.3. the amount of insurance specified in the Summary of Coverages for this Extension 31. CATCH ALL CLAUSE under this Section 3 – INDIVIDUAL EXTENSIONS;

whichever is the lesser amount, regardless of the number of Extensions under this Section 3 – INDIVIDUAL EXTENSIONS to which this Catch All Clause applies.

32. COMPUTER SYSTEMS, MEDIA AND DATA BREAKDOWN

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **computer systems, computer media or computer data** on the **premises** due to:

- 32.1. mechanical breakdown, faulty construction or error in design;

32.2. short circuit, blow-out or other electrical, electronic or magnetic disturbance:

32.2.1. within a **computer system**; or

32.2.2. caused by lightning;

32.3. failure, breakdown or malfunction of a **computer system** when **computer media** is being run through the **computer system** and the **computer media** fails, breaks down or malfunctions.

In addition, this Extension covers the extra expenses necessarily incurred to reprogram or replace any **computer data** that is disturbed or erased as the direct result of such loss or damage.

This Extension does not apply to:

32.4. errors or omissions in processing or copying of **computer media** or **computer data**;

32.5. computer viruses, harmful code or similar instructions introduced into or enacted on a **computer system**, equipment or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation;

32.6. loss or damage caused directly or indirectly by any change or interruption to electric power, if the change originates more than 1000 feet away from the **premises** insured containing the **computer system**, **computer media** or **computer data**.

Computer Data means facts, concepts and information which is converted to a form useable for computer equipment and includes programs, software and coded instructions for the processing and manipulation of **data** or the direction and manipulation of such computer equipment.

Computer System means electronic office equipment including computer servers, component parts, networks, mainframes, accounting machines, drives, associated peripheral equipment, and any storage devices that are used for **computer data** storage and processing.

Computer Media means the material on which **computer data** are stored.

33. CONDOMINIUMS – COMMON ELEMENTS CONTENTS OR COMMON AREA CONTENTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **common elements contents** or **common area contents** at the **premises**, caused by an insured peril and not otherwise insured.

Common Elements Contents or **Common Area Contents** means furniture, furnishings, fittings, fixtures, machinery, and appliances other than the **building**. The property must be located in a common area of the **building** which is openly accessible to all occupants of the **building**.

34. CONDOMINIUMS – COMMON EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to indemnify the **condominium corporation** for the loss of such obligatory contributions towards common expenses as may be assessed from time to time by the **condominium corporation** against all **unit** owners, provided that the Insurer shall not be liable under this Extension for more than the pro-rata share of such expenses during the time that the **unit(s)** remain unoccupied and untenable due to direct physical loss of or direct physical damage to insured property caused by an insured peril.

35. CONDOMINIUMS – TRUSTEES FEES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover reasonable and customary fees paid by the **condominium corporation** or by any **unit** owner to an insurance trustee for services provided following insured loss or damage. The use of an insurance trustee must be required by the Condominium Declaration and the Insurance Trust Agreement.

This Extension shall be limited to a maximum recovery not exceeding whichever is the least of:

35.1. the amount of insurance specified in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS; or

35.2. two percent (2%) of the loss sustained and otherwise payable under this Building and/or Contents – Broad Form.

36. CONDOMINIUMS – PROPERTY IN CUSTODY

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the property of **unit** owners caused by an insured peril, provided that, at the time of the loss, the **condominium corporation** had accepted custody of such property for safekeeping.

This Extension shall be limited to an amount per **unit** owner and maximum amount per occurrence as specified in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS.

37. CONDOMINIUMS – UNIT OWNERS' ADDITIONAL COVERAGES

37.1. Contingent Condominium Unit Coverage

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to the **Insured's unit** caused by an insured peril, but only to the extent that said **unit** is not so insured by the **condominium corporation** or to the extent that the building insurance purchased by the **condominium corporation** on behalf of its **unit** owners is not effective or is inadequate.

