



1534196 ONTARIO INC.  
5460 CANOTEK ROAD, 110  
GLOUCESTER ON K1J 9H2

**Your Aviva Enterprise insurance policy for Contractors**

Policy number 81913536 starting on November 13, 2021

Your insurance coverage is provided by Aviva Insurance Company of Canada.

Dear Sir/Madam,

Thank you for renewing your insurance policy with us through your insurance broker.

**What's included in your package**

- Payment Summary
- Policy declarations
- Policy Wordings
- Policy change forms that require signature

If you have any questions about your policy, please contact your insurance broker.

**Your Insurance Broker**    BROKERLINK INC.  
100-6 ANTARES DR., PHASE III  
OTTAWA ON K2E 8A9  
Tel. (613) 596-9697

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# Do you need to make a claim?



Call your broker or call us at **1-866-MYAVIVA (1-866-692-8482)** to report a claim.



When the unexpected happens, you can expect 24/7 support from our Claims Care Advisors to help you get things back to normal as quickly as possible.



We have a dedicated team of claims relationship managers who understand the needs of your business when it matters the most. They work closely with your broker to help you keep your business running after a claim.

**Contact your broker to find out more.**

## Premiere Vendor Network

Get service, repairs and treatments quickly following a claim.

- **Premiere Contractor Network**  
High quality repairs to your property, backed by a lifetime workmanship guarantee.
- **Premiere Auto Repair Centres**  
Carefully selected auto repair centres provide quick service and includes a lifetime guarantee.
- **Premiere Healthcare\***  
Helps you or your employees receive timely and appropriate health care services following an auto accident.  
\*Program not available in Quebec

To find a Premiere vendor near you, visit [aviva.ca](http://aviva.ca).



## Summary of Changes

You have received a new version of policy wording(s). This summary outlines the key changes to your policy that will be **effective on** November 13, 2021. Please read your policy documents to ensure you understand your insurance coverage.

Enterprise commercial insurance policy

Policy number: 81913536

### **910001-04 Property, Business Income, Inland Marine, Crime and Equipment Breakdown Conditions and Exclusions Form**

**Common Conditions and Exclusions has been updated. Please read your renewal policy carefully. Key changes are:**

**The language of the form has been updated for clarity of intent.**

**Centralizing the common exclusions from other wordings to this form. These exclusions apply to all Property, Business Income, Inland Marine, Crime and Equipment Breakdown forms.**

**Changes to the above common exclusions are as follows:**

Contagious Disease Exclusion has been revised

- Losses from Contagious Diseases remain excluded.
- Losses from Fire, lightning, explosion and other perils specified in the exclusion are not subject to this exclusion.

Cyber Risk Exclusion is added. There is no coverage provided for:

- losses arising from unauthorized, malicious or criminal acts from the use of a computer or network system.
- losses arising from a data or security breach.
- losses arising from extortion, fraud or theft involving a computer or network system.

Cyber Suite product for cyber risk exposures is available if endorsed to the policy, please discuss with your broker if you require coverage.

**Change to Other Insurance Clause:**

- Any other insurance you have available covering the same property will be considered in the adjustment of a loss on a proportionate basis.
- For property of others or for more specific insurance available to you, that insurance will be the primary insurance for a loss.

**The Property Form has been updated. Please read your renewal policy carefully. Key changes include:**

- The language of the form has been updated for clarity of intent and structure.
- The form has been updated to confirm that coverage is provided for loss from direct physical loss or direct physical damage.
- Common exclusions moved to 910001 Property, Business Income, Inland Marine, Crime and Equipment Breakdown Conditions and Exclusions Form.
- Money and negotiable items exclusion has been updated to confirm that digital currency and electronic fund transfers are not covered.
- Flood and other water events exclusion has been updated to confirm that both natural and manmade events are excluded.
- Settlement, moving or shifting exclusion has been updated to confirm that both natural and manmade events are excluded.
- Snowslide, landslide or earth movement exclusion has been updated to confirm that both natural and manmade events are excluded.
- Supplementary Coverages updated to confirm that the limit of insurance applies to any one occurrence and, if applicable, an annual policy aggregate limit is applied.
- Errors and Omissions Supplementary Coverage no longer extends to incorrect valuations of property.
- Personal Effects of Officers, Employees, Customers and Guests Supplementary Coverage now extends to volunteers.
- Accounts Receivables, Installation Floater and Valuable Papers Supplementary Coverage no longer cover earthquake, flood or subsidence unless the perils are endorsed to the policy.
- Building Improvements, Betterments and Course of Construction Supplementary Coverage has been updated to confirm that it only applies if not insured elsewhere and it does not apply to newly acquired locations until reported to the insurer.
- By-laws Supplementary Coverage has been updated to confirm that it does not provide coverage for pollution clean up. Pollution clean up coverage may be covered by the Clean Up Expenses for Land and Water Pollution Supplementary Coverage.
- Catch All Supplementary Coverage now has an annual policy aggregate limit applied.
- Environmental Upgrade Supplementary Coverage now has an annual policy aggregate limit applied.
- Valuable Papers and Records Supplementary Coverage has been updated to confirm that it does not provide coverage for any change or interruption to electric power, electromagnetic waves, whether manmade or natural, or a geomagnetic storm.
- Basis of Settlement Functional Replacement Cost has been revised to confirm replacement of property may be made at a different site, however any increase in costs to replace elsewhere will not be covered.
- Equipment definition is amended to clarify contractors equipment used off premises is not included. Coverage is available under the Contractors Equipment Floater if endorsed to the policy. Unit Improvements and Betterments are included in the definition of equipment, where applicable.

**912000-02 Business Income  
Actual Loss Sustained Form**

**The Business Income Actual Loss Sustained Form has been updated.  
Please read your renewal policy carefully. Key changes include:**

- The language of the form has been updated for clarity of intent and structure.
- The form has been updated to confirm that coverage is provided for loss of business income from direct physical loss or direct physical damage.
- Extra expense has been renamed additional cost of operations. The measure of recovery has been updated to confirm costs claimed under additional costs of operations must reduce the business income loss.
- The measure of recovery has been clarified to confirm that temporary substitute property remaining after the resumption of normal operations will be taken into consideration in the adjustment of any loss.
- Exclusions section clarified to refer to the terms, conditions, exclusions and limitations of the property insurance form at the locations that have a loss, and the Common Exclusions of the 910001 Property, Business Income, Inland Marine, Crime and Equipment Breakdown Conditions and Exclusions Form are applicable to this Form.
- Cancellation of contract exclusion clarified to confirm it is also applicable to the cancellation of a lease or license.
- Supplementary Coverages updated to confirm that the limit of insurance applies to any one occurrence of loss.
- Mortgage Rate Guarantee Supplementary Coverage now has a specified limit of insurance. Please refer to your Policy Declarations for the limit of coverage.
- Negative Publicity Supplementary Coverage has been deleted in its entirety and will no longer be covered.
- Restricted Access Supplementary Coverage now has a specified limit of insurance. Please refer to your Policy Declarations for the limit of coverage. Restricted Access no longer covers orders of civil authority regarding instances of disease outbreak, suicide, murder, food or drink poisoning or defective sanitation equipment. Wording clarified that any lack of access to the premises must be within a 500 meter radius of the location.
- Definition of variable operating expenses amended to include ordinary payroll and credit and debit card fees.

**916506-03 Construction and  
Installation Exclusion (GL)  
Endorsement**

- New subsection to Exclusion 6. Hot Work is added;  
c. If any of the items listed under a. & b. have not been complied with, then, in addition, a final inspection is required in the number of hours shown immediately after this warranty title on the "Policy Declarations".

It's important to understand all the details of your policy. If you have any questions about your coverage, please contact your insurance Broker.

You can accept your renewal policy by paying the premium. If you do not want to renew, or if you have any questions about how these changes affect your coverage before accepting your renewal policy, or if you would like to discuss any additional insurance needs, we encourage you to contact your insurance Broker.



Aviva Insurance Company of Canada  
10 Aviva Way  
Suite 100  
Markham, ON  
L6G 0G1

Please visit us at: [aviva.ca](http://aviva.ca)



## Renewal Policy Notice

1534196 ONTARIO INC.  
5460 CANOTEK ROAD, 110  
GLOUCESTER ON K1J 9H2

If you have any inquiries regarding your policy, please contact your broker:

**BROKERLINK INC.**  
**100-6 ANTARES DR., PHASE III**  
**OTTAWA**  
**ON K2E 8A9**

Tel. (613) 596-9697

**BROKERLINK INC.** in partnership with **Aviva Insurance Company of Canada**, is pleased to enclose the renewal of your Commercial policy. Please review your policy to ensure that all the information is accurate, as the coverage and premiums are based on the information provided.

**Please read, sign and return the documents at the end of your package.**

**Policy Number: 81913536**

**Policy Type: COMMERCIAL**

**Pay Plan: Pre-Authorized Chequing**

### Policy Transactions for Account Number **50450725**

Policy Number	Effective Date	Description	Premium	Finance Charge	Sales Tax	Total
81913536	November 13, 2021	Renewal Policy	\$4,621.00	\$138.63	\$369.68	\$5,129.31
<b>Total Amount Due:</b>						<b>\$5,129.31</b>

**Named Insured:**

1534196 ONTARIO INC.  
5460 CANOTEK ROAD, 110  
GLOUCESTER ON  
K1J 9H2

**Your summary and payment schedule is shown on the back of this page.**

If you need to change your banking information, please complete the authorization form on the back of this page or notify your broker at least 15 business days prior to your next withdrawal.

**Aviva Insurance Company of Canada**  
**10 Aviva Way**  
**Suite 100**  
**Markham ON L6G 0G1**

# Summary of Account Number 50450725

<b>Policy Number</b> 81913536	<b>Description</b> Balance owing	<b>Premium</b> \$5,129.31
<b>Total Amount Due:</b>		<b>\$5,129.31</b>

## Payment Schedule

October 15, 2021	\$427.47	April 13, 2022	\$427.44
November 13, 2021	\$427.44	May 13, 2022	\$427.44
December 13, 2021	\$427.44	June 13, 2022	\$427.44
January 13, 2022	\$427.44	July 13, 2022	\$427.44
February 13, 2022	\$427.44	August 13, 2022	\$427.44
March 13, 2022	\$427.44	September 13, 2022	\$427.44

- Pre-authorized payments, from your bank account, will be withdrawn automatically as scheduled.
- A \$50.00 service charge will be levied against payments returned by the bank due to insufficient funds or payments not cleared.

To enroll in our convenient Pre-Authorized Chequing plan, complete, sign, and return this form.

<b>EFT AUTHORIZATION FORM</b>		<b>(H1 COMPLIANT)</b>		Account number: <b>50450725</b>	
<p>Please see below for the Rights and Obligations provided in accordance with CPA's Rule H1.</p> <p><b>MY/OUR SIGNATURE CONFIRMS THAT:</b></p> <ul style="list-style-type: none"> <li>• I/We have been provided with details of and understand the terms and conditions of the payment plan by automatic withdrawals from my/our financial institution.</li> <li>• I/We hereby authorize the named financial institution below to debit my/our account for all payments payable to: Aviva Insurance Company of Canada or any of its associated insurance companies to which my policy may be transferred at a later date (the "Insurer").</li> <li>• I/We understand that this authorization may be cancelled by me/us upon written notice, at least 15 days before the next scheduled payment. I/We may obtain a sample cancellation form, or further information on my/our right to cancel a payment authorization agreement, or more information about Pre-Authorized Debiting at my/our financial institution, by visiting <a href="http://www.cdnpay.ca">www.cdnpay.ca</a>, or through contacting my/our insurance company (contact information available on the reverse of this form).</li> <li>• I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/We have the right to receive reimbursement for any debit that is not authorized or is not consistent with this payment authorization agreement. To obtain more information on my/our recourse rights, I/We may contact my/our financial institution or visit <a href="http://www.cdnpay.ca">www.cdnpay.ca</a>.</li> <li>• I/We warrant and guarantee that all persons whose signatures are required to sign on this account have signed this authorization below.</li> <li>• If there is a change in premiums due to a change in coverage or upon renewal, the amount of the monthly withdrawal will automatically be changed.</li> <li>• I/We will ensure that funds are available on each due date and understand that Non-Sufficient Funds transactions may result in one or all of the following: <ul style="list-style-type: none"> <li>1. A second presentation or attempt to withdraw funds</li> <li>2. A second withdrawal notice</li> <li>3. Cancellation of my/our policy</li> </ul> </li> <li>• I/We have received a copy of this authorization and have read and understand these terms and conditions.</li> <li>• For pre-authorized debits, I/We shall receive, with respect to the debiting of fixed-amount payments, written notice from the Insurer, the amount to be debited and the due date(s) debiting, at least 10 calendar days prior to the date of the first payment, and such notice shall be received each time there is a change in the amount of payment.</li> <li>• The account that my/our financial institution is authorized to draw upon is indicated below. A specimen cheque has been marked "void" and attached to this authorization.</li> <li>• I/We undertake to inform my/our Insurer, in writing, of any change in the account information provided in this authorization prior to the next payment due date.</li> <li>• I/We understand that this authorization is continuous and will automatically apply to the renewal terms, unless instructed differently.</li> <li>• I/We authorize my/our Insurer to collect or use my/our personal information for the purpose of this authorization for automatic withdrawals for payment of my/our insurance premiums. I/We authorize my/our Insurer to disclose any personal information contained in this authorization form to its financial institution to the extent disclosure is directly related to and necessary for the proper execution of the pre-authorized debit transaction for the policy number(s) noted above.</li> <li>• I/We may withdraw my/our consent to collect, use or disclose my/our personal information for the purpose of this authorization for automatic withdrawals for payment of my/our insurance premiums. Withdrawal of my/our consent will result in cancellation of this authorization for automatic withdrawals for payment of my/our insurance premiums, in which case I/we must make other arrangements for payment of my/our insurance premiums.</li> </ul>					
<b>For pre-authorized payment from your bank account:</b>					
Branch/Transit #:		Bank #:	Bank account #:	Business: <input type="checkbox"/>	Personal: <input type="checkbox"/>
Name and address of Financial Institution:					
Signature(s) as shown on bank records:					
Today's date:					





This policy contains a clause(s) that may limit the amount payable.

## Policy declarations

### Named Insured

1534196 ONTARIO INC.  
5460 CANOTEK ROAD, 110  
GLOUCESTER ON K1J 9H2

### Your Broker

BROKERLINK INC.  
100-6 ANTARES DR., PHASE III  
OTTAWA  
ON K2E 8A9

## Aviva Enterprise Contractors Policy

Your policy number: 81913536

Effective November 13, 2021 at 12:01 am  
to November 13, 2022 at 12:01 am  
(local time at the postal address)

Your policy premium is \$4,621

Your insurance coverage is provided by  
Aviva Insurance Company of Canada  
10 Aviva Way  
Suite 100  
Markham, ON L6G 0G1

## Change description

New version of form(s) attached - 911000-05,91100A-05,912000-02,910001-04

The only insurance afforded by this policy is that which is provided by the forms indicated below. Reference should be made to the applicable forms for details.

