

C100

**BUILDING, EQUIPMENT AND STOCK**  
**(Commercial Properties)**  
**INSURING AGREEMENTS**

In consideration of the premium stated in the Declarations and subject to the terms, provisions and conditions hereof, if the property insured as described and defined or any part thereof while located or contained as described on the Declaration Page shall be lost, destroyed or damaged by Fire, Lightning or Explosion of natural, coal or manufactured gas, all as hereinafter provided, the Insurer will indemnify the Insured against such direct loss, destruction or damage to an amount not exceeding whichever is the least of (a) the actual cash value of the property at the time of loss, destruction or damage; (b) the interest of the Insured in the property; (c) the sum as described on the Declaration Page; and subject to any pro rata provision hereof.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the specified limit or limits of liability.

**Property Insured:** The rider insures Building(s), Equipment, Stock and Contents as described and defined but for only those items for which specific amounts of insurance are stated on the Declaration Page.

**EXTENSION OF COVERAGE**

The following extensions of coverage, subject to the exclusions, shall not increase the limit of liability applying under this rider to the property damage or destroyed.

(a) **Removal:** If any of the insured property is necessarily removed from the location(s) specified on the Declaration Page to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this rider that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven days only, or for the unexpired term of the policy if less than seven days, insure the property removed and any property remaining in the location(s) specified in the proportions which the

value of the property in each of the respective locations bears to the value of the property in them all.

(b) **Personal Property of Officers and Employees:** At the option of the Insured, insurance on "Equipment" also includes Personal Property of Officers and Employees of the Insured, but insurance shall not attach if the property is insured by the owner unless the Insured is under obligation to insure such property or is legally liable for its loss or damage. Losses, if any, are to be adjusted with and payable to the Insured.

**EXCLUSIONS**

**This rider does not insure:**

- (a) loss, destruction or damage to electrical devices or appliances caused by lightning or other electrical currents unless fire ensues and then only for such loss, destruction or damage as results from such fire;
- (b) loss, destruction or damage to goods occasioned by or happening through their undergoing any process involving the application of heat;
- (c) loss, destruction or damage caused by war, riot, civil commotion, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (d) loss, destruction or damage caused by contamination by radioactive material;

- (e) money, bullion, securities, tickets and tokens, evidences of debt or title;
- (f) watercraft, amphibious vehicles or air cushion vehicles (except as stock held for sale), vehicles licensed for use on public highways, aircraft, including their furnishings, equipment or appurtenances;
- (g) property at locations which to the knowledge of the Insured are vacant, unoccupied or shut down for more than thirty consecutive days;
- (h) loss directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or re-instate the property as it was immediately prior to the loss.

**SPECIAL LIMITATIONS**

- 1. **Tenant's Improvements:** The liability of the Insurer shall be determined as follows:
  - (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage,
  - (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of the loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.
- 2. **Records Clause:** The liability of the Insurer for loss or damage to:
  - (i) books of accounts, drawings, card index systems and other records, other than as described in (ii) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;

- (ii) media, data storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and program devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction;
- 3. The filling of gasoline tanks of any kind (except those of stationary engines) in an insured building or within a building situated closer than fifty feet to insured buildings is prohibited and any loss, destruction or damage resulting therefrom shall void this insurance.
- 4. The use of gasoline burning equipment is not permitted and any loss, destruction or damage resulting therefrom shall not be insured under this insurance.

## SPECIAL CONDITIONS

1. **Permission Granted:** (subject to the Canadian Standards Association and/or Provincial Regulations, if any)
  - (a) to keep not more than two gallons in all of gasoline, provided such gasoline is contained in a properly stoppered approved container in any insured building or within fifty feet thereof;
  - (b) to keep and use coal oil, fuel oil and liquefied petroleum gas;
  - (c) to make additions, alterations or repairs to insured buildings not exceeding six months duration;
  - (d) to store not more than three private automobiles, trucks or tractors in an insured building;
  - (e) to use standard oil burning equipment and propane fueled heating or cooking stoves or devices, providing that such propane fueled equipment is properly installed in compliance with Provincial Liquefied Petroleum Gas regulations if in effect at time of installation. This permission does not include oil burning industrial type heaters of any kind nor salamanders unless permission is specifically granted in writing by the Insurer;
  - (f) for other insurance concurrent in form, range and wording.
2. **Breach of Conditions:** Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this rider, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.
3. **Reinstatement:** In the event of any loss payment hereunder, the premium applicable to the amount of such loss payment shall be deemed to be earned for the full term of the policy. Unless notice is given to the Insured to the contrary, any reduction in the amount insured hereunder, due to the payment of any loss or losses, shall upon such payment automatically be reinstated for the balance of the term of the policy.
4. **Subrogation:** The Insurer, upon making any payment or assuming liability therefore under this rider, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this policy.

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 shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.
5. **Property Protection Systems:** It is agreed that the Insured shall notify the Insurer forthwith of any interruption to, or flaw or defect coming to the knowledge of the Insured, in any
  - (a) sprinkler or other fire extinguishing system; or
  - (b) fire detection system or intrusion system;

and shall also notify the Insurer forthwith of the cancellation or non-renewal of any Contract which provides monitoring or maintenance services to any of these systems.

### 6. Definitions:

- (a) **"Building"** means:

the building(s) described on the Declaration Page and fixed structures pertaining to the building(s) and located on the premises, and includes:

  - (i) additions and extensions of a permanent nature on a good and permanent foundation communicating and in contact therewith;
  - (ii) permanent fittings and fixtures attached to and forming part thereof;
  - (iii) materials, equipment and supplies on the premises for maintenance of, and normal repairs and minor alterations to the building or for building services.
- (b) **"Equipment"** means:
  - (i) furniture, furnishings, fittings, fixtures, machinery, tools, utensils, appliances, vehicles not licensed for use on public highways, books of account, drawings, card index systems and other records and generally all contents of every description (excluding "Stock") owned by the Insured and kept and used chiefly in connection with the business of the Insured, and similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable;
  - (ii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured so 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 tenant's improvements made by a predecessor tenant, this policy applies as though such tenant's improvements had been made at the expense of the Insured;

all while on the premises.
- (c) **"Stock"** means:
  - (i) merchandise of every description;
  - (ii) packing, wrapping and advertising materials; and
  - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;

all while on the premises.
- (d) **"Contents"** means: Equipment and Stock.
- (e) **"Premises"** means the entire area within the property lines at the locations described on the Declaration Page.