37.2. Special Loss Assessment

The insurance provided by this Building and/or Contents – Broad Form is extended to cover payment of the **Insured's** share of Special Loss Assessments levied against the **unit** owners of the **condominium corporation** by the directors of said **condominium corporation** in accordance with the governing rules of the corporation, when such assessments are made necessary by direct physical loss of or direct physical damage to the condominium property collectively owned by the **unit** owners caused by an insured peril.

37.3. Betterments and Improvements

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to improvements, alterations or betterments made or acquired by the **Insured** that have become a permanent part of the building, provided such loss or damage is caused by an insured peril.

For the purposes of this Extension, **Insured** means the individual Condominium **unit** owner.

38. CONFISCATION OR SEIZURE OF PROPERTY

If **equipment** or **stock** is confiscated or seized from the Insured by public authority, and the Insured purchased such property from a person who had acquired such property illegally, the insurance provided by this Building and/or Contents – Broad Form is extended to cover such loss.

This Extension shall not apply if the Insured was aware they were purchasing illegally acquired property.

39. CONSEQUENTIAL LOSS – OFF-PREMISES SERVICE INTERRUPTION

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **stock** on the **premises** caused by:

39.1. a change of temperature; or

39.2. dampness or dryness of atmosphere;

directly resulting from direct physical loss of or direct physical damage to any off-**premises** property that generates or supplies electricity, water, gas, steam or **communication service** to the **premises**, caused by an insured peril.

This Extension does not apply to loss or damage directly or indirectly arising from:

39.3. loss or damage to overhead electrical transmission lines or distribution lines (or their supporting structures) that are off the **premises**;

39.4. loss or reduction of electricity, water, gas, steam or **communication service** due to lack of sufficient capacity;

39.5. an intentional reduction in the supply of electricity, water, gas, steam or **communication service**.

40. CONSEQUENTIAL LOSS – ON PREMISES (EXTENDED COVERAGE)

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property on the **premises** caused by:

- 40.1. a change of temperature; or
- 40.2. dampness or dryness of atmosphere;

directly resulting from direct physical loss of or direct physical damage to **building** or **equipment**, including, while located on the **premises**, their supply or transmission lines and pipes and their connections furnishing electricity, water, gas, steam or **communication service**.

Such loss or damage to **building** or **equipment** must be caused by an insured peril.

41. CONSTRUCTION OF ADDITIONS, EXTENSIONS, ALTERATIONS AND REPAIRS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to property in course of construction that forms part of an addition, extension or alteration to the **building** on the **premises**, including:

- 41.1. materials and supplies;
- 41.2. landlord's permanent fittings and fixtures to be attached to the **building**;
- 41.3. scaffolding, falsework, forms, hoardings, excavation, site preparation, temporary structures, and similar work;
- 41.4. fences, foundations, other supports, frescoes, machinery and equipment for building services; and
- 41.5. landscaping;

provided that such loss or damage is caused by an insured peril and such property lost or damaged is not insured elsewhere.

42. CONTAMINATION, MARRING OR SCRATCHING, SHRINKAGE

This Extension deletes paragraphs 2.5.1.3., 2.5.1.4. and 2.5.1.5. in Exclusion 2.5. Atmospheric, Temperature Change, Service Interruption or other Damage of the Building and/or Contents – Broad Form. Unless otherwise excluded, the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, while located on the **premises**, caused by any of the following:

- 42.1. by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
- 42.2. by contamination;
- 42.3. by marring, scratching or crushing.

This Extension does not apply to:

- 42.4. contamination by radioactive material;
- 42.5. loss or damage to insured property:
 - 42.5.1. that is not used or sold before its designated shelf life;
 - 42.5.2. in which maximum permissible levels of any drug, organism or bacteria were exceeded because of the introduction of enzymes or other catalysts designed to facilitate the production or growth of any bacteria or organism;
- 42.6. loss or damage caused directly or indirectly by the Insured's failure to monitor the levels of or test for contaminants, bacteria or other substances in the insured property in accordance with industry or governmental agency standards, practices or regulations.