## Conditions, Forms and Endorsements applicable to the entire policy

Form number	Form name
910000-01	Policy Conditions
910001-04	Property, Business Income, Inland Marine, Crime and Equipment Breakdown Common Conditions and Exclusions
910002-02	Liability Conditions
910502-01	Sanctions Exclusion Endorsement

### Location 1

**Premium: \$928**

**Address:** 5480 CANOTEK ROAD, 22, OTTAWA ON K1J 9H7  
**Insured occupancy/operation:** COMMERCIAL CONDO UNIT OWNER  
**Other occupancy:** LEASED BY 3RD PARTY AS OFFICE  
**Construction:** NON-COMBUSTIBLE  
**Loss, if any, is payable to:** THE INSURED

### Forms and endorsements applicable to Location 1

Form number	Coverage	Deductible (\$)	Co-insurance	Limits of insurance (\$)
	<b>PROPERTY</b>			
911000-05	Property Insurance			

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Form number	Coverage		Deductible (\$)	Co-insurance	Limits of insurance (\$)	
	Equipment		1,000	90%	88,633	
911303-02	Sewer Back-Up Coverage		2,500		Included	
911516-01	Water Damage Deductible Endorsement		2,500		Included	
911255-01	Condominium Unit Owners Endorsement					
	Unit Improvements and Betterments		1,000			
	Contingent Condo Unit		See Schedule		See Schedule	
	Difference in Deductible		1,000		10,000	
	Lock Replacement				5,000	
	Lost key(%) 10					
	Loss Assessment		1,000		5,000	
	Trustee Fees				50,000	
911301-01	Earthquake Shock Endorsement	Minimum	5% 100,000		Included	
911302-01	Flood Endorsement		25,000		Included	
	<b>EQUIPMENT BREAKDOWN</b>					
914000-02	Equipment Breakdown Insurance Form		1,000		88,633	
914001-02	Business Income - Actual Loss Sustained - Equipment Breakdown					
	Indemnity Period (Months): 12					
	Waiting Period Hour(s): 24					
	Waiting Period for Production Machinery: 48					
	Supplementary Coverages					
	Group One - Blanket				100,000	
	Accountants' Fees					
	Fines and Penalties					
	Leasehold Interest					
	Newly Acquired Locations					
	Group Two - Additional Limits					
	Contingent Business Interruption				100,000	
	Waiting Period Hour(s): 24					
	Internet Service Provider				25,000	
	Utilities Service Interruption				25,000	
	Distance(km): 25					
	Waiting Period Hour(s): 24					
	Group Three - Time/Distance Limits					
	Mortgage Rate Guarantee					
	Ordinary Payroll Expenses					
	Restricted Access					
	Time Period Day(s): 30					
	<b>CRIME</b>					
915000-02	Crime Form					
	B. Money, Securities and Other Property				10,000	
	Supplementary Coverages					
	Medical Expense Incurred from Robbery					
	Each Person				5,000	
	Annual Aggregate				10,000	

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**Location 2**  
**Premium: \$920**

**Address:** 5460 CANOTEK ROAD, 110, OTTAWA ON K1J 9H2  
**Insured occupancy/operation:** COMMERCIAL CONDO UNIT OWNER  
**Other occupancy:** OCCUPIED BY INSD. AS OFFICE AND SPRAY WORK AREA  
**Construction:** NON-COMBUSTIBLE BUILDING  
**Loss, if any, is payable to:** THE INSURED

**Forms and endorsements applicable to Location 2**

Form number	Coverage		Deductible (\$)	Co-insurance	Limits of insurance (\$)		
	<b>PROPERTY</b>						
911000-05	Property Insurance						
	Equipment		1,000	90%	106,100		
	Stock		1,000	90%	20,800		
911303-02	Sewer Back-Up Coverage		2,500		Included		
911516-01	Water Damage Deductible Endorsement		2,500		Included		
911255-01	Condominium Unit Owners Endorsement						
	Unit Improvements and Betterments		1,000		Included		
	Contingent Condo Unit		See Schedule		See Schedule		
	Difference in Deductible		1,000		10,000		
	Lock Replacement				5,000		
	Lost key(%) 10						
	Loss Assessment		1,000		5,000		
	Trustee Fees				50,000		
911301-01	Earthquake Shock Endorsement	Minimum	5% 100,000		Included		
911302-01	Flood Endorsement		25,000		Included		
	<b>EQUIPMENT BREAKDOWN</b>						
914000-02	Equipment Breakdown Insurance Form		1,000		126,900		
914001-02	Business Income - Actual Loss Sustained - Equipment Breakdown						
	Indemnity Period (Months): 12						
	Waiting Period Hour(s): 24						
	Waiting Period for Production Machinery: 48						
	Supplementary Coverages						
	Group One - Blanket				100,000		
	Accountants' Fees						
	Fines and Penalties						
	Leasehold Interest						
	Newly Acquired Locations						
	Group Two - Additional Limits						
	Contingent Business Interruption				100,000		
	Waiting Period Hour(s): 24						
	Internet Service Provider				25,000		
	Utilities Service Interruption				25,000		
	Distance(km): 25						
	Waiting Period Hour(s): 24						
	Group Three - Time/Distance Limits						
	Mortgage Rate Guarantee						

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Form number	Coverage	Deductible (\$)	Co-insurance	Limits of insurance (\$)
	Ordinary Payroll Expenses			
	Restricted Access			
	Time Period Day(s): 30			
	<b>CRIME</b>			
915000-02	Crime Form			
	B. Money, Securities and Other Property			10,000
	Supplementary Coverages			
	Medical Expense Incurred from Robbery			Included
	Each Person			5,000
	Annual Aggregate			10,000

**Policy level**  
**Premium: \$765**

**Description of operations:** INTERIOR/EXTERIOR PAINTING CONTRACTOR  
25% CABINET PAINTING

**Forms and endorsements applicable to this policy**

Form number	Coverage	Deductible (\$)	Co-insurance	Limits of insurance (\$)
	<b>PROPERTY</b>			
911000-05	Group One - Blanket	1,000		250,000
	Automatic Fire Suppression Recharge			Included
	Brands and Labels			Included
	Building damage by theft			Included
	Errors and Omissions			Included
	Landscaping and Growing Plants			Included
	Master Key			Included
	Newly acquired Business Contents			Included
	Personal Effects - Officers - Employees, Customers and Guests			Included
	Professional Fees			Included
	Seasonal Stock			Included
	Group Two - Additional Limits			Included
	Accounts Receivable			250,000
	Building and Business Contents - Newly acquired locations	1,000		1,500,000
	Building Improvements /Betterment-Course of Construction	1,000		250,000
	Building Upgrade			50,000
	Business Contents away from Premises	1,000		50,000
	Business Contents in transit	1,000		50,000
	Business Property at Residence	1,000		10,000
	By - laws			100,000
	Catch all Aggregate			50,000
	Cleanup Expenses for Land and Water Pollution Aggregate	1,000		50,000
	Confiscated or Seized property	1,000		25,000

**CONTINUED ON NEXT PAGE**

Form number	Coverage		Deductible (\$)	Co-insurance	Limits of insurance (\$)	
	Environmental Upgrade Aggregate				250,000	
	Expediting Expense				50,000	
	Extra Expense				50,000	
	Exterior Paving		1,000		50,000	
	Fine Arts without Schedule		1,000		50,000	
	Fire Fighting Expenses				100,000	
	Infestation		1,000		10,000	
	Inspection and Approval Costs				10,000	
	Installation Floater		1,000		100,000	
	Removal - Debris Removal Expense				250,000	
	Reward				10,000	
	Stock Contamination		1,000		25,000	
	Stock Spoilage		1,000		25,000	
	Distance (kms: 25					
	Valuable Papers and Records				100,000	
	Valuable Property		1,000		1,000	
	<b>BUSINESS INCOME</b>					
912000-02	Business Income ALS Form					
	Indemnity Period (Months): 12					
	Waiting Period Hour(s): 24					
	Group One Blanket				250,000	
	Accountants' Fees				Included	
	Fines and Penalties				Included	
	Leasehold Interest				Included	
	Newly Acquired Locations				Included	
	Group Two -Additional Limits				Included	
	Contingent Business Interruption				50,000	
	Utility Service Interruption				25,000	
	Distance(km) 25					
	Group Three - Time/Distance Limits				Included	
	Mortgage Rate Guarantee				25,000	
	Ordinary Payroll Expenses				Included	
	Restricted Access				10,000	
	Time Period Day(s): 30					
	<b>INLAND MARINE</b>					
913003-01	Contractors' Equipment Floater - Broad Form					
	Contractor's Equipment incl Rented , Leased or Borrowed - Blanket	Minimum	2% 1,000	100%	25,000	
	Tools		1,000	100%	10,000	
	Group One - Blanket		1,000		100,000	
	Employees Tools and Clothing				Included	
	Fire Fighting Expenses				Included	
	Fire Extinguishing Equipment Recharge				Included	
	Group Two - Additional Limits				Included	
	Cleanup Expenses for Pollution		1,000		50,000	
	Confiscated or Seized property				25,000	
	Debris Removal				50,000	
	Expediting Expense				50,000	
	Newly Acquired Contractors Equipment		1,000		250,000	
	Rental Reimbursement - Loss of Use				50,000	

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Form number	Coverage		Deductible (\$)	Co-insurance	Limits of insurance (\$)	
	Reward				10,000	
	<b>EQUIPMENT BREAKDOWN</b>					
914000-02	Group One - Blanket		1,000		500,000	
	Ammonia Contamination				Included	
	Brands and Labels				Included	
	Errors and Omissions				Included	
	Fluid Escape				Included	
	Hazardous Substances				Included	
	Professional Fees				Included	
	Research and Development Costs				Included	
	Group Two - Additional Limits				Included	
	By-laws				100,000	
	Catch All Clause				50,000	
	Data and Media		1,000		100,000	
	Data Processing Equip and Media at Residence		1,000		100,000	
	Data Processing Equip and Media - Off Premises		1,000		100,000	
	Debris Removal				250,000	
	Environmental Upgrade				250,000	
	Expediting Expense				50,000	
	Extra Expense		1,000		50,000	
	Distance(km): 25					
	Inspection and Approval Costs				10,000	
	Newly Acquired Locations				1,500,000	
	Stock Spoilage	Minimum	10% 1,000	80%	10,000	
	Distance(km): 25					
	<b>CRIME</b>					
915000-02	Crime Form					
	A. Employee Dishonesty				25,000	
	C. Counterfeit Currency and Money Orders				10,000	
	D. Forgery, Alteration, Credit Card and AT Card				10,000	
	E. Electronic Fraud and Funds Transfer Fraud				10,000	
	F. Property in Safety Deposit Boxes				10,000	
	G. Incoming Cheque Forgery				10,000	
	Supplementary Coverages					
	Client or Customer Property		1,000		10,000	
	Professional Fees				10,000	

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**Liability level****Total or advance liability premium: \$2,008****Minimum retained liability premium: \$1,505****Forms and endorsements applicable to this policy**

Form number	Coverage		Deductible (\$)	Limits of insurance (\$)
	<b>LIABILITY</b>			
916000-03	General Liability Form			
	A. Bodily or Mental Injury and Property Damage			Included
	Each Occurrence	Bodily / Mental Injury Property Damage	1,000 1,000	5,000,000
	Products Completed Operations Aggregate			5,000,000
	B. Personal and Advertising Injury Any one person or organization			5,000,000
	C. Tenant's Property Damage Liability - Any one location		1,000	500,000
	D. Voluntary Medical Payments - Any one person			50,000
916015-01	Employee Benefits Errors and Omissions Form			
	Aggregate		1,000	5,000,000
916100-01	SPF 6 - Non-Owned Auto Insurance (Including SEF 94, 96 and 99)			
	Third Party Liability			5,000,000
	SEF 94 Legal Liability for Damage to Hired Automobiles		1,000	100,000
916550-01	O.E.F. 98B Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement			Included
916506-03	Construction & Installation Exclusions Endorsement (GL)			
	Applicable Exclusions			Included
	4. Defective Products and Work Removal			Included
	9. Wrap-up Projects (with limited contingent coverage)			Included
916510-02	Deductible - Each Claim Basis Endorsement			
	Deductible - Each Claim Basis Endorsement - Aggregate		1,000	Included
	<b>CYBER COVERAGE</b>			
918200-01	Cyber Suite Coverage			
	A. Data Compromise Response Expense			
	Annual Aggregate		1,000	25,000
	Sublimit Per Occurrence			
	Forensic IT Review			12,500
	Legal Review			12,500
	Public Relations			5,000
	Regulatory Fines And Penalties			12,500
	PCI Fine And Penalties			12,500
	Named Malware			25,000

**CONTINUED ON NEXT PAGE**

## Liability rating schedule

Attached to and forming part of form 916000

Classifications	Industry code	Rating basis	Rating amount	Rating method	Rate
Interior/ Exterior Painting -No Spray Painting-No Paint Storage	1754-30	Revenue	490,000	Per Thousand	2.176
Painting of Cabinets and installation.	1752-30	Revenue	210,000	Per Thousand	2.971



Authorized Signature of Insurer  
Corporate Secretary



President and Chief Executive Officer



## Cancellation of policy

If you wish to cancel this policy, please sign the following and return this certificate to your agent.

In consideration of A RETURN PREMIUM to be calculated as provided in the policy conditions and to be paid by, the Insurer to the Insured, this policy is hereby cancelled.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature of insured

PAYEE, if any, must discharge interest by signing this Form.

\_\_\_\_\_  
Payee

FOR FURTHER INFORMATION, CONTACT YOUR BROKER AT (613) 596-9697



Policy Number: 81913536  
Effective Date: November 13, 2021

## Schedule of Items

Location 1

Attached to and forming part of Form 911255 - Condominium Unit Owners Endorsement

Item	Description	Limit (\$)	Deductible (\$)
	<b>Contingent Condo Unit</b>		
1	Condo Contingent Coverage - \$100,000 Condo Loss Assessment - \$100,000	200,000	1,000

## Schedule of Items

Location 2

Attached to and forming part of Form 911255 - Condominium Unit Owners Endorsement

Item	Description	Limit (\$)	Deductible (\$)
	<b>Contingent Condo Unit</b>		
1	Condo Contingent Coverage - \$100,000 Condo Loss Assessment - \$100,000	200,000	1,000

**Policy Number:** 81913536  
**Effective Date:** November 13, 2021

## Schedule of Named Insureds

**1534196 Ontario Inc.**

operating as  
Axcell Painting

and  
OTTAWA CABINET PAINTING

The following conditions and exclusions apply to the Property, Business Income, Inland Marine, Crime and Equipment Breakdown form(s) attached to this policy.

### I. APPLICABLE TO ALL PROVINCES AND TERRITORIES

#### COMMON CONDITIONS

##### 1. COINSURANCE

This condition applies separately to each line of coverage for which a coinsurance percentage is shown on the "Policy Declarations" and only when the amount of loss or damage to each line of coverage exceeds \$50,000.

###### a. Business Income Form

For Business Income Extended Form 912001 refer to III. COINSURANCE of the form. For Business Income Limited Form 912002 refer to III. COINSURANCE of the form.

###### b. Rental Income Form

If the coinsurance percentage shown on the "Policy Declarations" applies to a rental income form, the following coinsurance condition will apply:

The Insurer will not be liable for a greater proportion of any loss than the limit of insurance shown on the "Policy Declarations" bears to the coinsurance percentage shown of the "annual rental Income" or a proportionately increased multiple thereof where the maximum "indemnity period" exceeds twelve (12) months.

###### c. Other Insurance Form

If the coinsurance percentage shown on the "Policy Declarations" applies to any other insurance coverage, the following coinsurance condition will apply:

The Insured will maintain insurance for at least the amount produced by multiplying the value of the insured property by the coinsurance percentage shown on the "Policy Declarations". Otherwise, the Insured will be entitled to recover only the portion of any loss that the limit of insurance in force at the time of loss bears to the limit of insurance required to be maintained by this condition.

##### 2. COOPERATION

The Insured will cooperate with the Insurer in the investigation and settlement of all claims.

##### 3. EXAMINATION OF BUSINESS RECORDS

The Insurer or its authorized representatives have the right to examine the Insured's business records as they relate to this insurance at any time during the policy period and up to 3 years afterwards.

This condition will not restrict the Insurer's rights as they relate to claims presented under this policy.

##### 4. INTENTIONAL ACT

The Insurer is never liable to compensate for injury resulting from the Insured's intentional act.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional act.

Where the Insured is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's act.

##### 5. MULTIPLE DEDUCTIBLES

If a claim is insured by this Policy under more than one coverage form and such coverage forms are subject to this conditions form, the following deductible hierarchy will apply:

- a. If the coverage forms involved in one occurrence are property forms, then regardless of the number of property forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the property forms applicable.
- b. If the coverage forms involved in one occurrence are crime forms, then regardless of the number of crime forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the crime forms applicable.
- c. If the coverage forms involved in one occurrence are equipment breakdown forms, then each applicable deductible will be applied

- to the insured loss.
- d. if the coverage forms involved in one occurrence are property forms and equipment breakdown forms, then:
  - i. if stock spoilage coverage is involved in the insured loss, any deductible applicable to stock spoilage coverage will be applied;
  - ii. if other property forms and equipment breakdown forms are involved in the insured loss, only the highest deductible amount will be applied to the insured loss that is not subject to stock spoilage coverage.
- e. if the coverage forms involved in one occurrence are property forms and crime forms, then regardless of the number of forms involved in the loss only one deductible amount will be applied to the insured loss and the deductible amount will be the deductible amount that is the highest of the property and crime forms applicable.
- f. if the coverage forms involved in one occurrence are property forms, crime forms and equipment breakdown forms, then:
  - i. if stock spoilage coverage is involved in the insured loss, any deductible applicable to stock spoilage coverage will be applied;
  - ii. if other property forms, crime forms and equipment breakdown forms are involved in the insured loss, only the highest deductible amount will be applied to the insured loss that is not subject to stock spoilage coverage.

