

EM-0610-0195

**ELECTRONIC EQUIPMENT COVERAGE - BROAD FORM**

**1. INSURED PROPERTY**

If the Declaration Page shows that Coverage EM-0610-0195 applies, we insure ELECTRONIC EQUIPMENT as defined and as listed on the Declaration Page, normally located at the premises shown on the Declaration Page; while temporarily removed; or while in Transit, usual or incidental to the your business but only within Canada and Continental United States (excluding Alaska).

**2. LIMITS OF LIABILITY**

We will not pay more than the limit of coverage shown on the Declaration Page for each location.

**3. ADDITIONAL COVERAGE**

(a) **Newly Acquired Property:** If you acquire any additional items of the type for which this coverage is shown on the Declaration Page, we will automatically insure these under this coverage as long as you notify us within 60 days and pay the pro rata premium from the date acquired. We will not pay more than \$50,000 under this extension.

(b) **Newly Acquired Location:** This coverage is also extended to cover for up to \$10,000.00 on Electronic Equipment at any location that you buy, rent or obtain control of in whole or in part for 60 days from the date acquired or until the new location is added to the policy, whichever occurs first.

(c) **Data, Media and Extra Expense:** This coverage is extended to cover, an amount not to exceed :

(1) \$10,000.00 per accident on Data and Media (combined) as defined;

(2) \$10,000.00 per accident on Extra Expense which you must incur in order to continue normal operations which are interrupted as a result of a loss insured by this coverage.

(d) **Automatic Extinguishing:** This coverage is extended to pay you for up to \$1,000.00 due to any loss for expenses actually incurred as a result of a peril insured to recharge an Automatic Extinguishing System.

**4. DEDUCTIBLE**

We will pay only for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible shown on the Declaration Page in any one occurrence.

**5. CO-INSURANCE**

This clause applies separately to each location. You must maintain insurance concurrent in form, range and wording with this coverage on the property insured to at least 90% of its actual cash value (Replacement Cost if replacement cost is specified on the Declaration Page), and failing to do so, we will pay only for that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required by this clause.

This clause applies only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.00.

**6. PERILS INSURED**

(a) This coverage insures against direct physical loss of or damage to the property insured, subject to the terms and conditions below.

**7. LOSS OR DAMAGE NOT INSURED**

We do not insure loss or damage directly or indirectly:

(a) to accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to electronic data form and then only in that form;

(b) to property rented or leased to others while away from your premises;

(c) to any electronic data which cannot be replaced with others of the same kind and quality unless specifically described and insured for an agreed value;

(d) to property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;

(e) caused by electrical or magnetic injury, disturbances or erasure of electronic recordings, except by lightning;

(f) caused by faulty construction or error in design;

(g) caused by error in machine programming or instructions to machine;

(h) caused by change in the electric power supply, interruption, power surge or brown out, if the change originates more than 100 feet from the building containing the Electronic Equipment;

(i) caused by computer virus;

(j) caused by buildup of static electricity.

**8. ADDITIONAL LOSS OR DAMAGE NOT INSURED**

With respect only to Extra Expense as provided under 3(c)(2); this coverage does not insure against loss, damage or expense directly or indirectly caused by or resulting from:

(a) loss of profits or earnings;

(b) error or omission in machine programming or instructions to machine;

(c) any local or provincial ordinance or law regulating construction or repair of buildings or property;

(d) any suspension, lapse or cancellation of any lease, license, contract or order;

(e) interference at premises by strikers or other persons while repairing or replacing the property damaged or destroyed, or with the resumption or continuation of the Insured's occupancy.

**9. MAINTENANCE AGREEMENT**

It is a condition of this coverage that a maintenance agreement for the Electronic Equipment shall be entered into and maintained in force during the term of this policy.

**10. SPECIAL LOSS OR DAMAGE NOT INSURED**

If Mechanical Machinery Breakdown is excluded by endorsement, or if a Maintenance Agreement for the Electronic Equipment is not entered into and maintained in force during the term of this policy, we will not pay for loss, damage or expense caused directly or indirectly by;

- (a) mechanical breakdown, machinery malfunction or media failure while said media is being run through the electronic equipment;
- (b) dryness or dampness of atmosphere, extremes of temperature, corrosion or rust.

**11. REINSTATEMENT**

Any loss under this coverage will not reduce the amount of coverage available.

**12. VALUATIONS**

For the purpose of calculating the total value of the property for the application of the Co-Insurance Clause, and loss adjustment, the following valuation basis applies:

- (a) **ACTUAL CASH VALUE** We will not pay more than the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be determined or estimated according to such actual value with proper deduction for depreciation, however caused, and shall in no event exceed the limit stated for this coverage.
- (b) **REPLACEMENT COST** (only if stated on the Declaration Page) We will not pay more than the replacement cost of the property at the time any loss or damage occurs and the loss or damage shall be determined or estimated on the basis of the replacement cost of property similar in kind to that insured at the place of and immediately before the time of such loss or damage, but in no event to exceed the limit stipulated.

**13. SPECIAL BASIS OF CLAIM PAYMENT**

We will not pay more than:

- (a) On Data, the actual reproduction cost;
- (b) On Media, the cost of repairing or replacing with material of like kind and quality.

If the property is not replaced or reproduced, the blank value.

**14. SPECIAL DEFINITIONS OF THIS COVERAGE**

- (a) **"Electronic Equipment"** Means:
  - (1) electronic or electro-mechanical equipment, including but not limited to data processing equipment, terminals, automated milking, feeding, weighing or climate control systems, assembly or fabricating systems, teleprinters, readers, computerized cash registers and word processing equipment owned by or leased to the insured and housed within the Insured's building or within 100 feet of it.
  - (2) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (b) **"Data"** means facts, concepts, instructions or computer programmes usable in data processing operations;
- (c) **"Media"** means materials on which data are recorded, including magnetic tapes, disc packs, paper tapes and cards.

**ALL STATUTORY AND OTHER CONDITIONS OF THE POLICY ALSO APPLY TO THIS COVERAGE**