43. CRANE OPERATOR'S INSURANCE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover property in the care, custody or control of the Insured, owned by the Insured's customers and for which the Insured may be held legally liable, against direct physical loss or direct physical damage caused by accident while such property is being lifted or moved on the **project site** by cranes or hoisting equipment, during erection or elevation operations.

Project Site means any work site at which the Insured has been contracted to do work usual to the operations of the Insured.

44. DEBRIS REMOVAL – ADDITIONAL EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expenses incurred by the Insured in the removal from the **premises** of:

- 44.1. debris of the insured property, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Building and/or Contents – Broad Form;
- 44.2. debris or other property which is not insured but which has been blown by windstorm upon the **premises**.

Coverage provided under this Extension is included in the limit of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description unless and until such limit is exhausted.

Additional Expenses

In the event the limit of insurance for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description is exhausted, the Insurer shall be liable under this Extension for up to an additional 10% of such limit of insurance, subject to the maximum amount applicable to all Additional Expenses combined (for all coverages) in any one occurrence stated in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS.

This Extension does not apply to:

- 44.3. costs or expenses to **clean up pollutants** from land or water;
- 44.4. costs or expenses for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**;
- 44.5. debris of growing plants, trees, shrubs, lawns or flowers owned by the Insured.

45. ELECTRICAL DEVICES, APPLIANCES OR WIRING

This Extension deletes Exclusion 1.3. Electrical Devices, Appliances or Wiring of the Building and/or Contents – Broad Form. Unless otherwise excluded, the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing.

46. ENTRANCE OF RAIN, SLEET OR SNOW

This Extension deletes paragraph 2.3.3. in Exclusion 2.3. Other Water Damage of the Building and/or Contents – Broad Form. Unless otherwise excluded (including but not limited to by application of Exclusion 2.2. Flood), the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings.

47. EQUIPMENT UPGRADE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover any increase in the replacement cost of **equipment** which has been lost or damaged as a direct result of perils insured against and which the Insured elects to replace with **equipment** that is capable of performing the same functions and that may include technological improvements from that lost or damaged.

Coverage will only apply in the event of the total loss of the insured property. In case of a partial loss to the insured property, the basis of settlement will be applied according to the terms elsewhere in this Building and/or Contents – Broad Form.

This Extension does not apply to **equipment** that is obsolete at the time of the loss or damage.

48. EXTRA EXPENSE

The insurance provided by this Building and/or Contents – Broad Form is extended to cover **extra expenses** necessarily incurred by the Insured during the **restoration period** to maintain, as much as possible, the normal activities of the business after an insured loss affecting the **buildings** or their **contents**.

This Extension includes the actual loss as insured by this Building and/or Contents – Broad Form during the period of time, not exceeding thirty (30) days, while access to the **premises** is prohibited by order of civil authority as a direct result of direct physical damage to neighbouring premises caused by an insured peril.

The following expenses are not covered under any circumstances:

- 48.1. loss of income;
- 48.2. extra expense in excess of that necessary to continue as nearly as practicable the **normal** conduct of the Insured's business;
- 48.3. cost of repairing or replacing damaged property, except cost in excess of the **normal** cost of such repairs or replacements necessarily incurred to reduce the total amount of **extra expense**.

Extra Expenses means the excess (if any) of the total cost during the **restoration period** 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. This will include the cost of using the property of others or other similar necessary emergency expenses. Any salvage value of such property remaining after resumption of **normal** operations shall be taken into consideration in the adjustment of any insured loss.

Normal means the condition which would have existed had no loss occurred.

Restoration Period means the period of restoration, commencing with the date of the loss and not limited by the expiration date of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the property as may be destroyed or damaged.