**This condition does not apply to:**

- a. any waiting period deductible. If a deductible for physical damage and a business income or rental income waiting period deductible apply to one occurrence, then these deductibles will be applied separately.
- b. Earthquake Shock Endorsement 911301
- c. Earthquake Shock Endorsement Builders Risk Insurance 913351
- d. Flood Endorsement 911302
- e. Flood Endorsement Builders Risk Insurance 913353
- f. Sewer Back-Up Endorsement 911303

**6. NO BENEFIT TO THIRD PARTY BAILEE**

This insurance will not directly or indirectly benefit any third party bailee.

**7. NOTICE TO POLICE**

The Insured will give immediate notice to the police when loss is due or suspected to be due to any criminal act.

**8. OTHER INSURANCE**

When other collectible insurance is available to the Insured for loss or damage covered by coverage forms that are subject to this conditions form, the Insurer will be liable for no greater proportion of any loss or damage than the limits of insurance as shown on the most recently filed "statement of values" or the values reported to and accepted by the Insurer, at the location the loss occurred at, or the applicable limit of the coverage, bears to the whole amount of insurance covering such property. For property of others within the insured's care, custody and control for which the Insured is legally liable under the coverage forms that are subject to this conditions form, or to insurance that is more specific to the coverage, this insurance will apply as excess over any valid and collectable insurance.

**9. SUBROGATION**

- a. Unless otherwise provided, the Insurer is subrogated to the rights of the Insured against the persons responsible for an insured loss, up to the amount of indemnity paid or liability assumed under coverage forms that are subject to this conditions form.
- b. All rights of subrogation are waived against:
  - i. any corporation, firm, individual or other interest with respect to which insurance is provided by coverage forms that are subject to this conditions form; or
  - ii. any person who is a member of the Insured's household.
- c. Any release from liability entered into by the Insured prior to loss will not affect the right of the Insured to recover.
- d. Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount will be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.
- e. When the interest of an Insured in any recovery is limited to the amount provided under a deductible or co-insurance clause, the Insurer has control of the action.
- f. When the interest of an Insured in any recovery exceeds that referred to in I. 9. e. and the Insured and the Insurer cannot agree as to:
  - i. the solicitors to be instructed to bring the action in the name of the Insured;
  - ii. the conduct and carriage of the action or any related matters;
  - iii. any offer of settlement or the apportionment of an offer of settlement, whether an action has been commenced or not;
  - iv. the acceptance or the apportionment of any money paid into Court;
  - v. the apportionment of costs; or
  - vi. the launching or prosecution of an appeal;
 either party may apply to the Court for the determination of the matters in question, and the Court may make any order it considers reasonable having regard to the interests of the Insured and the Insurer in any recovery in the action or proposed action or in any offer of settlement.
- g. On an application under I. 9. f. the only parties entitled to notice and to be heard on the application are the Insured and the Insurer, and no material or evidence used or taken on the application is admissible on the trial of an action brought by or against the Insured or the Insurer.
- h. A settlement or release given before or after an action is brought does not bar the rights of the Insured or the Insurer unless they have concurred in the settlement or release.

**10. THIRD PARTY PROPERTY**

In the event of any loss or damage to insured property belonging to others, the Insurer may settle the claim for such loss or damage with the owners of such property.

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## II. APPLICABLE TO ALL PROVINCES AND TERRITORIES

### COMMON EXCLUSIONS

The following exclusions apply to all Property, Business Income, Inland Marine, Crime and Equipment Breakdown coverage forms and any endorsements attached to those coverage forms, and if there is any conflict or inconsistency between the below common exclusions and what is contained elsewhere in the policy the common exclusion will apply to the extent possible.

The Property, Business Income, Inland Marine, Crime and Equipment Breakdown forms and endorsements attached to these forms do not insure:

#### 1. CONTAGIOUS DISEASE

- a. Loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a "contagious disease" or the fear or threat (whether actual or perceived) of a "contagious disease", regardless of any other cause or event contributing concurrently or in any other sequence thereto. The above exclusion includes, without limitation to the scope of the foregoing:
  - i. any cost to clean up, detoxify, remove, monitor or test:
    - (a) for a "contagious disease", or
    - (b) any property insured that is affected by such "contagious disease", and
  - ii. any measures taken by any governmental, public or other authority or any other person for the prevention, suppression, mitigation, cleaning or removal of any "contagious disease".
- b. This exclusion will not apply to direct physical loss or direct physical damage to property and any resulting consequential loss, to the extent that an insured establishes that such direct physical loss or direct physical damage was directly caused by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, windstorm, or hail, as described in "named perils".

#### 2. CYBER RISK

Loss or damage caused directly or indirectly by "Cyber risk". The coverage forms that are subject to this conditions form do not insure any loss, costs, damage or expense arising from or contributed to by "cyber risk" from one or more of the following:

- a. Loss of, alteration of, or damage to, corruption of, or a reduction in the functionality, availability or operation of any "computer and/or network system" or "data", whether the property of the Insured or not;
- b. Any access to or disclosure of any person's or organization's confidential, personal, proprietary or other nonpublic information in any recordable form, including without limitation expenses associated with notification, remediation, mitigation or prevention of a security breach; or
- c. Extortion threats, fraud or theft involving any "computer and/or network system", or any other electronic data system or any confidential, personal, proprietary or other nonpublic information.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

#### 3. DATA

Loss of or damage to "Data" except where specifically provided by IV. SUPPLEMENTARY COVERAGES of the coverage form.

#### 4. DATA PROBLEM

Loss or damage caused directly or indirectly by a "data problem". This exclusion does not apply to resultant direct physical loss or direct physical damage caused directly by :

- a. fire, lightning, explosion, smoke, leakage from "fire protective equipment", impact by aircraft, spacecraft or land vehicle, windstorm, hail, as described in "named perils"; or
- b. the escape of water from any tank, apparatus or pipe;

but only to the extent that such loss would otherwise be insured. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for ensuing direct physical loss or direct physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

#### 5. MARINE AND WATERBORNE PROPERTY

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Loss of or damage to property insured under the terms of any Marine Insurance, and property while waterbourne except while on a regular ferry or railway car transfer in connection with land transportation.

## 6. NUCLEAR INCIDENT AND RADIOACTIVE CONTAMINATION

- a. Loss or damage caused directly or indirectly by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- b. by contamination by radioactive material.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

## 7. POLLUTION

- a. Loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
  - i. to coverage for "clean up" where specific coverage is provided by IV. SUPPLEMENTARY COVERAGES of the coverage form;
  - ii. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by direct physical loss or direct physical damage by a peril not otherwise excluded in this form; or
  - iii. to direct physical loss or direct physical damage caused directly by a resultant peril not otherwise excluded in this form.
- b. The cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

## 8. TERRORISM

Loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

## 9. WAR, INVASION, ACT OF FOREIGN ENEMY

Loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

### III. DEFINITIONS

Wherever used in this PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM:

1. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants" including testing which is integral to the aforementioned processes.
2. "computer and/or network system" means any computer, hardware, software, process, program, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, information repository, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, website or any other electronic data system, owned or operated by the Insured or any other party.
3. "contagious disease" means any type of disease or illness which can be transmitted by means of any substance or agent from any organism to another organism where:
  - a. the substance or agent includes, but is not limited to, any pathogen, virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
  - b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas, or between organisms; and
  - c. the disease, illness, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property of any type.
4. "cyber risk" means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "computer and/or network system".
5. "data" means representations of information or concepts, in any form.

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6. "data problem" means:
- erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - error in creating, amending, entering, deleting or using "data"; or
  - inability to receive, transmit or use "data".
- But "data problem" does not mean "cyber risk".
7. "fire protective equipment" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system; or
  - any pond or reservoir in which the water is impounded by a dam.
8. "named perils" means:
- fire or lightning;
  - explosion: the following are not explosions within the intent or meaning of this form:
    - electric arcing or any coincident rupture of electrical equipment due to such arcing;
    - bursting or rupture caused by hydrostatic pressure or freezing; or
    - bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
  - impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped from them. The Insurer will not be liable for loss or damage:
    - that is cumulative;
    - caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
    - to aircraft, spacecraft or land vehicles causing the loss; or
    - caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
  - riot, vandalism or malicious acts: the term riot includes open assemblies of strikers and of locked-out employees inside or outside the "premises". The Insurer will not be liable for loss or damage:
    - due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
    - due to flood or release of water impounded by a dam, or due to any explosion other than an explosion as insured by this form; or
    - due to theft or attempted theft.
  - smoke due to a sudden, unusual and faulty operation of any stationary furnace. The Insurer will not be liable for any cumulative damage.
  - leakage from "fire protective equipment": leakage or discharge from, collapse of, or rupture due to freezing of "fire protective equipment" for the "premises" or adjoining structures.
  - windstorm or hail. The Insurer will not be liable for loss or damage:
    - to the interior of the "building" or "business contents" inside the "building" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail; or
    - directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence or landslide.
9. "newly acquired location(s)" means locations:
- acquired by the Insured after the beginning of the current policy period for the first 90 days after the acquisition;
  - owned, leased, occupied or controlled by the Insured; and
  - within Canada.
10. "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "premises" means:
- the entire area within the property lines at the location(s) described on the "Policy Declarations";
  - areas under adjoining sidewalks and driveways; and
  - in or on vehicles within 100 metres of such locations.
- But "Premises" does not mean "newly acquired location(s)".
12. "statement of values" means a listing of all insured property to which this Form is applicable in a form acceptable to the Insurer, that:
- Shows the value for each item of insured property that is listed; and
  - includes an attestation, signed and dated by the Insured, that the values shown are the current values of the insured property.
13. "terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

#### IV. APPLICABLE TO ALL PROVINCES AND TERRITORIES

##### MORTGAGE CLAUSE

The following is only applicable where the interest of the Mortgagee is on Building(s), and does not apply to any other type of property insured under this policy. This condition only applies to those mortgagees who are specifically listed on the "Policy Declarations" as loss payees.

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It is hereby provided and agreed that:

**1. BREACH OF CONDITIONS BY MORTGAGOR, OWNER OR OCCUPANT**

This insurance and every documented renewal thereof - as to the interest of the mortgagee only therein - is and will be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

- a. PROVIDED ALWAYS that, in the Province of Quebec, the Mortgagee will promptly notify the Insurer (if known) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it; and that every increase of risk (not permitted by the policy) will be paid for by the Mortgagee - on reasonable demand - from the date such risk existed, according to the established scale of rates for the acceptance of such increased risk, during the continuance of this insurance.
- b. PROVIDED ALWAYS that, in all provinces and territories other than the Province of Quebec, the Mortgagee will promptly notify the Insurer (if known) of any vacancy or non-occupancy extending beyond 30 consecutive days, or of any transfer of interest or increased hazard that has come to their knowledge; and that every increase of hazard (not permitted by the policy) will be paid for by the Mortgagee - on reasonable demand - from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

**2. RIGHT OF SUBROGATION**

Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that - as to the Mortgagor or Owner - no liability therefore existed, it will be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation will be limited to the amount of such loss payment and will be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and will thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage debt.

**3. OTHER INSURANCE**

If there is any other valid and collectible insurance upon the property with loss payable to the Mortgagee - at law or in equity - then any amount payable under that other insurance will be taken into account in determining the amount payable to the Mortgagee.

**4. WHO MAY GIVE PROOF OF LOSS**

In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or to deliver the required Proof of Loss under the policy, then the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

**5. TERMINATION**

The term of this mortgage clause coincides with the term of the policy;

- a. PROVIDED ALWAYS that, in the Province of Quebec, the Insurer reserves the right to cancel the policy as provided by Article 2477 of the Civil Code of Quebec, but agrees that the Insurer will neither cancel nor amend the policy to the prejudice of the Mortgagee without 15 days' notice to the Mortgagee by registered letter.
- b. PROVIDED ALWAYS that, in all provinces and territories other than the Province of Quebec, the Insurer reserves the right to cancel the policy in accordance with the provisions of the Termination condition set out in the Statutory Conditions attached to this policy, but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Termination condition.

**6. TRANSFER OF TITLE (For the Province of Quebec); FORECLOSURE (For all other provinces and territories)**

Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance will continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these will supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.

Further, with respect to Equipment Breakdown insurance, if insured under this policy, the Insurer reserves the right to suspend insurance, which will include any insurance applying to the interest of the Mortgagee, on any Object in accordance with the suspension condition of the Equipment Breakdown insurance, and the Insurer agrees to furnish the Mortgagee, a copy of the suspension notice.

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**I. INDEMNITY AGREEMENT**

In the event of direct physical loss of or direct physical damage to insured property sustained during the policy period by an insured peril, the Insurer agrees to indemnify the Insured subject to the terms and conditions of this form to an amount not exceeding the least of:

1. the value of the lost or damaged property as determined in V. SPECIAL CONDITIONS;
2. the interest of the Insured in the property;
3. the limit of insurance shown on the "Policy Declarations" for the lost or damaged property.

The inclusion of more than one person or interest will not increase the Insurer's liability.

**II. INSURED PROPERTY**

The following is insured property under this form, provided a limit of insurance is shown in the "Policy Declarations":

1. Property at the "premises" described as:
  - "Building"
  - "Equipment"
  - "Stock"
  - "Business Contents"
  - "All Property"
2. Property as described in IV. SUPPLEMENTARY COVERAGES.

**III. INSURED PERILS AND EXCLUSIONS**

**A. INSURED PERILS**

This form insures, except as otherwise provided, against all risks of direct physical loss of or direct physical damage to the insured property.

**B. EXCLUSIONS**

**1. EXCLUDED PROPERTY**

This form does not insure loss of or damage to:

**a. Animals**

All animals. This exclusion does not apply to direct physical loss or direct physical damage caused directly by "named perils" or by theft or attempted theft

**b. Automobiles, watercraft and aircraft**

Automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, including motors or other accessories attached to or mounted on such property. This exclusion does not apply to:

- i. watercraft, trailers, amphibious or air cushion vehicles held for sale;
- ii. unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises".

**c. Electrical devices**

Electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to direct physical loss or direct physical damage caused directly by resultant fire or explosion as described in this form.

**d. Growing plants outside the building**

Growing plants, trees, shrubs or flowers, all while outside the "building" except as provided in IV. SUPPLEMENTARY COVERAGES.

**e. Money and negotiable items**

"Money", "cash cards", "securities", stamps, tickets (except lottery tickets) and tokens, "digital currency", electronic fund transfers, or evidence of debt or title.

**f. Pressure vessels, electrical equipment, turbines**

- i. (a) Any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure, including moving or rotating machinery or parts connected to them;
- (b) ASME (American Society of Mechanical Engineers) approved Boiler or pressure vessels which are normally subject to vacuum or internal pressure other than static pressure of contents including:
  - (1) boiler;
  - (2) condensate return tank;
  - (3) fired pressure vessel;
  - (4) fibreglass reinforced plastic vessel, or metal unfired vessels,

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- (5) refrigeration or air conditioning vessels and piping; or
- (6) metal piping and its accessories including:
  - (i) feed water piping between any boiler and its feed pumps or injectors;
  - (ii) boiler condensation return piping;
  - (iii) chilled water piping connected to and forming part of a refrigeration or air conditioning system;
  - (iv) arrangement of piping used in conjunction with hot water heating system, together with valves, radiators and fittings connected to such system, provided such systems are not encased or requiring excavation;
  - (v) any unfired pressure vessels which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, will be considered as connected ready for use within the terms of the policy;
  - (vi) mechanical or electrical equipment mounted on or forming part thereof used solely for the purposes of monitoring or controlling such object.
- (c) Mechanical, electrical machine or apparatus which generates, transmits or utilizes mechanical or electrical power including electronic equipment meaning:
  - (1) any data processing, calculating or computing equipment, or any electronic machine, device or instrument;
  - (2) any x-ray machine, magnetic resonance imaging (MRI), computed tomography (CT scan), electronic microscope, laser, particle accelerator, beta gauge, spectrograph including equipment used for research, diagnostic, treatment, experimental medical or scientific purposes or any equipment or apparatus utilizing radio-active materials: or
  - (3) any equipment used for the generation, control, transmission, reception, reproduction, playback or any other use of television, radio, or telecommunications signals.
- ii. This exclusion does not apply to:
  - (a) tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water;
  - (b) manually portable gas cylinders;
  - (c) explosion of natural, coal or manufactured gas;
  - (d) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere; or
  - (e) other property insured by this form that has been damaged by the explosion of vessels, apparatus or pipes while undergoing pressure testing.

**g. Property being worked upon or repaired**

"Business contents":

- i. while actually being worked upon and directly resulting from such work; or
- ii. caused by any repairing, adjusting, or servicing of "business contents".

This exclusion does not apply to direct physical loss or direct physical damage caused directly by resultant fire or explosion as described in this form.

**h. Property illegally kept or transported**

Property that is:

- i. illegally acquired, kept, stored or transported; or
- ii. seized or confiscated for breach of any law or by order of any public authority, except as provided in IV. SUPPLEMENTARY COVERAGES.

**i. Property rented, leased or sold**

Property from the time of leaving the Insured's custody if it is:

- i. loaned or rented or leased to others; or
- ii. sold by the Insured under conditional sale or instalment payment or other deferred payment plan.

This exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured.

**j. Roadways, walkways and parking lots**

Roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces except as provided in IV. SUPPLEMENTARY COVERAGES.

**k. Sewers and drains**

Sewers, drains or watermains located beyond the "premises" or at a "newly acquired location".

**l. Vacant properties**

Property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days. This exclusion does not apply to locations:

- i. that are shown on the "Policy Declarations" as a seasonal business, and
- ii. the seasonal vacancy, unoccupancy or shut down does not exceed 9 consecutive months.

**m. Valuable property**

Furs, fur garments, "fine arts", jewels, jewellery, pearls, or precious and semi precious stones, bullion, numismatic property, platinum and other precious metals and alloys, except as provided in IV. SUPPLEMENTARY COVERAGES. This exclusion does not apply to direct physical loss or direct physical damage caused directly by "named perils".

**2. EXCLUDED PERILS**

This form does not insure against loss or damage caused directly or indirectly:

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**a. Centrifugal force and mechanical breakdown**

By centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises" or at a "newly acquired location". This exclusion does not apply to direct physical loss or direct physical damage caused directly by resultant fire.

**b. Change in atmosphere or temperature**

- i. (a) By dampness or dryness of atmosphere;  
(b) by changes in or extremes of temperature, heating or freezing; or  
(c) by total or partial interruption to the supply of electricity, water, gas or steam;  
whether the result of natural forces or artificial forces, except as provided in IV. SUPPLEMENTARY COVERAGES.
- ii. This exclusion does not apply to:
  - (a) direct physical loss or direct physical damage caused directly by rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
  - (b) damage to pipes caused directly by freezing, unless such pipes are excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
  - (c) direct physical loss of or direct physical damage to "building" or "equipment" caused directly by "named perils", theft or attempted theft; or
  - (d) direct physical loss or direct physical damage caused directly by an accident to a transporting conveyance.

**c. Change in texture or finish**

- i. (a) By shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;  
or  
(b) by marring, scratching or crushing;  
except as provided in IV. SUPPLEMENTARY COVERAGES.
- ii. This exclusion does not apply to direct physical loss or direct physical damage caused directly by:
  - (a) "named perils";
  - (b) rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
  - (c) theft or attempted theft; or
  - (d) an accident to a transporting conveyance.

**d. Contamination**

- i. by contamination except as provided in IV. SUPPLEMENTARY COVERAGES.
- ii. This exclusion does not apply to direct physical loss or direct physical damage caused directly by:
  - (a) "named perils";
  - (b) rupture of pipes or breakage of apparatus not excluded in III. B. 1. h. Pressure vessels, electrical equipment, turbines;
  - (c) theft or attempted theft; or
  - (d) an accident to a transporting conveyance.

**e. Delay, loss of market or use**

By delay, loss of market, or loss of use or occupancy.

**f. Dishonest and criminal acts**

- i. By any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- ii. by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others; or
- iii. by any dishonest or criminal act committed by anyone, except as stated in III. B. 2. f. ii., when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act. This exclusion does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

**g. Earthquake**

By earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for direct physical loss or direct physical damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in this form. This exclusion does not apply to property in transit.

**h. Explosion of pressure vessels, turbines or electrical equipment**

- i. By explosion (except explosion of gas or unconsumed fuel), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
  - (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
  - (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
  - (c) other vessels and apparatus and their connected pipes while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to direct physical loss or direct physical damage resulting directly from the explosion of manually portable gas cylinders, or of tanks or vessels having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water;

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- (d) moving or rotating machinery or their parts;
  - (e) any vessels or apparatus and their connected pipes while undergoing pressure tests but this exclusion does not apply to other insured property damaged by such explosion; or
  - (f) gas turbines.
- ii. This exclusion does not apply to direct physical loss or direct physical damage caused by resultant fire.
- i. Flood and other water events**  
By flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow, whether a natural or man-made event, of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for direct physical loss or direct physical damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in this form. This exclusion does not apply to property in transit or direct physical loss or direct physical damage caused directly by leakage from a watermain.
- j. Rodents, insects and vermin**  
By rodents, insects, bats, raccoons, skunks or vermin, except as provided in IV. SUPPLEMENTARY COVERAGES. This exclusion does not apply to direct physical loss or direct physical damage caused directly by a peril not otherwise excluded.
- k. Seepage and leakage of water**
- i. By seepage, leakage or influx of water through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
  - ii. by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form; or
  - iii. by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this form.
- l. Settling, moving or shifting**  
By settling, expansion, contraction, moving, shifting or cracking, whether natural or manmade, unless concurrently and directly caused by a peril not otherwise excluded in this form.
- m. Smoke**  
By smoke from agricultural smudging or industrial operations.
- n. Snowslide, landslide or earth movement**  
By snowslide, landslide or other earth movement whether natural or manmade. This exclusion does not apply to:
- i. property in transit;
  - ii. resultant direct physical loss or direct physical damage caused directly by fire, explosion, smoke or leakage from "fire protective equipment".
- 3. OTHER EXCLUDED LOSS OR DAMAGE**  
This form does not insure:
- a. By-laws and zoning**  
Any costs arising from the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which makes it impossible to repair or reinstate the property as it was immediately prior to loss, except as provided in IV. SUPPLEMENTARY COVERAGES.
- b. Faulty materials and workmanship**  
The cost of making good:
- i. faulty or improper material;
  - ii. faulty or improper workmanship; or
  - iii. faulty or improper design.
- This exclusion does not apply to direct physical loss or direct physical damage caused directly by a resultant peril not otherwise excluded in this form.
- c. Fungi or spores**
- i. Loss or damage consisting of or caused directly or indirectly, by any "fungi" or "spores".  
This exclusion does not apply to direct physical loss or direct physical damage:
    - (a) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form; or
    - (b) caused directly by a resultant peril not otherwise excluded in this form.
  - ii. The cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".
- d. Mysterious disappearance**  
Against mysterious disappearance, or shortage of "business contents" disclosed on taking inventory.
- e. Wear and tear, rust, corrosion and gradual deterioration**  
Against loss or damage consisting of or caused by:
- i. wear and tear;

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- ii. rust or corrosion; or
  - iii. gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- This exclusion does not apply to direct physical loss or direct physical damage caused directly by a resultant peril not otherwise excluded in this form.

#### 4. COMMON EXCLUSIONS

See COMMON EXCLUSIONS section of 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM.

This Form does not insure loss or damage arising from:

- a. **Contagious Disease**
- b. **Cyber Risk**
- c. **Data**
- d. **Data Problem**
- e. **Marine and Waterborne Property**
- f. **Nuclear Incident and Radioactive Contamination**
- g. **Pollution**
- h. **Terrorism**
- i. **War, invasion, act of foreign enemy**

#### IV. SUPPLEMENTARY COVERAGES

##### A. GROUP ONE

The limit of insurance applicable to loss or damage covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Unless stated otherwise, the blanket limit of insurance is in addition to any other limit of insurance applicable under this form.

Any Co-insurance Clause applicable to this form does not apply to GROUP ONE coverages as set out below.

##### 1. AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This form insures any automatic fire suppression system recharge expense incurred by the Insured due to the leakage of or discharge of the fire suppressant within any automatic fire suppression system at the "premises" where such discharge or leakage is caused by or results from a peril insured against under this form. Automatic fire suppression recharge expenses do not include costs incurred to replace, upgrade or remove any component parts of automatic fire suppression systems.

##### 2. BRANDS AND LABELS

If the Insurer exercises its option to take all or any part of the "stock" involved in a loss, the Insured reserves the right to first remove their trademarks, guarantees, names or other evidence of their interest or connection from the "stock". Where the removal of such marks is impossible or impractical, the "stock" may be stamped as salvage and/or transferred to bulk containers with the cost to be borne by the Insurer.

##### 3. BUILDING DAMAGE BY THEFT

This form insures direct physical loss or direct physical damage (except by fire) to that part of the "building" occupied by the Insured directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided that:

- a. the Insured is not the owner of such "building" and is legally liable for such damage; and
- b. the "building" is not otherwise insured by this form.

##### 4. ERRORS AND OMISSIONS

a. This form insures direct physical loss of or direct physical damage to insured property caused directly by a peril not otherwise excluded at a location owned or occupied by the Insured that is not covered by this form solely due to error or unintentional omission by the Insured of:

- i. an unreported location at the commencement of the current policy period;
- ii. the description of a location; or
- iii. an incorrect deletion of an insured location,

but only to the extent such direct physical loss or direct physical damage would have been covered under this form in the absence of such error or omission.

b. This coverage only applies if:

- i. the Insured report and correct such error or omission as soon as possible when discovered, and
- ii. the Insured pay any additional premium that may be due.

c. This coverage does not apply if there is coverage applicable under IV. B. 2. BUILDINGS AND BUSINESS CONTENTS AT

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NEWLY ACQUIRED LOCATIONS.

**5. LANDSCAPING AND GROWING PLANTS, TREES, SHRUBS OR FLOWERS IN THE OPEN**

This form insures direct physical loss of or direct physical damage to landscaping of the "premises", growing plants, trees, shrubs, lawns or flowers all while outside the "building" caused directly by "named perils" with the exception of windstorm or hail as described in this form or from theft or attempted theft. There will in no event be coverage for:

- a. growing crops; or
- b. roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces.

**6. MASTER KEY COVERAGE**

This form insures the cost of replacing or re-tooling locks, following direct physical loss or direct physical damage caused by a peril insured against to master keys, electronic passes or access cards that control doors at the "premises".

**7. NEWLY ACQUIRED BUSINESS CONTENTS**

- a. This form insures direct physical loss of or direct physical damage to "business contents" that are acquired after the beginning of the current policy period that are located at the "premises".
- b. This coverage will cease on the earliest of:
  - i. 90 days from the date of acquisition of such property;
  - ii. the date values for such property are reported to the Insurer; or
  - iii. the expiration date of this policy.
- c. Premium for this coverage will be payable from the date of the acquisition of such newly acquired "business contents".

**8. PERSONAL EFFECTS OF OFFICERS, EMPLOYEES, CUSTOMERS AND GUESTS**

This form insures direct physical loss of or direct physical damage to personal effects of officers, employees, customers, volunteers and guests of the Insured. The insurance on such property:

- a. will not attach if it is insured by the owner unless the Insured is obligated to insure it or is legally liable for its direct physical loss or direct physical damage; and
- b. will apply only to direct physical loss or direct physical damage occurring at the "premises or at any newly acquired location for which coverage is provided under this form.

**9. PROFESSIONAL FEES**

This form insures the reasonable fees payable to the Insured's auditors, accountants, lawyers, architects, engineers, or other consultants, for producing particulars of details of the Insured's loss or losses in order to arrive at the loss payable under this form in the event of a claim. There is no coverage for fees payable to:

- a. the Insured's own employees;
- b. the Insured's insurance broker;
- c. public adjusters; or
- d. any claims advocate hired to negotiate settlement on behalf of the Insured.

**10. SEASONAL STOCK INCREASE**

This form insures increases in "stock" values resulting from seasonal variations. The amount of this coverage will not exceed 50% of the Insured's average monthly "stock" values for:

- a. the 12 months immediately preceding the date of loss; or
- b. in the event the Insured has been in business for less than 12 months, the average values for the period of time that the Insured has been in business.

**B. GROUP TWO**

**Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. Unless stated otherwise, the limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form. The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. Any coverage(s) in GROUP TWO where an aggregate limit is shown on the "Policy Declarations" is subject to an annual policy aggregate limit.**

**Any Co-insurance Clause applicable to this form does not apply to GROUP TWO coverages as set out below.**

**1. ACCOUNTS RECEIVABLE**

- a. This form insures:
  - i. all sums due the Insured from customers or credit card companies, provided the Insured is unable to effect their collection as a direct result of direct physical loss of or direct physical damage to records of accounts receivable while the records are located anywhere within the "territorial limits";
  - ii. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such direct physical loss or direct physical damage;
  - iii. collection expenses, in excess of normal collection costs and made necessary because of such direct physical loss or direct physical damage; and
  - iv. other expenses when reasonably incurred by the Insured in re-establishing records of accounts receivable following such direct physical loss or direct physical damage.
- b. This coverage does not insure against loss:
  - i. due to bookkeeping, accounting or billing errors or omissions;
  - ii. the proof of which, as to factual existence, is dependent upon an audit of records, or an inventory computation; or
  - iii. due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of "money", "securities" or other property but

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- only to the extent of such wrongful giving, taking, obtaining, or withholding.
- c. Accounts receivable coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
    - Centrifugal force and mechanical breakdown;
    - Change in atmosphere or temperature;
    - Change in texture, finish;
    - Contamination;
    - Explosion of pressure vessels, turbines or electrical equipment;
    - Mysterious disappearance;
    - Seepage and leakage of water;
    - Settling, moving or shifting;
    - Smoke.
  - d. In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date the loss occurs, such amount will be based on the Insured's monthly statements and will be computed as follows:
    - i. 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;
    - ii. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such months for which the Insured has provided monthly statements to the Insurer as compared with such coverage for the same months of the preceding year;
    - iii. the amount determined in IV. B. 1. d. i. increased or decreased by the percentage calculated under IV. B. 1. d. ii. will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
    - iv. the amount determined in IV. B. 1. d. iii. will be increased or decreased in conformity with 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.

In determining the amount of insured loss of accounts receivable there will be deducted from the total amount of accounts receivable 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 uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges will be deducted.
  - e. Recoveries
 

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

## 2. BUILDINGS AND BUSINESS CONTENTS AT NEWLY ACQUIRED LOCATIONS

- a. This form insures direct physical loss of or direct physical damage to insured property at any location that is a "newly acquired location(s)".
- b. This coverage will cease on the earliest of:
  - i. 90 days from the date of acquisition of each "newly acquired location";
  - ii. the date values for such property are reported to the Insurer; or
  - iii. the expiration date of this policy.
- c. Premium for coverage on newly acquired property is payable from the date of the acquisition of such property.

## 3. BUILDING IMPROVEMENTS, BETTERMENTS AND COURSE OF CONSTRUCTION

If not insured elsewhere, this form insures direct physical loss of or direct physical damage to additions, improvements and extensions to the "building" during the course of their construction and during construction of new buildings at the "premises". This coverage will apply only to construction that begins after the inception date of this policy and will cease on the earliest of:

- a. 90 days from the date such construction begins;
- b. on the date values for such construction are reported to the Insurer; or
- c. on the expiration date of this policy.

## 4. BUILDING UPGRADE

- a. This form insures the increase in direct costs incurred due to an insured peril, to repair or replace "building" components that are lost or damaged, or to add new "building" components that improve the "building's" resistance to future loss that may result from a peril insured against under this form.
- b. The Insurer will pay the least of:
  - i. 10% of the sum of
    - (a) the total amount payable for the direct physical loss of or direct physical damage to the "building", and
    - (b) the amount of the applicable deductible;
  - ii. the amount actually expended by the Insured; or
  - iii. the limit of insurance shown on the "Policy Declarations" for this coverage.
- c. Notwithstanding the reinstatement clause in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.
- d. This coverage does not apply to any increase in the cost of repair or replacement of "buildings" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

## 5. BUSINESS CONTENTS AWAY FROM PREMISES

This form insures direct physical loss of or direct physical damage to "business contents" while away from the "premises":

- a. in the custody of a sales representative;
- b. while on exhibition;
- c. temporarily at any other location; or
- d. while being transported to and from any of the above.