49. GROWING PLANTS, TREES, SHRUBS, LAWNS OR FLOWERS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover:

- 49.1. direct physical loss of or direct physical damage to growing plants, trees, shrubs, lawns or flowers outside the **building** at the **premises**, provided such loss or damage is caused by an insured peril;
- 49.2. expenses incurred by the Insured in the removal of debris of such lost or damaged plants, trees, shrubs, lawns or flowers from the **premises**.

This Extension only applies to plants, trees, shrubs, lawns or flowers owned by the Insured, or in the Insured's custody and for which the Insured is legally liable.

50. LAND AND WATER POLLUTANT CLEAN UP EXPENSES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover expenses incurred for the **clean up** of **pollutants** from land or water at the **premises**, provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of **pollutants**:

- 50.1. arises directly from direct physical loss of or direct physical damage to insured property at the **premises** caused by an insured peril;
- 50.2. is sudden, unexpected and unintended from the standpoint of the Insured; and
- 50.3. first occurs during the policy period.

Reporting Period

It is a condition precedent to recovery under this Extension that all expenses insured by this Extension must be incurred and reported to the Insurer within three hundred sixty-five (365) days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of **pollutants** for which **clean up** expenses are being claimed.

Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed, in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS, regardless of the number of occurrences.

No Automatic Reinstatement

Notwithstanding any Reinstatement Clause or other provision to the contrary in this policy, the amount of insurance specified for this Extension under Section 3 – INDIVIDUAL EXTENSIONS will be reduced, following a loss, by the amount payable.

This Extension does not apply to:

- 50.4. expenses for **clean up** away from or beyond the **premises** resulting from any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants**, even if the **pollutants** emanated from the **premises**;
- 50.5. expenses for **clean up** of any spill, discharge, emission, dispersal, leakage, seepage, migration, release or escape of **pollutants** that began before the effective date of this policy;
- 50.6. fines, penalties, punitive or exemplary damages;
- 50.7. expenses incurred for the **clean up** of **pollutants** at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

Other Insurance

The insurance afforded by this Extension shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party, unless there is no other valid and collectible insurance, in which case this policy shall be primary.

51. MONEY AND SECURITIES

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **money** and **securities** used in and incidental to the Insured's business (as evidenced by the Insured's account records) caused by an insured peril, while on the **premises** or away from such **premises** while being carried or held strictly incidentally to the Insured's business.

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** or digital currency.

Other Insurance

The insurance provided by this Extension shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party, unless there is no other valid and collectible insurance, in which case this policy shall be primary.

52. NEWLY ACQUIRED CONTENTS

This Extension is only applicable if **contents** are insured under this policy. The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to newly acquired **stock** and **equipment**, provided such loss or damage is caused by an insured peril.

This coverage attaches at the time of the acquisition and extends:

- 52.1. for a period of thirty (30) days;

52.2. to the date that the policy is endorsed adding such **stock and equipment**; or

52.3. until the expiry date of this policy;

whichever occurs first.

53. NEWLY ACQUIRED LOCATION

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **buildings and contents** at any newly acquired location, other than any location(s) already described on the Declaration Page(s), that is owned, rented or controlled by the Insured for the purposes stated on the Declaration Page(s), provided such loss or damage is caused by an insured peril.

This coverage attaches at the time of the acquisition and extends:

53.1. for the number of days shown in the Summary of Coverages for this Extension under this Section 3 – INDIVIDUAL EXTENSIONS;

53.2. to the date that the policy is endorsed adding such location; or

53.3. until the expiry date of this policy;

whichever occurs first.

54. OFFICE CONTENTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to **office contents** caused by an insured peril at the location described on the Declaration Page(s).

This Extension does not apply to:

54.1. **valuable papers and records**;

54.2. fine arts including paintings, etchings, pictures, tapestries and other bona fide works of art such as valuable rugs, statuary, marbles, bronzes, antique furniture, books, antique silver, manuscripts, porcelains, glass and bric-a-brac, that are rare, are of historical value or that are of artistic merit.