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This coverage applies only to property while it is within the "territorial limits" and not otherwise insured by this form. There is no coverage for "business contents" at a location owned or leased in whole or in part by the Insured.

**6. BUSINESS CONTENTS IN TRANSIT**

This form insures direct physical loss of or direct physical damage to "business contents" while in transit within the "territorial limits" and not otherwise insured by this form. There is no coverage for "business contents" at a location owned, leased or controlled in whole or in part by the Insured.

**7. BUSINESS PROPERTY AT A RESIDENCE**

This form insures direct physical loss of or direct physical damage to "business contents" while at any residence of any officer or employee of the Insured within the "territorial limits". This coverage, however, does not apply to property temporarily away from the "premises" or in transit.

**8. BY-LAWS**

- a. Without increasing the limit of insurance and in the event of direct physical loss of or direct physical damage to insured property by a peril insured under this form, the Insurer will indemnify the Insured for:
- i. loss occasioned by the demolition of any undamaged portion of the insured property;
  - ii. the cost of demolishing and clearing the site of any undamaged portion of the insured property;
  - iii. any increase in the cost of repairing, replacing, constructing or reconstructing the insured property on the same site or on an adjacent site, of like height, floor area, style and for like occupancy;
- resulting from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which
- (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
  - (b) is in force at the time of such loss or damage.
- b. By-laws coverage does not insure against:
- i. the enforcement of any by-law, regulation, ordinance or law, whether known or unknown by the insured, which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
  - ii. the enforcement of any by-law, regulation, ordinance or law that could have been enforced in the absence of a loss; or
  - iii. direct or indirect loss, damage, cost or expense, arising out of "clean-up" resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"; or
  - iv. direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating, or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
- c. In the event that the limit of insurance on the "building" is exhausted, by-laws coverage will continue to apply, up to the limit of insurance shown on the "Policy Declarations" for this coverage, in any one occurrence.

**9. CATCH ALL**

This coverage provides an additional limit of insurance in the event that the limit of insurance under any other GROUP TWO coverage is insufficient to provide full indemnity after the application of the deductible for any covered loss or damage that results from a single occurrence. The Insurer will pay the lesser of:

- a. the difference between the loss payable and the amount required to fully indemnify the Insured after the application of the deductible; or
- b. The liability of the Insurer in respect of this coverage during any one policy period will not exceed, the aggregate shown on the "Policy Declarations" for this coverage, irrespective if multiple locations are impacted in one event.
- c. Notwithstanding the reinstatement clause in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.

In the event that claims are made under more than one GROUP TWO coverage for a single occurrence, allocation of payment is to be determined by the Insured.

**10. CLEAN UP EXPENSES FOR LAND AND WATER POLLUTION**

- a. This form insures expenses incurred to "clean up" "pollutants" from land and water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
- i. is sudden, unexpected and unintended from the standpoint of the Insured; and
  - ii. first occurs during the policy period.
- b. The liability of the Insurer in respect of this coverage during any one policy period will not exceed, the aggregate shown on the "Policy Declarations" for this coverage irrespective if multiple locations are impacted in one event.
- c. Notwithstanding the reinstatement clause in this form, following a loss under this coverage, the aggregate limit of insurance for this coverage will be reduced by the amount payable.
- d. The Insurer will not be liable for:
- i. expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises";
  - ii. expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" that began before the effective date of this policy;
  - iii. fines, penalties, punitive or exemplary damages;
  - iv. 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.
- e. It is a condition precedent to recovery under this coverage that all expenses insured by this coverage must be incurred and reported within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" for which "clean up" expenses are being claimed.
- f. The insurance afforded by this coverage will apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

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#### 11. CONFISCATED OR SEIZED PROPERTY

This form insures "business contents" that:

- a. were illegally acquired before being purchased by the Insured; and
- b. are confiscated or seized from the Insured by public authority.

This coverage does not apply if, at the time of purchase, the Insured knew or ought to have known that the property had been illegally acquired.

#### 12. ENVIRONMENTAL UPGRADE

- a. This form insures the increase in direct costs incurred to repair or replace "building" and "equipment" components as a direct result of direct physical loss or direct physical damaged by an insured peril, with those that improve the energy efficiency or environmental emissions rating of the "building" or "equipment".
- b. The Insurer will pay the least of:
  - i. 10% of the sum of
    - (a) the total amount payable for the direct physical loss of or damage to the "building" and "equipment", and
    - (b) the amount of the applicable deductible;
  - ii. the amount actually expended by the Insured; or
  - iii. the limit of insurance shown on the "Policy Declarations" for this coverage.
- c. This coverage will not apply to any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.
- d. The liability of the Insurer in respect of this coverage during any one policy period will not exceed, the aggregate shown on the "Policy Declarations" for this coverage. Notwithstanding the reinstatement clause in this form, following a loss under this coverage, the limit of insurance for this coverage will be reduced by the amount payable.

#### 13. EXPEDITING EXPENSE

This form insures the reasonable additional costs incurred, including overtime and the extra cost of express or other rapid means of transportation, as a result of direct physical loss or direct physical damage by an insured peril:

- a. for temporary repairs, and
- b. for expediting the permanent repair or replacement of insured property that is lost or damaged.

This coverage does not include any costs related to any "equipment" installed on a temporary basis.

#### 14. EXTRA EXPENSE

- a. This form insures the "extra expense" incurred as a result of direct physical loss of or direct physical damage to insured property at the "premises" resulting from a peril insured against under this form, for the period of time required with the exercise of due diligence and dispatch, to restore normal business operations
- b. In no event, will the Insurer be liable for:
  - i. loss of income;
  - ii. "extra expense" in excess of that necessary to continue as nearly as practicable the normal conduct of the Insured's business;
  - iii. the cost of repairing or replacing any property that has been damaged or destroyed by an insured loss;
  - iv. due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
  - v. "extra expense" resulting from any lease, license or order that is suspended, lapsed or cancelled.
- c. The actual cash value of substitute or temporary "building" or "equipment" remaining after resumption of normal operations will be taken into consideration in the adjustment of any loss.

#### 15. EXTERIOR PAVING

This form insures direct physical loss of or direct physical damage to roadways, walkways, exterior parking lots or other similar exterior paved or unpaved surfaces at the "premises" arising from an insured peril.

#### 16. FINE ARTS

- a. This form insures direct physical loss of or direct physical damage to "fine arts" within the "territorial limits":
  - i. that are the property of the Insured; or
  - ii. for which the Insured is legally liable.
- b. This form also insures newly acquired "fine arts" that are:
  - i. (a) acquired by the Insured after the beginning of the current policy period, and  
(b) within the "territorial limits".
  - ii. This coverage will cease on the earliest of:
    - (a) 90 days from the date of acquisition of "fine arts";
    - (b) the date values for such "fine arts" are reported to the Insurer; or
    - (c) the expiration date of this policy.
  - iii. Premium for coverage IV. B. 16. b. i. newly acquired "fine arts", is payable from the date of such acquisition.
  - iv. The Insurer will not be liable under IV. B. 16. b. i. for more than the actual cash value of such newly acquired "fine arts" and in no event for more than 25% of the total limit of insurance for "fine arts" under this form.
- c. "Fine arts" coverage is not subject to the following exclusions of III. B. EXCLUSIONS:  
Property rented, leased or sold.  
Centrifugal force and mechanical breakdown;  
Change in atmosphere or temperature;  
Change in texture, finish;  
Contamination;  
Explosion of pressure vessels, turbines or electrical equipment;

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Mysterious disappearance;  
Seepage and leakage of water;  
Settling, moving or shifting;  
Smoke.

**17. FIRE FIGHTING EXPENSES**

This form insures any expenses the Insured is charged by a municipality for fire department services, as a result of a fire or any other insured peril.

**18. DAMAGE BY ANIMALS OR INSECTS**

This form insures direct physical loss of or direct physical damage to insured property at the "premises" caused directly by rodents, insects, bats, raccoons, skunks or vermin.

**19. INSPECTION AND APPROVAL COSTS**

This form insures the direct cost of inspections and regulatory approvals that are required as a result of direct physical loss or direct physical damage by an insured peril, to repair, rebuild or reconstruct insured property in accordance with the Basis of Settlement clause contained in this form

This form does not insure:

- a. fines or penalties;
- b. costs or expenses for any testing, monitoring, evaluating or assessing:
  - i. "fungi" or "spores"; or
  - ii. any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants";
- c. any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- d. increased costs due to loss of market, loss of use or occupancy that may result from delays in obtaining or receiving required inspections or approvals.

**20. INSTALLATION FLOATER**

- a. This form insures the property of the Insured or the property of others for which the Insured is legally liable, including labour required for installation, which the Insured has contracted to install or which will be used in completing an installation contract at a location within "territorial limits".

Insured property includes:

- i. supplies, machinery, equipment and materials that will form part of the completed installation;
  - ii. temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation and similar work, to the extent that their replacement or restoration is necessary to complete the project.
- b. Coverage is provided:
    - i. while such property is in transit within the "territorial limits" to the installation site;
    - ii. during temporary storage at locations within the "territorial limits" away from the "premises" while awaiting installation; or
    - iii. while such property is at the installation site, awaiting installation or while being installed.
  - c. This coverage does not insure loss or damage
    - i. to buildings except temporary buildings described in a., but building materials and supplies are covered until such time as they become a permanent part of any installation project completed by the Insured;
    - ii. to plans, blueprints, designs, specifications or any similar property;
    - iii. to "contractor's equipment", other than property specified in IV. B.20. a. ii.;
    - iv. to any installation or part of installation from the commencement of use for purposes for which it was intended;
    - v. to property while in airborne transit, unless by scheduled airlines;
    - vi. covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an Insured under this coverage.
  - d. Installation floater coverage is not subject to the following exclusions of III. B. EXCLUSIONS:  
Property rented, leased or sold.  
Change in texture, finish;  
Contamination;  
Seepage and leakage of water;  
Settling, moving or shifting;  
Smoke.
  - e. Coverage ceases at the earliest of:
    - i. the termination of the Insured's interest;
    - ii. the installation being accepted as satisfactory; or
    - iii. the expiry date of this policy.

**21. REMOVAL**

- a. This form insures insured property that is necessarily removed from the "premises" or a "newly acquired location" to prevent direct physical loss of or direct physical damage to such property. The amount payable under this coverage will not increase the limits of insurance on property at the "premises" shown on the "Policy Declarations".  
This coverage will cease on the earlier of:
  - i. 90 days from the date of the original loss; or
  - ii. the expiry date of this policy.
- b. i. This form insures expenses incurred in the removal from the "premises" of debris of the insured property occasioned by direct physical loss or direct physical damage to such property, for which coverage is provided under this form.

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- ii. The amount payable under this coverage:
  - (a) will not increase the limits of insurance shown on the "Policy Declarations", and
  - (b) will not exceed 25% of the sum of:
    - (1) the total amount payable for the direct physical loss of or direct physical damage to the property insured; and
    - (2) the amount of the applicable deductible.
- iii. If in any one occurrence expenses for debris removal exceeds the limit set out in 21. b. ii. or, if exhausted, the limit of insurance for such property, an additional limit, up to the amount shown on the "Policy Declarations" for Debris Removal Expense, is payable.
- c. This form also insures expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises" or at a "newly acquired location". The amount payable under this coverage will not increase the limits of insurance on property at the "premises" or for a "newly acquired location" shown on the "Policy Declarations".
- d. Removal coverage does not apply to costs or expenses:
  - i. to "clean up" "pollutants" from land or water;
  - ii. 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.
- e. Expenses for removal of debris will not be considered in the determination of actual cash value for the purpose of any co-insurance clause.

**22. REWARD**

- a. The Insurer will pay for information leading to the arrest and conviction of any person or persons responsible for claims that are paid under this form that result from criminal acts.
- b. The Insurer will be the sole judge as to the person or persons to whom a reward is paid and as to the size of the reward. Under no circumstances will a reward be payable to:
  - i. the Insured;
  - ii. officers and partners of the Insured; or
  - iii. members of their household(s).

**23. STOCK CONTAMINATION**

This form insures direct physical loss of or direct physical damage to the Insured's food product "stock" resulting from "contamination" while the "stock" is on the "premises".  
For the purpose of this coverage only, "contamination" means the introduction of a foreign material or substance into the food product in such a way as to render the food product unfit for its intended consumption as determined by any government authority.

**24. STOCK SPOILAGE**

- a. This form insures direct physical loss of or direct physical damage to "perishable goods" including its packaging on the "premises" due to spoilage caused by dampness or dryness of atmosphere or change of temperature or humidity that is the direct result of:
  - i. direct physical loss or direct physical damage by an insured peril to that part of "buildings" or "equipment" that is used for:
    - (a) refrigerating, cooling, humidifying, dehumidifying, or heating; or
    - (b) generating, converting or transmitting power, including supply lines and pipes and their connections on the "premises".
  - ii. interruption to the supply of "utility services" to the "premises". The interruption must be caused by direct physical loss of or direct physical damage to "utility property" that generates or supplies "utility services" to the "premises":
    - (a) by an insured peril, and
    - (b) the "utility property" that sustains loss or damage, must be located on the "premises" or within the number of kilometres as shown on the "Policy Declarations" from the "premises".
- b. This form does not insure loss or damage resulting from partial or total interruption to the supply of "utility services" arising from:
  - i. loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
  - ii. lack of sufficient capacity; or
  - iii. intentional reduction in supply.
- c. The Insurer will pay, subject to the limit of insurance for this coverage:
  - i. if the "perishable goods" are replaced by the Insured, the actual cost incurred by the Insured;
  - ii. if the "perishable goods" are not replaced, the actual cash value of the property.

**25. VALUABLE PAPERS AND RECORDS**

- a. This form insures direct physical loss or direct physical damage to "valuable papers and records" owned by the Insured or held by the Insured in any capacity by an insured peril while located anywhere within the "territorial limits".
- b. This coverage does not insure against loss or damage:
  - i. directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct physical loss or direct physical damage caused by such ensuing fire or explosion;
  - ii. to property which cannot be replaced with other of like kind and quality;
  - iii. to property held as samples or for sale or delivery after sale; or
  - iv. to "data" or "media" caused directly or indirectly by:
    - (a) actual work upon such property unless fire or explosion ensues and then only for direct physical loss or direct physical damage caused by such ensuing fire or explosion;
    - (b) riot, vandalism or malicious acts; or

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- (c) any change or interruption to electric power, electromagnetic waves, whether manmade or natural, or a geomagnetic storm.
- c. "Valuable papers and records" coverage is not subject to the following exclusions of III. B. EXCLUSIONS:
  - Property rented, leased or sold;
  - Centrifugal force and mechanical breakdown;
  - Change in atmosphere or temperature;
  - Change in texture, finish;
  - Contamination;
  - Explosion of pressure vessels, turbines or electrical equipment;
  - Mysterious disappearance;
  - Seepage and leakage of water;
  - Settling, moving or shifting;
  - Smoke.

## 26. VALUABLE PROPERTY

This form insures furs, fur garments, jewels, jewellery, pearls or precious and semi precious stones, bullion, numismatic property, platinum and other precious metals and alloys, including those of customers and guests. The insurance on such property belonging to customers and guests:

- a. will not apply if the property is insured by the owner unless the Insured is obligated to insure it or is liable for its direct physical loss or direct physical damage; and
- b. will apply only to direct physical loss or direct physical damage occurring at the "premises".

## V. SPECIAL CONDITIONS

### 1. BASIS OF VALUATION

- a. As referred to in this form:
  - i. Actual Cash Value:
 

Various factors will be considered in the determination of actual cash value. The factors to be considered will include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration will be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.
  - ii. Replacement Cost means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.
  - iii. Replacement includes repair, construction or reconstruction with new property of like kind and quality.
- b. The value of the insured property will be determined as follows:
  - i. on unsold "stock": the actual cash value 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;
  - ii. on sold "stock": the selling price after allowance for discounts;
  - iii. on the property of others in the care, 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;
  - iv. on the property of others in the care, custody or control of the Insured that is not to be worked upon: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage;
  - v. on tenant's improvements:
    - (a) when damaged or destroyed by an insured peril:
      - (1) if repaired or replaced with due diligence and dispatch: the cost to replace improvements on the same site, plus the cost of moving, temporary storage and restoration if repaired or replaced on another site;
      - (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; or
      - (3) if the landlord terminates a lease as a result of an insured peril and the lease calls for insurance proceeds to be paid to the landlord: the cost to repair or replace the damaged improvements, whichever is less.
    - (b) when not damaged or destroyed by an insured peril: if, as a result of the building owner exercising the cancellation clause in a lease due to an insured peril, the Insured's interest in improvements reverts to the landlord, the cost to replace improvements on the same site or another site.
    - (c) The Insurer will not be liable for any loss of leasehold interest resulting from the Insured exercising the option to cancel a lease.
    - (d) No lease renewal options will be considered in any loss settlement unless an offer to renew has been made to and accepted by the landlord, in writing, prior to the loss of or damage to tenant's improvements.
  - vi. on business records, other than "valuable papers and records" and prepackaged software:
    - (a) the cost of blank "media" for reproducing "data"; and
    - (b) the costs of labour to transcribe or copy the "data" when there is a duplicate.
  - vii. on unscheduled "fine arts": the greater of:
    - (a) the amount paid at the time of purchase by the owner; or
    - (b) the most recent professionally appraised value at the time of loss or damage.
  - viii. on scheduled "fine arts": the limit specified for each item scheduled on the "Policy Declarations" will apply as the agreed value of such item for the purpose of this insurance, if agreed value is indicated beside the item(s) listed.
  - ix. on "valuable papers and records":
    - (a) the cost of blank "media" for reproducing lost or damaged "data";
    - (b) the cost of gathering or reproducing "data"; and

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- (c) the costs of labour to transcribe or copy the "data" onto the "media".
- x. all other insured property under this form and for which no more specific conditions have been set out: the actual cash value 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.

## 2. BASIS OF SETTLEMENT - FUNCTIONAL REPLACEMENT COST

- a. The limit the Insurer will pay for loss of or damage to insured property will be the amount actually expended by the Insured to repair or replace such property, subject to the following provisions:
  - i. the damaged property must be repaired or replaced with due diligence and dispatch;
  - ii. the amount the Insurer will pay for any repair or replacement will be limited to the lesser of:
    - (a) the cost at the time of the loss or damage to repair such property, or
    - (b) the replacement cost of such property at the time of the loss or damage.
  - iii. in the event the replacement is by property of a better kind or quality or of larger capacity or size, the liability of the Insurer will not exceed the amount that would be paid if the replacement had been made by property of like, kind, capacity, size and quality;
  - iv. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function will be deemed to be new property of like kind and quality for the purposes of this condition.
  - v. replacement may be at a different site but the liability of the Insurer will not exceed the amount that would be paid if the replacement had been made at the same site.
- b. Failing compliance by the Insured with any of the foregoing provisions, settlement will be made on the basis of actual cash value.
- c. Settlement on a replacement cost basis does not apply to:
  - i. "stock";
  - ii. "fine arts";
  - iii. "valuable papers and records";
  - iv. manuscripts and records meaning books of account, drawing, card index system and other records, "media", and program devices for electro mechanical data processing or for electronically controlled equipment;
  - v. insured property that is obsolete for its original purpose.

## 3. BREACH OF CONDITION

If the Insured does not comply with a condition of this form, any claim for subsequent loss or damage is not recoverable. The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition over which the Insured has no control.

## 4. DEDUCTIBLE

In any one insured loss the Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible shown on the "Policy Declarations".

## 5. INFLATION GUARD

- a. This condition applies only to II. 1. INSURED PROPERTY.
- b. The limits of insurance shown on the "Policy Declarations" are deemed to increase during the policy period by the proportion of current inflationary trends.
- c. If any of the limits of insurance shown on the "Policy Declarations" are changed at the request of the Insured during the policy period, the effective date of this condition will coincide with the effective date of such change.
- d. At the renewal date, the limits of insurance will be increased in accordance with the inflationary trend since the last policy period and the premium will be adjusted accordingly.

## 6. PERMISSION

Permission is granted:

- a. for other insurance concurrent with this form;
- b. to make additions, alterations or repairs; and
- c. to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

## 7. PREMIUM ADJUSTMENT

### a. Stock

The Insured has the option of requesting an adjustment of the premium paid for "stock" subject to the following requirements:

- i - A specific limit of insurance is shown on the "Policy Declarations" for "stock".
- ii - The Insured files with the Insurer within 6 months after the expiry date or anniversary date of the policy period a signed declaration showing the value of "stock" at each "premises" on the last day of each month for the policy period.
- iii - Upon receipt of the Insured's signed declaration, the Insurer will calculate the actual premium for the policy period at the rate applying to each "premises" for the average amount of the total values declared. If the actual premium exceeds the provisional premium, the difference is due and payable immediately upon notice to the Insured
- iv - In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess will not be included in the premium adjustment.

### b. Installations

IV. B. 20. Installation Floater is subject to premium adjustment if the estimated annual receipts for installation projects and the adjustment rate are shown on the "Policy Declarations".

- i. The Insured must file with the Insurer, within 6 months after the expiry date or anniversary date of the policy period, a signed declaration showing the actual annual receipts including labour costs received for all installation projects during the policy

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- period.
- ii. Upon receipt of the Insured's signed declaration the Insurer will calculate the actual premium for the policy period at the adjustment rate. If the actual premium exceeds the provisional premium, the difference is due and payable immediately upon notice to the Insured.
- iii. Any loss in excess of the limit of insurance shown on the "Policy Declarations" will be borne by the Insured, notwithstanding the requirement the premium is to be adjusted on the basis of total annual receipts.
- c. The following conditions apply to 7. a. and 7. b.:
  - i. The Insured will keep records of the information the Insurer needs for premium calculation, and send copies of such records to the Insurer whenever asked to do so.
  - ii. Where the provisional premium exceeds the actual premium, the Insurer will refund the excess premium paid, subject to a minimum retention of 50% of the provisional premium.

#### 8. PROPERTY PROTECTION SYSTEMS

- a. The Insured will immediately notify the Insurer of any interruption, flaw or defect in any property protection systems that comes to the knowledge of the Insured.
- b. For the purposes of this condition, property protection systems include:
  - i. sprinkler or other fire extinguishing systems;
  - ii. fire detection systems; or
  - iii. intrusion detection systems;
 that are located at the "premises".
- c. The Insured will immediately notify the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to property protection systems or of the notification of the suspension of police service in response to any property protection systems.

#### 9. REINSTATEMENT

Loss under any item of this form will not reduce the applicable limit of insurance, unless specified elsewhere in the form or endorsements attached to this form.

#### VI. DEFINITIONS

Wherever used in this form or any other property form and its conditions and endorsements, except where otherwise specified:

1. "all property" means "building", "equipment" and "stock".
2. "building" means the building(s) described on the "Policy Declarations" and includes:
  - a. fixed structures pertaining to the building and located on the "premises";
  - b. additions and extensions communicating and in contact with the building;
  - c. permanent fittings and fixtures attached to and forming part of the building including:
    - i. elevating devices;
    - ii. utility equipment both above and below ground on the "premises" which the insured owns or is legally liable for; and
    - iii. domestic appliances installed in dwelling units.
  - d. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the building or for building services; and
  - e. growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
3. "business contents" means "equipment" and "stock".
4. "cash cards" means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
5. "clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants" including testing which is integral to the aforementioned processes.
6. "condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a divided co-ownership syndicate in Quebec.
7. "contractors equipment" means:
  - a. mobile machinery, cranes and derricks whether or not attached to a licensed automobile;
  - b. portable equipment, hand and powered tools;
  - c. if reusable and not otherwise insured, scaffolding, falsework, forms, hoardings and portable structures;
  - d. accessories and spare parts for VI. 6. a. and b.; and
  - e. construction trailers not used for the transportation of materials or equipment described in VI. 6. a., b., c. and d.
8. "data" means representations of information or concepts, in any form.
9. "digital currency" means:
  - a. any form of currency that is available only in digital or electronic form, and not physical form; or
  - b. any form of currency that is available only in digital or electronic form, and not physical form, that has no central issuing or regulating authority but instead uses a decentralized system to record transactions and manage the issuance of new units.

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10. "equipment" means:
  - a. generally all contents usual to the business of the Insured including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock". "contractors' equipment" is not deemed to be "equipment" within the meaning of this definition except "contractors' equipment" used only at the "premises";
  - b. similar property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable;
  - c. outside communication towers, antennae (including satellite receivers) and equipment attached to them, street clocks and exterior signs, provided the "building" is not otherwise insured by this form; and which the insured owns or is legally liable for;
  - d. tenants' improvements which are defined as "building" improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenants' improvements made by a predecessor tenant, this form applies as though such tenants' improvements had been made at the expense of the Insured;
  - e. "unit improvements and betterments".
11. "extra expense" means the necessary additional cost to conduct the Insured's business over and above the cost that normally would have been incurred to conduct the business during the same period had no insured loss occurred. This additional cost will include the expense of obtaining and using other property or facilities and other similar necessary emergency expenses.
12. "fine arts" includes paintings, etchings, pictures, tapestries and other bona fide works of art (including valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass) and bric-a-brac of rarity, historical value or artistic merit.
13. "fire protective equipment" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
  - a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - b. any water mains or appurtenances located outside of the "premises" and forming a part of the public water distribution system; or
  - c. any pond or reservoir in which the water is impounded by a dam.
14. "fungi" includes, but is not limited to:
  - a. any form or type of mould, yeast, mushroom or mildew, whether or not allergenic, pathogenic or toxigenic; and
  - b. any substance, vapour or gas produced by or emitted or arising from any fungi or "spores" or resultant allergens, mycotoxins or pathogens.
15. "media" means:
  - a. materials on which "data" is recorded or stored; and
  - b. program and/or instruction vehicles used in the Insured's data processing operations.
16. "money" means:
  - a. currency, coins, bank notes or registered cheques; and
  - b. traveller's cheques and money orders held for sale to the public.
 but "money" does not mean "digital currency" or electronic fund transfers.
17. "named perils" means:
  - a. fire or lightning;
  - b. explosion: the following are not explosions within the intent or meaning of this form:
    - i. electric arcing or any coincident rupture of electrical equipment due to such arcing;
    - ii. bursting or rupture caused by hydrostatic pressure or freezing; or
    - iii. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
  - c. impact by aircraft, spacecraft or land vehicle: the terms aircraft and spacecraft include articles dropped from them. The Insurer will not be liable for loss or damage:
    - i. that is cumulative;
    - ii. caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
    - iii. to aircraft, spacecraft or land vehicles causing the loss; or
    - iv. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".
  - d. riot, vandalism or malicious acts: the term riot includes open assemblies of strikers and of locked-out employees inside or outside the "premises". The Insurer will not be liable for loss or damage:
    - i. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
    - ii. due to flood or release of water impounded by a dam, or due to any explosion other than an explosion as insured by this form; or
    - iii. due to theft or attempted theft.
  - e. smoke due to a sudden, unusual and faulty operation of any stationary furnace. The Insurer will not be liable for any cumulative damage.
  - f. leakage from "fire protective equipment": leakage or discharge from, collapse of, or rupture due to freezing of "fire protective equipment" for the "premises" or adjoining structures.
  - g. windstorm or hail. The Insurer will not be liable for loss or damage:
    - i. to the interior of the "building" or "business contents" inside the "building" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail; or
    - ii. directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence or landslide.
18. "newly acquired location(s)" means locations:

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- a. acquired by the Insured after the beginning of the current policy period for the first 90 days after the acquisition;
  - b. owned, leased, occupied or controlled by the Insured; and
  - c. within Canada.
19. "perishable goods" means any insured property:
- a. maintained under controlled conditions for its preservation, and
  - b. susceptible to loss or damage if the controlled conditions are not maintained.
20. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
21. "pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
22. "premises" means:
- a. the entire area within the property lines at the location(s) described on the "Policy Declarations";
  - b. areas under adjoining sidewalks and driveways; and
  - c. in or on vehicles within 100 metres (328 feet) of such locations.
- but "Premises" does not mean "newly acquired locations".
23. "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".
24. "spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
25. "stock" means:
- a. merchandise of every description usual to the Insured's business, including supplies and raw materials that are used in the manufacture or processing of such merchandise;
  - b. packaging, wrapping and advertising materials for such merchandise; and
  - c. property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable.
26. "surface water" means water or natural precipitation temporarily diffused over the surface of the ground.
27. "territorial limits" means Canada and the continental United States of America.
28. "terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
29. "unit" means the condominium unit as defined in the declaration, description or by-laws of the "condominium corporation" or provincial or territorial legislation relating to "condominium corporations". It refers to a strata lot in British Columbia and to a private portion in Quebec.
30. "unit improvements and betterments" means:
- a. components of the "unit" in which the Insured has a financial interest and which are not required to be insured by the "condominium corporation"; or
  - b. construction, upgrades or other changes made to the "unit" by the Insured or completed at the Insured's expense that increase the value of the "unit".
31. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supplies "utility services" to the "premises".
32. "utility services" means communications, electricity, gas, refrigeration, steam, water or outgoing sewerage service delivered to the "premises" through the use of "utility property".
33. "valuable papers and records" means written, printed or otherwise inscribed documents and records, including "data" and "media", but does not mean "money", "digital currency", electronic fund transfers, "securities" or "fine arts".

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## I. INDEMNITY AGREEMENT

The Insurer will indemnify the Insured for the actual loss of "business income" sustained by the Insured during the "indemnity period" as shown on the "Policy Declarations" directly resulting from the necessary interruption of the "business" from "damage" occurring during the policy period.

## II. MEASURE OF RECOVERY

### A. COVERAGE

Recovery under this form is limited to the actual loss of "business income" sustained by the Insured during the "indemnity period" due to:

1. Reduction of "revenue", being the amount obtained by multiplying the "revenue shortfall" by the "business income percentage"; and
2. Additional increase in cost of operations, being the necessary additional cost incurred for the sole purpose of avoiding or diminishing "revenue shortfall" as a consequence of "damage". Additional increase in cost of operations payable under this form will not exceed the amount obtained by multiplying the amount of the avoided "revenue shortfall" by the "business income percentage". This additional cost will include:
  - a. the cost of obtaining and using other property or facilities of other concerns or other similar necessary emergency expenses;
  - b. the cost of obtaining property for temporary use that is necessarily required for the conduct of the Insured's "business".
3. The increase in actual loss of "business income" resulting from the enforcement of any by-law, regulation, ordinance or law which:
  - a. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
  - b. is in force at the time of "damage".

less the amount of:

1. The actual cash value of substitute or temporary "building" or "equipment" remaining after resumption of normal operations
2. Those expenses that do not necessarily continue during the "indemnity period". Any of the Insured's ordinary "business" expenses will be considered necessary if:
  - a. such expenses would have been included in the Insured's "business income" before the loss, and
  - b. such expenses are required so that the Insured's "business" can return to operations with the same quality of service as before the loss.

### B. EXCLUSIONS

**The terms, conditions, exclusions and limitations of the property insurance form(s) at the location(s) that suffered a loss of "business income" from "damage", as shown on the "policy declarations" and the 910001 PROPERTY, BUSINESS INCOME, INLAND MARINE, CRIME AND EQUIPMENT BREAKDOWN COMMON CONDITIONS AND EXCLUSIONS FORM apply to this insurance. In addition, the Insurer is not liable for any loss of "business income" or additional increased cost of operations arising from the following:**

1. **Idle period**  
For any time during which "business" would not or could not have been carried on if "damage" had not occurred.
2. **Fines and damages**  
Due to fines or damages for:
  - a. breach of contract;
  - b. late or non completed orders; or
  - c. penalties of any kind;except as provided in III. SUPPLEMENTARY COVERAGES.
3. **Cancellation of contract**  
Due to the suspension, lapse or cancellation of a contract, lease, or license following "damage" extending beyond the time "business" could have resumed if the contract had not lapsed, been suspended or cancelled..
4. **By-laws and zoning**  
Resulting from the enforcement of any by-law, regulation, ordinance or law that:
  - a. could have been enforced in the absence of "damage" at the "premises"; or
  - b. prohibits the Insured from rebuilding or repairing on the same site or on an adjacent site or prohibits continuance of like occupancy.