Office Contents means all of the Insured's office equipment including computer equipment, furniture, furnishings, utensils and appliances, other than **building or stock**.

Valuable Papers and Records means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and electronically stored records.

55. PEAK SEASON INCREASE

The amount of insurance for Contents insured under this Building and/or Contents – Broad Form shall be automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the amount of insurance for Contents is 100% or more of the Insured's average monthly values for the twelve (12) months prior to the loss, or in the event the Insured has been in business for less than twelve (12) months, such shorter period of time.

56. PRECIOUS METALS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to bullion, platinum, or other precious metals or alloys used for commercial, professional or industrial purposes in the business of the Insured, provided such loss or damage is caused by an insured peril.

57. PROPERTY IN TRANSIT

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property, other than unscheduled tools, while in transit and during loading or unloading from a vehicle, provided such loss or damage is caused by an insured peril.

Additional Conditions

57.1. coverage during loading shall not attach until the insured property is in the custody of the Insured or a common carrier or contract carrier for the purpose of transport;

57.2. coverage during unloading shall cease when the insured property leaves the custody of the Insured or a common carrier or contract carrier.

58. PROPERTY LEASED, RENTED OR LOANED

This Extension deletes Exclusion 1.10. Property Loaned, Rented or Leased of the Building and/or Contents – Broad Form. Unless otherwise excluded, the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property from the time of leaving the Insured's custody if it is:

58.1. loaned, rented or leased to others; or

58.2. sold by the Insured under conditional sale or installment payment or other deferred payment plan;

provided such loss or damage is caused by an insured peril.

Coverage provided under this Extension is included in the limit of insurance stated on the Declaration Page(s) for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description unless and until such limit is exhausted. In the event the limit of insurance for the Building, the Contents (Equipment and/or Stock) or the Property of Every Description is exhausted, the Insurer shall be liable under this Extension for up to the total maximum additional amount in any one occurrence, combined (for all coverages), stated in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS.

59. REMOVAL

If any of the insured property is necessarily removed from the **premises** to prevent direct physical loss of or direct physical damage to or further loss of or damage to such property, that part of the insurance under this Building and/or Contents – Broad Form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for sixty (60) days only, or for the unexpired term of the policy if less than sixty (60) days, insure the property removed and any property remaining at the **premises** in the proportions which the value of the property in each of the locations bears to the value of the insured property in them all.

60. ROADWAYS, WALKWAYS AND PARKING LOTS

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls, or permanently installed landscape structures on the **premises** outside the **building**, provided such loss or damage is caused by an insured peril.

61. SEEPAGE, LEAKAGE OR INFLUX OF WATER

This Extension deletes paragraph 2.3.1. in Exclusion 2.3. Other Water Damage of the Building and/or Contents – Broad Form. Unless otherwise excluded (including but not limited to by application of Exclusion 2.2. Flood), the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights.

This Extension does not apply to loss or damage for which coverage is afforded under:

61.1. the Flood Endorsement (if endorsed to this policy);

61.2. the Sewer Back Up Endorsement (if endorsed to this policy).

62. SETTLING, EXPANSION, SHIFTING OR CRACKING

This Extension deletes Exclusion 2.13. Settling, Expansion, Shifting or Cracking of the Building and/or Contents – Broad Form. Unless otherwise excluded (including but not limited to by application of Exclusion 2.1. Earthquake), the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by settling, expansion, contraction, moving, shifting or cracking.

This Extension does not apply to loss or damage for which coverage is afforded under:

- 62.1. the Earthquake Shock Endorsement (if endorsed to this policy);
- 62.2. the Flood Endorsement (if endorsed to this policy).

63. SEWERS, DRAINS, WATERMAIN

This Extension deletes Exclusion 1.1. Sewers, Drains, Watermains of the Building and/or Contents – Broad Form. Unless otherwise excluded, the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to sewers, drains or **watermains** located on the **premises**, caused by an insured peril.