## III. SUPPLEMENTARY COVERAGES

### A. GROUP ONE

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The limit of insurance applicable to loss, costs or expenses covered by any or all coverages described in GROUP ONE is the blanket limit shown on the "Policy Declarations". The limit of insurance applies to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage. The blanket limit of insurance is in addition to amounts payable under II. MEASURE OF RECOVERY.

**1. ACCOUNTANTS' FEES**

This form insures the reasonable charges payable by the Insured to their professional accountants for producing particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim under this form and reporting that such particulars or details are in accordance with the Insured's accounting records. There is no coverage for fees incurred for accounting services that are required in the normal course of the Insured's "business".

**2. FINES AND PENALTIES**

This form insures the Insured's legal liability for fines or penalties due to breach of contract for late or non-completion of orders, if such breach of contract is a consequence of "damage" at the "premises".

**3. LEASEHOLD INTEREST**

- a. This form insures additional leasing costs incurred by the Insured if, as a result of "damage", the landlord terminates the "premises" lease in accordance with the conditions of that lease.
- b. Recovery is limited to the difference between current leasing costs at the "premises" and higher leasing costs at another location that are actually incurred by the Insured. There is no coverage for additional leasing costs that result from the Insured exercising an option to cancel a "premises" lease.

**4. NEWLY ACQUIRED LOCATIONS**

- a. This form insures the actual loss of "business income" sustained by the Insured during the "indemnity period" resulting from the necessary interruption of Insured's business activities occurring at any location that is a "newly acquired location" caused by direct physical loss or direct physical damage.
- b. This coverage will cease on the earliest of:
  - i. 90 days from the date of acquisition of each "newly acquired location";
  - ii. the date such location is reported to the Insurer; or
  - iii. the expiration date of this policy.
- c. Premium for this coverage is payable from the date of the acquisition of such newly acquired location.

**B. GROUP TWO**

Coverages listed in GROUP TWO are subject to the limit of insurance shown on the "Policy Declarations" for the particular coverage described. The limit of insurance for each coverage in GROUP TWO is in addition to any other limit of insurance applicable under this form.

**1. CONTINGENT BUSINESS INTERRUPTION**

This form insures the loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period", in any one occurrence, resulting from the necessary interruption of the "business" in consequence of physical loss or physical damage, directly caused by an insured peril, to property, except of the type that is Excluded Property, as shown on the property insurance form(s) this form is attached to, at a "contributing business" located within the "territorial limits" during the policy period.

**2. UTILITIES SERVICE INTERRUPTION**

- This form insures the loss of "business income" subject to the limit shown on the "Policy Declarations" sustained by the Insured during the "indemnity period", in any one occurrence, in consequence of physical damage to or destruction of "utility property" located within the number of kilometres as shown on the "Policy Declarations" from the "premises", provided such physical damage or destruction is caused directly by an insured peril. There is no coverage for loss of "business income" due to:
- a. the interruption of "utility services" for a duration of less than 24 consecutive hours;
  - b. damage to or destruction of above ground electrical and telephone transmission lines or distribution lines or their supporting structures located away from the "premises";
  - c. an intermittent signal;
  - d. lack of sufficient capacity; or
  - e. an intentional reduction in supply.

**C. GROUP THREE**

Coverages listed in GROUP THREE are subject to time, limit and/or distance limitations. If any limit of insurance is shown on the "Policy Declarations" for the particular coverage described, it will apply to any one occurrence of insured loss or damage, irrespective if multiple "premises" suffer loss or damage.

**1. MORTGAGE RATE GUARANTEE**

- a. This form insures additional mortgage costs incurred by the Insured, subject to the limit shown on the "Policy Declarations", if, as the result of "damage" to an insured "building", the Insured is required to close an existing mortgage, requiring a new mortgage at a higher interest rate.
- b. Monthly payments will be made for the difference in cost of the outstanding mortgage balance, between the current mortgage rate on the date of the loss and the new higher mortgage rate.
- c. Coverage ceases at the earliest of:
  - i. expiry of the mortgage term that was in force at the time of loss;
  - ii. the termination of the Insured's interest; or

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- iii. 60 months from the date of loss.
- 2. ORDINARY PAYROLL EXPENSES**
- a. At the option of the Insured, the Insurer will be liable for "ordinary payroll expenses" incurred by the Insured which must necessarily continue after "damage".
  - b. Coverage is limited to the shorter of:
    - i. the time period shown on the "Policy Declarations"; or
    - ii. the "indemnity period".
- 3. RESTRICTED ACCESS**
- a. This form insures the actual loss of "business income" sustained by the Insured caused by the interruption of the "business" at the "premises", subject to the limit shown on the "Policy Declarations", when ingress to or egress from the "premises" is restricted in whole or in part by direct physical loss or direct physical damage to any property within a 500 meter radius of the "premises" and such loss or damage is directly caused by an insured peril;
  - b. There is no coverage for loss of "business income" during the first 48 consecutive hours of such interruption.
  - c. This coverage does not apply to loss of "business income" caused by or arising from, directly or indirectly, any interruption of "utility services".
  - d. This coverage is limited to the time period shown on the "Policy Declarations".

**IV. SPECIAL CONDITIONS**

**1. ALTERNATE TRADING**

If, during the "indemnity period", goods are sold or services are rendered for the benefit of the "business" elsewhere than at the "premises" by or on behalf of the Insured, the money paid or payable in respect of such sales or service will be brought into account in arriving at the "revenue" during the "indemnity period".

**2. MULTIPLE LOCATIONS**

If the Insured operates multiple locations that contribute to the "revenue" of the "business", calculation of "revenue shortfall" will be based on the operations of the "business" as a whole and not strictly on the "revenue shortfall" of the location that sustains "damage" so long as the "revenue shortfall" arises from damage at the "premises".

**3. OBLIGATION TO MINIMIZE LOSS**

In the event of "damage" in consequence of which a claim is or may be made under this form, the Insured will cooperate with the Insurer to do all things that are reasonably practicable to minimize interruption of or interference with the "business" in order to avoid or diminish the loss payable.

**4. PROPERTY DAMAGE PROVISION**

It is a condition precedent to any payment under II. Measure of Recovery that, at the time of the occurrence of the "damage", there is in force commercial property insurance covering the interest of the Insured in the property at the "premises" against such "damage" and that payment has been made or liability admitted under such insurance. However, this provision does not apply where no payment is made or liability admitted under such insurance solely owing to the application of a deductible.

**V. Definitions**

Whenever used in this form and its conditions and endorsements attached to this policy:

- 1. "building" means the building(s) described on the "Policy Declarations" and includes:
  - a. fixed structures pertaining to the building and located on the "premises";
  - b. additions and extensions communicating and in contact with the building;
  - c. permanent fittings and fixtures attached to and forming part of the building including:
    - i. elevating devices;
    - ii. utility equipment both above and below ground on the "premises" which the insured owns or is legally liable for; and
    - iii. domestic appliances installed in dwelling units.
  - d. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the building or for building services; and
  - e. growing plants, trees, shrubs or flowers inside the building used for decorative purposes when the Insured is the owner of the building.
- 2. "business" means the operations of the Insured as shown on the "Policy Declarations".
- 3. "business income" means the amount by which:
  - a. the sum of:
    - i. the "revenue", plus
    - ii. the amounts of closing stock and work in progress exceeds
  - b. the sum of:
    - i. the amounts of opening stock and work in progress, plus
    - ii. the amount of the "variable operating expenses".
- 4. "business income percentage" means the percentage obtained by dividing the "business income" by the "revenue" generated in the 12 month period immediately preceding to the date of the "damage". Adjustments will be made:

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- a. as may be necessary to provide for the trend of the "business"; and
  - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "damage" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "damage", would have been obtained during the comparable period after the "damage".
5. "condominium corporation" means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a divided co-ownership syndicate in Quebec.
  6. "contractors equipment" means:
    - a. mobile machinery, cranes and derricks whether or not attached to a licensed automobile;
    - b. portable equipment, hand and powered tools;
    - c. if reusable and not otherwise insured, scaffolding, falsework, forms, hoardings and portable structures;
    - d. accessories and spare parts for VI. 6. a. and b.; and
    - e. construction trailers not used for the transportation of materials or equipment described in 6. a., b., c. and d.
  7. "contributing business" is an enterprise which is not owned, rented or controlled in whole or in part by the Insured, and:
    - a. provides products, materials or services to the Insured or anyone else on the Insured's behalf;
    - b. receives products, materials or services that the Insured produces or sells; or
    - c. is within a 500 meter radius of the "premises" and which attracts "revenue".
 "Contributing business" does not mean an enterprise that, directly or indirectly, provides to or receives from the Insured "utility services".
  8. "damage" means the direct physical loss of or direct physical damage to property at the "premises" caused by an insured peril.
  9. "equipment" means:
    - a. generally all contents usual to the business of the Insured including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock". "contractors' equipment" is not deemed to be "equipment" within the meaning of this definition except "contractors' equipment" used only at the "premises";
    - b. similar property belonging to others and which the Insured is obliged to insure or for which the Insured is legally liable;
    - c. outside communication towers, antennae (including satellite receivers) and equipment attached to them, street clocks and exterior signs, provided the "building" is not otherwise insured by this form; and which the insured owns or is legally liable for;
    - d. tenants' improvements which are defined as "building" improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenants' improvements made by a predecessor tenant, this form applies as though such tenants' improvements had been made at the expense of the Insured;
    - e. "unit improvements and betterments".
  10. "expected revenue" means the "revenue" in the financial year immediately prior to the date of the "damage" during the period that corresponds with the "indemnity period". This "revenue" will be adjusted to represent as closely as possible the results which, but for the "damage", would have been obtained during the comparable period after the "damage". Adjustments will be made:
    - a. as may be necessary to provide for the trend of the "business"; and
    - b. for variations in the "business" or other circumstances which would have affected the "business income" had the "damage" not occurred, so that the adjusted figures will represent, as nearly as reasonably practicable, the results which, but for the "damage", would have been obtained during the comparable period after the "damage".
  11. "indemnity period" means the period beginning with the occurrence of the "damage" and ending not later than the number of months shown on the "Policy Declarations", during which the results of the "business" will be affected in consequence of the "damage". Irrespective if a waiting period applies.
  12. "newly acquired location(s)" means locations:
    - a. acquired by the Insured after the beginning of the current policy period, for the first 90 days after the acquisition;
    - b. owned, leased, occupied or controlled by the Insured; and
    - c. within Canada.
  13. "ordinary payroll expenses" means the entire payroll expense prior to the date of loss for all employees of the Insured, other than salaries to officers, executives and other integral and key employees whose services would not be dispensed with in the event of "damage".
  14. "Policy Declarations" means the policy declarations applicable to this policy for the current policy period, including any supplementary pages or schedules.
  15. "premises" means:
    - a. the entire area within the property lines at the location(s) described on the "Policy Declarations";
    - b. areas under adjoining sidewalks and driveways; and
    - c. in or on vehicles within 100 metres of such locations.
    - d. But does not include "newly acquired locations".
  16. "revenue" means the money paid or payable to the Insured for:
    - a. goods sold and delivered and for services rendered in course of the "business" after allowing for returns and discounts; and
    - b. gross rental income for real estate leased or rented to others.

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17. "revenue shortfall" means the amount by which the "revenue" during the "indemnity period" falls short of "expected revenue".
18. "unit" means the condominium unit as defined in the declaration, description or by-laws of the "condominium corporation" or provincial or territorial legislation relating to "condominium corporations". It refers to a strata lot in British Columbia and to a private portion in Quebec.
19. "unit improvements and betterments" means:
  - a. components of the "unit" in which the Insured has a financial interest and which are not required to be insured by the "condominium corporation"; or
  - b. construction, upgrades or other changes made to the "unit" by the Insured or completed at the Insured's expense that increase the value of the "unit".
20. "utility property" means communication equipment, satellite receivers, generating plants, transformer stations, switching stations, sub-stations, transformers, pumping stations, sewerage or other apparatus that supply "utility services" at the "premises".
21. "utility services" means communications, electricity, gas, refrigeration, steam, water or outgoing sewerage service delivered to the "premises" through the use of "utility property".
22. "variable operating expenses" means:
  - a. "ordinary payroll";
  - b. credit and debit card fees;
  - c. all purchases (less discounts received);
  - d. packing materials;
  - e. delivery and freight (other than by own vehicles); and
  - f. any item shown on the "Policy Declarations" as Additional Variable Operating Expenses.

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This endorsement changes the coverage provided by:  
**GENERAL LIABILITY FORM - 916000**

Only whichever of the following exclusions whose number is shown immediately after this endorsement on the "Policy Declarations" apply to this form.

In addition to the exclusions in COVERAGE A. BODILY OR MENTAL INJURY AND PROPERTY DAMAGE LIABILITY, Coverage A. does not apply to:

1. **Architectural, engineering and surveying services**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from:
  - a. Approval or preparation of or the failure to approve or prepare any change orders, designs, drawings, maps, plans, opinions, reports, specifications or surveys; or
  - b. engineering, inspection, quality control or supervisory services.
2. **Blasting**  
"Property damage" arising directly or indirectly from the use of explosives for blasting. This exclusion does not apply to "property damage":
  - a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
  - b. included in the "products-completed operations hazard".
3. **Building demolition, moving or raising**  
"Property damage" arising directly or indirectly from demolition, moving or raising of any building or structure by the "Named Insured". This exclusion does not apply to "property damage":
  - a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
  - b. included in the "products-completed operations hazard".
4. **Defective products and work removal**
  - a. The cost of disposing of, removing, repairing or replacing the "Named Insured's product" or the "Named Insured's work"; and
  - b. resultant loss of use,  
due to such "Named Insured's product" or "Named Insured's work" being:
    - i. defective; or
    - ii. not meeting specifications.
5. **Gas mains and meters work**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from:
  - a. The installation, removal or repair of:
    - i. gas mains, including laterals, and gas meters, if outside of buildings or other structures; or
    - ii. gas appliances, gas equipment, gas mains, gas meters and gas pipes inside buildings and other structures, unless the gas supply has been turned off at meters or other devices controlling the flow of gas into the part of such building or structure where the Insured is performing work;
  - b. connecting or disconnecting gas meters or other devices controlling the flow of gas into buildings or other structures; or
  - c. the violation, with the express or implied consent of the Insured, of any bylaw, law or ordinance at the location where the work described in 5. a. or b. is being performed.
6. **Hot work**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from any work involving the application of an open flame or producing heat and/or sparks, including but not limited to brazing, cutting, grinding, soldering, thawing pipes, torch-applied roofing and welding. This exclusion does not apply if:
  - a. with respect to the entire area that is laterally and vertically within 15 metres of such open flame application or heat/sparks production:
    - i. all combustible materials have been removed or completely covered with fire resistant tarpaulins;
    - ii. any explosive gases or flammable liquids, other than those required for such open flame application or heat/sparks production, have been removed;
    - iii. the area has been swept clean immediately before such open flame application or heat/sparks production;
    - iv. the area has been hosed with water immediately before such application or production, unless the use of water would cause "property damage"; and
    - v. at least one suitable fire extinguisher, bearing an Underwriters' Laboratory or Underwriters' Laboratory of Canada label and in proper working order, has been kept in the area throughout such application or production; and
  - b. a fire watcher, trained to perform fire extinguishment duties and with immediate access to a telephone, has been continuously present:

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- i. throughout such open flame application or heat/sparks production; and
  - ii. immediately after such open flame application for at least the time required by the local fire code, but not less than the number of hours shown immediately after this exclusion number on the "Policy Declarations".
- c. If any of the items listed under a. & b. have not been complied with, then, in addition, a final inspection is required in the number of hours shown immediately after this warranty title on the "Policy Declarations".

**7. Underground property**

"Property damage" arising directly or indirectly from physical damage to any of the following types of property when below the surface of the earth:

- a. natural resources;
- b. areas, formations, holes, mines, strata or wells in or through which exploration for or production of natural resources are or will at any time be conducted;
- c. drilling, mining or well servicing equipment or machinery; or
- d.
  - i. cables, pipes or wires used for the transmission of communications, electricity, gas, oil, steam, waste or water; or
  - ii. subways or tunnels.

This exclusion 7. d. does not apply if the "Named Insured" can prove that, before work began, diligent enquiries had been made to identify the presence and location of such property by or on behalf of the person or organization performing the work.