64. SNOWSLIDE, LANDSLIDE, SUBSIDENCE

This Extension deletes Exclusion 2.11. Snowslide or Landslide of the Building and/or Contents – Broad Form. Unless otherwise excluded (including but not limited to by application of Exclusion 2.1. Earthquake), the insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to insured property caused by snowslide, landslide, subsidence or other earth movement.

This Extension does not apply to loss or damage for which coverage is afforded under:

- 64.1. the Earthquake Shock Endorsement (if endorsed to this policy);
- 64.2. the Flood Endorsement (if endorsed to this policy).

65. SYSTEM SOFTWARE ERASURE

In the event that:

- 65.1. electronic recordings, upon which production machinery or inventory control systems at the **premises** are dependent, or
- 65.2. electronic recordings of **data** pertaining to the movable property of others stored or transported by the insured;

are disturbed or erased by artificial electric or magnetic currents, the insurance provided by this Building and/or Contents – Broad Form is extended to cover the extra expense necessarily incurred to reprogram or replace such recordings.

Limit of Insurance

The maximum amount of insurance under this Extension during any one annual policy period shall not exceed, in the aggregate, the amount of insurance specified in the Summary of Coverages for this Extension under Section 3 – INDIVIDUAL EXTENSIONS, regardless of the number of occurrences.

No Automatic Reinstatement

Notwithstanding any Reinstatement Clause or other provision to the contrary in this policy, the amount of insurance specified for this Extension under Section 3 – INDIVIDUAL EXTENSIONS will be reduced, following a loss, by the amount payable.

This Extension does not apply to:

- 65.3. errors or omissions in **data** entry or programming.
- 65.4. loss or damage caused by computer viruses, malware or any form of malicious code.

Paragraph 2.16. Data Exclusion, of the Building and/or Contents – Broad Form, does not apply to this Extension.

66. UNSCHEDULED TOOL FLOATER

The insurance provided by this Building and/or Contents – Broad Form is extended to cover direct physical loss of or direct physical damage to unscheduled portable tools caused by an insured peril.

67. WAREHOUSEMAN'S LEGAL LIABILITY

The insurance provided by this Building and/or Contents – Broad Form is extended to cover the liability imposed by law upon the Insured as a warehouseman for direct physical loss of or direct physical damage to property of others while at the locations described on the Declaration Page(s), up to the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS.

The Insurer will have the right and duty to defend the Insured against any action seeking damages to which this Extension applies. However, the Insurer's right and duty to defend under this Extension ends when the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS has been used up in the payment of judgments or settlements.

With respect to an action the Insurer defends, the Insurer will pay expenses incurred for defence costs and related expense, and any accrued interest after entry of judgment upon that part of the judgment which is within the applicable amount of insurance for this Extension. Such payments will not reduce the amount of insurance specified for this Extension in the Summary of Coverages under Section 3 – INDIVIDUAL EXTENSIONS.

This Extension does not insure:

- 67.1. any liability assumed by the Insured beyond the liability imposed by law in the absence of a contract or agreement;
- 67.2. the loss of perishable merchandise caused by or resulting from a partial or total electrical failure of a refrigeration or heating system.

SPECIAL PROVISIONS

The **SPECIAL PROVISIONS** Section of the Building and/or Contents – Broad Form, is amended as follows:

Section 5. Basis of Valuation, is deleted in its entirety and replaced by the following:

5. BASIS OF VALUATION – REPLACEMENT COST

The value of the insured property shall be determined as follows:

- 5.1. unsold **stock**: the **replacement cost** of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- 5.2. sold **stock**: the selling price after allowance for discounts;
- 5.3. obsolete or used **stock**: on the basis of actual cash value;
- 5.4. property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the **actual cash value** at the time and place of loss or damage plus allowance for labour and materials expended to such time;
- 5.5. tenant's improvements:
 - 5.5.1. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the replacement cost of the tenant's improvements at the time and place of loss or damage;
 - 5.5.2. if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;
- 5.6. business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):
 - 5.6.1. the cost of blank materials for reproducing the records; and