**8. Uninsured subcontractors**

"Bodily or mental injury" or "property damage" arising directly or indirectly from work performed on behalf of the "Named Insured" by a "subcontractor". This exclusion does not apply if, before such work began, the "Named Insured" had obtained proof in writing that:

- a. the "subcontractor" is protected in its own name by general liability insurance;
- b. such general liability insurance does not expire before the projected completion date of the work;
- c. such general liability insurance contains no exclusion or restriction that would affect its validity with respect to the work to be performed by the "subcontractor"; and
- d. the Each Occurrence limit for such general liability insurance is not less than the amount shown immediately after this exclusion number on the "Policy Declarations".

**9. Wrap-up projects (with limited contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only:

- a. to the extent that this form is less restrictive in coverage than such wrap-up insurance, in which case this form will provide primary insurance for the less restrictive coverage;
- b. when the Each Occurrence limit of insurance for this form is greater than the Each Occurrence limit of insurance for such wrap-up insurance, in which case this form will pay the difference between the limits of insurance;
- c. when the amount of any deductible for this form is less than the amount of the deductible for such wrap-up insurance, in which case this form will pay the difference between the deductibles, up to the maximum difference shown for this exclusion on the "Policy Declarations", if any; and
- d. after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**10. Wrap-up projects (with broad contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only:

- a. to the extent that this form is less restrictive in coverage than such wrap-up insurance, in which case this form will provide primary insurance for the less restrictive coverage;
- b. when the applicable limit of such wrap-up insurance is exhausted, in which case this form will apply as excess over the such wrap-up insurance, and will not be considered as primary or contributing insurance;
- c. when the amount of any deductible for this form is less than the amount of the deductible for such wrap-up insurance, in which case this form will pay the difference between the deductibles, up to the maximum difference shown for this exclusion on the "Policy Declarations", if any; and
- d. after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**11. Wrap-up projects (with no contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only, after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**12. Vibration**

"Property damage" arising directly or indirectly from vibration from pile driving, dynamic compaction or caisson work. This exclusion does not apply to "property damage":

- a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
- b. included in the "products-completed operations hazard".

**13. Removal or weakening of support**

Aviva Insurance Company of Canada

"Property damage" arising directly or indirectly from the removal or weakening of natural or artificial support for any real property. This exclusion does not apply to "property damage":

- a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
- b. included in the "products-completed operations hazard".

All other terms, conditions, exclusions and limitations of the policy are unchanged.

**ACKNOWLEDGEMENT**

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
(Print)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Aviva Insurance Company of Canada



## Privacy Information

### Our Privacy Policy And Commitment To Protecting Your Privacy

Aviva Canada Inc. and our member companies<sup>1</sup> ("Aviva") are committed to protecting and keeping private our policyholders' Personal Information. Our Privacy Policy sets out principles on the collection, retention, use and disclosure of Personal Information. All employees are required to comply with the Privacy Policy in the execution of their daily activities.

At Aviva we identify to our customers the purpose for collecting their Personal Information at or prior to its actual collection. Our customers in turn must consent to its collection implicitly, or expressly in order for us to use it for those purposes. We are committed to ensure that the Personal Information collected on our customers is only used for the purpose for which it was originally intended.

Aviva shall collect, retain, use and disclose your Personal Information in accordance with our Privacy Policy. If we require your Personal Information for any other purpose other than as identified in our Privacy Policy, Aviva will seek your consent prior to using it.

We issue an insurance policy with the understanding that, in addition to providing your consent, you have obtained the consent from all persons named in your insurance policy for the collection, retention, use and disclosure of their Personal Information, for the purposes we have identified.

### What We Will NOT Do With Your Information

We **do not** sell customer information to anyone. Nor do we share customer information with organizations outside of our member companies that would use it to contact you about their own products or services.

### We Strive To Protect Your Personal Information

All employees, independent brokers, agents, suppliers, and others as permitted by the criteria outlined in our Privacy Policy, who are granted access to customer records, understand the importance of keeping this information protected and confidential. They are clearly advised they are to use the information only for the purposes intended.

We've also established physical and systems safeguards, along with the proper processes, to protect customer information from unauthorized access or use.

The member companies of Aviva Canada Inc. may internally share your Personal Information as permitted by the Privacy Policy. We may also use service providers located outside of Canada or related companies located outside of Canada to collect, use, retain or disclose your Personal Information as permitted by the criteria outlined in our Privacy Policy. In such circumstances, we will attempt to contractually protect your Personal Information, however, it may be subject to the laws of that jurisdiction and may be accessed by the courts, law enforcement and national security services of that jurisdiction.

### Your Privacy Choices

You may withdraw your consent at any time (subject to legal or contractual obligations and on providing us reasonable notice) by contacting our Privacy Officer in writing. Please be aware that withdrawing your consent may prevent us from providing you with any requested product or service.

We may amend our Privacy Policy from time to time. For a copy of our Privacy Policy or for more information about our Privacy Policy and procedures, our member companies or to view jurisdictions where your Personal Information may be collected, used, retained or disclosed, please visit our website at [aviva.ca](http://aviva.ca), or contact our Privacy Officer at:

Aviva Canada Inc.  
10 Aviva Way, Suite 100  
Markham ON L6G 0G1  
Telephone: 1-800-387-4518 ext. 4167014171 Fax: 416-755-4075  
E-mail: [CAPrivacyOfficer@aviva.com](mailto:CAPrivacyOfficer@aviva.com)

**<sup>1</sup>Aviva Canada Inc. insurance companies include:**

- Aviva General Insurance Company
- Aviva Insurance Company of Canada
- Elite Insurance Company
- Pilot Insurance Company
- S&Y Insurance Company
- Scottish & York Insurance Co. Limited
- Traders General Insurance Company

## **CODE OF CONSUMER RIGHTS AND RESPONSIBILITIES**

The staff of Aviva Insurance Company of Canada (along with the brokers and agents who sell home, auto and business insurance), are committed to protecting your rights. These include the right to be fully informed, to be treated with respect, to timely claims handling and complaint resolution, and to privacy.

Insurance is a two-way contract, and you have a role to play. You are responsible for understanding your needs, asking questions and providing accurate, up-to-date information to your insurer. For more information about your role, speak to your insurance representative and read your policy.

### **Right To Be Informed**

You have the right to an easy-to-understand explanation of how insurance works and how insurers calculate price based on relevant facts. You can expect to access clear information about your policy, your coverage and the claims settlement process. Under normal circumstances, insurers will advise an insurance customer of changes to, or the cancellation of, a policy at least 30 days prior to the expiration of the policy. Your insurer is required to provide you with the renewal terms of your policy at least 30 days prior to the expiration of the policy.

You have the right to know how your broker or agent is compensated, and if they have any conflicts of interest.

### **Responsibility to understand your needs**

You are responsible for asking questions and educating yourself about your policy. Visit [www.abc.ca](http://www.abc.ca) for information about questions you should ask your insurance provider. Make sure you ask all relevant questions and give your insurance provider a detailed explanation of your circumstances to help him or her make informed recommendations on what your policy should include. This will ensure that you have the right insurance coverage.

You are responsible for making premium payments as required by your insurer. Failure to do so could result in a lapse of coverage or cancellation of your policy.

### **Right to Timely and Transparent Claims Handling**

You can expect qualified staff to respond to your claim in a timely manner. You have the right to be informed of procedures and timelines for settling your claim, as well as the status of your claim. If your claim is denied, you have the right to be informed why.

### **Responsibility to Provide Accurate Information**

You are required to provide all relevant information in your application for insurance and you must ensure that the information is accurate. If you have questions about the application or policy, contact your insurance representative and have him or her explain it to you to ensure that you understand your and the insurer's obligations.

### **Right to Complaint Resolution**

You can access your company's complaint resolution process. Your insurer, broker or agent can provide you with information about how you can ensure that your complaint is heard and promptly handled. You may also contact your provincial insurance regulator or the independent General Insurance OmbudService ([www.giocanada.org](http://www.giocanada.org)).

### **Responsibility to Update Your Information**

To maintain your protection against loss, you must promptly inform your insurance company, broker or agent of any change in your circumstances, such as renovations to your home, the purchase of a big-ticket item that may require additional insurance coverage or having a home-based business.

### **Responsibility to Report the Facts**

You must report an accident or claim, providing complete and accurate details, as soon as possible following the accident or incident giving rise to the claim.

### **Right to Privacy**

You have the right to understand how your personal information will be used. All insurers have privacy statements and are subject to Canada's privacy laws. Ask your insurer to provide you with a copy of its privacy statement.



## Policy change forms that require signature

### Named Insured

1534196 Ontario Inc.  
5460 CANOTEK ROAD, 110  
GLOUCESTER ON K1J 9H2

### Your Broker

BROKERLINK INC.  
100-6 ANTARES DR., PHASE III  
OTTAWA  
ON K2E 8A9

Your policy number: 81913536

Effective November 13, 2021 at 12:01  
am  
to November 13, 2022 at 12:01 am  
(local time at the postal address)

Your insurance coverage is provided by  
Aviva Insurance Company of Canada  
10 Aviva Way  
Suite 100  
Markham, ON L6G 0G1

The policy change form(s) and policy declarations that are attached in this section may restrict your coverage. Please review the document(s) carefully and contact your broker if you have any questions.

**These policy change form(s) require your signature.** Please attach the signed form(s) to this page and return to your broker within 30 days of receipt of this package.

**916506-03** CONSTRUCTION AND INSTALLATION EXCLUSIONS (GL) ENDORSEMENT





This endorsement changes the coverage provided by:  
**GENERAL LIABILITY FORM - 916000**

Only whichever of the following exclusions whose number is shown immediately after this endorsement on the "Policy Declarations" apply to this form.

In addition to the exclusions in COVERAGE A. BODILY OR MENTAL INJURY AND PROPERTY DAMAGE LIABILITY, Coverage A. does not apply to:

1. **Architectural, engineering and surveying services**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from:
  - a. Approval or preparation of or the failure to approve or prepare any change orders, designs, drawings, maps, plans, opinions, reports, specifications or surveys; or
  - b. engineering, inspection, quality control or supervisory services.
2. **Blasting**  
"Property damage" arising directly or indirectly from the use of explosives for blasting. This exclusion does not apply to "property damage":
  - a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
  - b. included in the "products-completed operations hazard".
3. **Building demolition, moving or raising**  
"Property damage" arising directly or indirectly from demolition, moving or raising of any building or structure by the "Named Insured". This exclusion does not apply to "property damage":
  - a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
  - b. included in the "products-completed operations hazard".
4. **Defective products and work removal**
  - a. The cost of disposing of, removing, repairing or replacing the "Named Insured's product" or the "Named Insured's work"; and
  - b. resultant loss of use,  
due to such "Named Insured's product" or "Named Insured's work" being:
    - i. defective; or
    - ii. not meeting specifications.
5. **Gas mains and meters work**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from:
  - a. The installation, removal or repair of:
    - i. gas mains, including laterals, and gas meters, if outside of buildings or other structures; or
    - ii. gas appliances, gas equipment, gas mains, gas meters and gas pipes inside buildings and other structures, unless the gas supply has been turned off at meters or other devices controlling the flow of gas into the part of such building or structure where the Insured is performing work;
  - b. connecting or disconnecting gas meters or other devices controlling the flow of gas into buildings or other structures; or
  - c. the violation, with the express or implied consent of the Insured, of any bylaw, law or ordinance at the location where the work described in 5. a. or b. is being performed.
6. **Hot work**  
"Bodily or mental injury" or "property damage" arising directly or indirectly from any work involving the application of an open flame or producing heat and/or sparks, including but not limited to brazing, cutting, grinding, soldering, thawing pipes, torch-applied roofing and welding. This exclusion does not apply if:
  - a. with respect to the entire area that is laterally and vertically within 15 metres of such open flame application or heat/sparks production:
    - i. all combustible materials have been removed or completely covered with fire resistant tarpaulins;
    - ii. any explosive gases or flammable liquids, other than those required for such open flame application or heat/sparks production, have been removed;
    - iii. the area has been swept clean immediately before such open flame application or heat/sparks production;
    - iv. the area has been hosed with water immediately before such application or production, unless the use of water would cause "property damage"; and
    - v. at least one suitable fire extinguisher, bearing an Underwriters' Laboratory or Underwriters' Laboratory of Canada label and in proper working order, has been kept in the area throughout such application or production; and
  - b. a fire watcher, trained to perform fire extinguishment duties and with immediate access to a telephone, has been continuously present:

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- i. throughout such open flame application or heat/sparks production; and
  - ii. immediately after such open flame application for at least the time required by the local fire code, but not less than the number of hours shown immediately after this exclusion number on the "Policy Declarations".
- c. If any of the items listed under a. & b. have not been complied with, then, in addition, a final inspection is required in the number of hours shown immediately after this warranty title on the "Policy Declarations".

**7. Underground property**

"Property damage" arising directly or indirectly from physical damage to any of the following types of property when below the surface of the earth:

- a. natural resources;
- b. areas, formations, holes, mines, strata or wells in or through which exploration for or production of natural resources are or will at any time be conducted;
- c. drilling, mining or well servicing equipment or machinery; or
- d.
  - i. cables, pipes or wires used for the transmission of communications, electricity, gas, oil, steam, waste or water; or
  - ii. subways or tunnels.

This exclusion 7. d. does not apply if the "Named Insured" can prove that, before work began, diligent enquiries had been made to identify the presence and location of such property by or on behalf of the person or organization performing the work.

**8. Uninsured subcontractors**

"Bodily or mental injury" or "property damage" arising directly or indirectly from work performed on behalf of the "Named Insured" by a "subcontractor". This exclusion does not apply if, before such work began, the "Named Insured" had obtained proof in writing that:

- a. the "subcontractor" is protected in its own name by general liability insurance;
- b. such general liability insurance does not expire before the projected completion date of the work;
- c. such general liability insurance contains no exclusion or restriction that would affect its validity with respect to the work to be performed by the "subcontractor"; and
- d. the Each Occurrence limit for such general liability insurance is not less than the amount shown immediately after this exclusion number on the "Policy Declarations".

**9. Wrap-up projects (with limited contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only:

- a. to the extent that this form is less restrictive in coverage than such wrap-up insurance, in which case this form will provide primary insurance for the less restrictive coverage;
- b. when the Each Occurrence limit of insurance for this form is greater than the Each Occurrence limit of insurance for such wrap-up insurance, in which case this form will pay the difference between the limits of insurance;
- c. when the amount of any deductible for this form is less than the amount of the deductible for such wrap-up insurance, in which case this form will pay the difference between the deductibles, up to the maximum difference shown for this exclusion on the "Policy Declarations", if any; and
- d. after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**10. Wrap-up projects (with broad contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only:

- a. to the extent that this form is less restrictive in coverage than such wrap-up insurance, in which case this form will provide primary insurance for the less restrictive coverage;
- b. when the applicable limit of such wrap-up insurance is exhausted, in which case this form will apply as excess over the such wrap-up insurance, and will not be considered as primary or contributing insurance;
- c. when the amount of any deductible for this form is less than the amount of the deductible for such wrap-up insurance, in which case this form will pay the difference between the deductibles, up to the maximum difference shown for this exclusion on the "Policy Declarations", if any; and
- d. after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**11. Wrap-up projects (with no contingent coverage)**

"Bodily or mental injury" or "property damage" arising directly or indirectly from any project covered by wrap-up insurance, meaning general liability insurance arranged only for that project by or on behalf of the project owner which insures the project owner, the "Named Insured" and the contractors and "subcontractors" that are performing or will perform work on that project. Subject to this form's terms and conditions, this exclusion does not apply, with respect to the interest of the "Named Insured" only, after the expiration of such wrap-up insurance, to the "products-completed operations hazard".

**12. Vibration**

"Property damage" arising directly or indirectly from vibration from pile driving, dynamic compaction or caisson work. This exclusion does not apply to "property damage":

- a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
- b. included in the "products-completed operations hazard".

**13. Removal or weakening of support**

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"Property damage" arising directly or indirectly from the removal or weakening of natural or artificial support for any real property. This exclusion does not apply to "property damage":

- a. arising from work performed on behalf of the "Named Insured" by a contractor or "subcontractor"; or
- b. included in the "products-completed operations hazard".

All other terms, conditions, exclusions and limitations of the policy are unchanged.

**ACKNOWLEDGEMENT**

I have read and understand the change made by this endorsement. I am authorized to accept this change by the Insured or the "Named Insured".

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
(Print)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Aviva Insurance Company of Canada