- 5.6.2. the costs of labour to transcribe or copy the records when there is a duplicate;
- 5.7. **buildings:** loss shall be settled on the basis of **replacement cost**;
- 5.8. all other insured property under this Form and for which no more specific conditions have been set out: the **replacement cost** at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality;
- 5.9. glass including any lettering, ornamentation or burglar alarm foil thereon, shall be settled on the basis of **replacement cost**, including:
- 5.9.1. repairing or replacing frames immediately encasing and contiguous to such damaged glass when necessary;
- 5.9.2. installing temporary plates in or boarding up openings containing such glass when necessary because of unavoidable delay in repairing or replacing such damaged glass;
- 5.9.3. removing or replacing any obstruction, other than window displays, when necessary in replacing such damaged glass, lettering or ornamentation;
- 5.10. patterns, dies, moulds: **replacement cost**, only if they have been used in production within twenty-four (24) months from the time of loss or damage.

Actual cash value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, **replacement cost** less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

- 5.11. **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. Wherever in this coverage the Insurer agrees to make settlement on the basis of replacement cost, such agreement shall only apply subject to the following provisions:
- 5.11.1. replacement shall be effected by the Insured with due diligence and dispatch;
- 5.11.2. 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;
- 5.11.3. 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 clause is applicable shall be on the basis of replacement cost as defined herein;
- 5.11.4. this clause applies separately to each item listed on the Declaration Page(s);
- 5.11.5. failing compliance by the Insured with any of the above provisions, settlement shall be made on the basis of actual cash value.

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 clause.

Exclusions

This clause does not apply to:

- 5.11.6. 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;
- 5.11.7. business records, including those which exist on electronic or magnetic media (other than pre-packaged software program);
- 5.11.8. any increase in the cost of replacement occasioned by any by-law, regulation, ordinance or law;
- 5.11.9. property that is obsolete or that has not been maintained in good or workable condition.
- 5.12. Any co-insurance calculation shall be based on a valuation of **replacement cost**.

The following clauses are added:

9. NOTICE OF CANCELLATION/TERMINATION AMENDMENT

Applicable to policies for provinces and territories other than Québec

Except for: (i) cancellations for non-payment of premium, and/or (ii) a written notice of termination personally delivered to the Insured, the number of days notice by the Insurer as stated in the Notice of Cancellation or Termination clause(s) contained in this policy is amended to sixty (60) days.

Applicable to Québec policies

It is agreed that the thirty (30)-day prior cancellation notice, provided under paragraph 29.2 of the CANCELLATION Section under the General Conditions form to which this wording is attached, is increased from thirty (30) to sixty (60) days, and that therefore paragraph 29.2 now reads as follows:

29. THIS POLICY MAY BE CANCELLED AT ANY TIME:

- 29.2. By the Insurer giving written notice to each of the Named Insured, at their last known address, at least fifteen (15) days before the effective date of cancellation by reason of non payment of premium or sixty (60) days before the effective date of cancellation for any other reason. Cancellation takes effect fifteen (15) or sixty (60) days after receipt of the written notice, depending upon the reason for cancellation. The Named Insured is entitled to a refund of the excess premium actually paid over the pro-rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

10. TERRITORIAL LIMITS

Except as otherwise provided, this Form only covers property within Canada and the United States of America.

11. WAIVER OF DEDUCTIBLE FOR A MAJOR LOSS

Except for covered loss or damage caused by earthquake, sewer back-up, flooding and any other type of water damage, the deductible limit stated on the Declaration Page(s) does not apply if the amount of the indemnity is higher than \$250,000.

All other terms and conditions of the policy remain unchanged.