

**BED & BREAKFAST EXTENSION ENDORSEMENT**

**SUMMARY OF COVERAGES**

The following Extensions of Coverage are in addition to the amounts of insurance as listed on the **Declaration Page** and are subject to all of the terms, definitions, limitations, provisions and other conditions of this Policy.

<b>Item#</b>	<b>Coverage</b>	<b>Amount of Insurance</b>
1.	Power Fluctuation Coverage	\$ 10,000
2.	Personal Property of Officers, Employees, Volunteers and Guests	\$ 2,500 Maximum Per Person \$ 10,000 Maximum Per Occurrence
3.	Growing Plants, Trees, Shrubs or Flowers in the Open	\$ 750 Maximum Value Per Plant \$ 7,500 Maximum Limit Per Occurrence
4.	Brands & Labels	\$ 10,000
5.	Innkeeper's Liability	\$ 2,500 Maximum Limit Per Guest \$ 15,000 Maximum Limit Per Occurrence
6.	Business Contents	\$ 10,000 in Addition to Coverage C – Personal Property Limit on Homeowner's Package Policy
7.	Fine Arts/Antiques	\$ 750 Maximum Value any One Item \$ 10,000 Maximum Limit Per Occurrence
8.	Goods Held for Sale	\$ 10,000
9.	Theft/Vandalism by Guest	\$ 10,000
10.	Pollution Damage – Insured Premises	\$ 10,000
11.	Data	\$ 10,000
12.	Media	\$ 10,000
13.	Building Damage by Theft	\$ 10,000
14.	Stock Spoilage	\$ 10,000
15.	Glass	\$ 10,000
16.	Signs	\$ 10,000
17.	Off Premises Stock and Equipment	\$ 10,000
18.	Valuable Papers and Records	\$ 10,000
19.	Accounts Receivable	\$ 10,000
20.	Extra Expense	\$ 10,000
21.	Professional Fees	\$ 10,000
22.	Fire Department Charges	\$ 10,000
23.	Master Key	\$ 2,500
24.	Off Premises Utilities Interruption	\$ 10,000
25.	Peak Season Stock Increase	25% Increase on Contents
26.	Newly Acquired Locations or Expansion of Current Operation	\$250,000
27.	Additional Living Expenses	\$25,000 in Addition to Coverage D – Additional Living Expenses Limit of Homeowner's Package Policy

If the **Declaration Page** indicates that the **Bed & Breakfast Extension Endorsement** applies, **we** will provide the coverages as described below, only for those locations as described on the **Declaration Page**, up to the limit specified by this Extension Endorsement for the applicable extension. In the event that a similar extension to those provided by this Extension Endorsement applies to the same property lost or damaged as a result of a single **occurrence**, only the extension with the highest amount of insurance will apply. In the event that a more specific coverage elsewhere in the Policy applies to the risk insured by one of these extensions, only the more specific coverage will apply. Unless otherwise specified, extensions only provide coverage against perils insured against under the attaching Homeowners' Package Policy - Standard, Broad or Plus.

The Policy deductible applies to all extensions of coverage. The following extensions of coverage are not subject to a co-insurance requirement.

Words and phrases in bold, unless otherwise defined in this Extension Endorsement, have special meaning as defined in the applicable Homeowners' Package Policy - Standard, Broad or Plus, and Commercial General Liability, as shown on the **Declaration Page**.

### **DEFINITIONS (Applicable to All Extensions)**

**"Building(s)"** means the **building(s)** described on the **Declaration Page** and includes:

- (i) the dwelling where the Bed & Breakfast **business** operates;
- (ii) fixed structures pertaining to the **building(s)** and located on the **premises**;
- (iii) additions and extensions communicating and in contact with the **building(s)**;
- (iv) permanent fittings and fixtures attached to and forming part of the **building(s)**;
- (v) materials, **equipment** and supplies on the **premises** for maintenance of and normal repairs and minor alterations to the **building** or for **building** services;
- (vi) growing plants, trees, shrubs or flowers inside the **building** used for decorative purposes when the **Insured** is the owner of the **building**.

**"Business Contents"** means contents usual to **your** Bed & Breakfast **business** and includes **Equipment** or **Stock** as herein defined.

**"Declaration Page"** means the **Declaration Page** applicable to this Form.

**"Equipment"** means:

- (i) generally all contents usual to **your** Bed & Breakfast **business** including furniture, finishings, fittings, fixtures, machinery, tools, utensils and appliances other than **stock** as herein defined;
- (ii) similar property belonging to others which **you** are under obligation to keep insured or for which **you** are legally liable for;
- (iii) tenant's improvements which are defined as **building** improvements, alterations and betterments made at **your** expense to a **building** occupied by **you** and which are not otherwise insured, provided **you** are not the owner of such **building**. If **you** purchased the use interest in the tenant's improvements made by a predecessor tenant, this Extension Endorsement applies as though such tenant's improvements had been made at **your** expense.

**"Stock"** means:

- (i) merchandise of every description usual to **your** Bed & Breakfast **business**;
- (ii) packing, wrapping and advertising materials; and
- (iii) similar property belonging to others which **you** are under obligation to keep insured or for which **you** are legally liable for.

### **EXTENSIONS OF COVERAGE**

#### **1. Power Fluctuation Coverage**

**Amount of Insurance: \$10,000 Per Occurrence**

**We** will indemnify **you** for any direct loss or damage to insured **business contents** caused by a power fluctuation, meaning a sudden rise or fall of electrical power that is not caused by lightning. This extension will not apply to:

- a) property undergoing any process or while being worked on where the damage results from such process or work;
- b) the property item which generated the power fluctuation;
- c) any loss for which indemnity is provided under an Equipment Breakdown Rider.

## 2. Personal Property of Officers, Employees, Volunteers & Guests

**Amount of Insurance: \$ 2,500 Maximum Per Person; \$10,000 Maximum Per Occurrence**

If **you** wish, **business contents** also includes personal property of **your** officers, **employees**, **volunteer workers** and guests. The insurance on such property:

- a) shall not attach if it is insured by the owner unless **you** are obliged to insure it or are liable for its loss or damage;
- b) is, in any event, limited to a maximum amount as specified on the Summary of Coverages of this endorsement in respect of any one officer, **employee**, **volunteer workers** or guest; up to a maximum limit per **occurrence** as specified on the Summary of Coverages of this endorsement;
- c) shall apply only to loss or damage occurring at a location specifically described on the **Declaration Page** or included in a newly acquired location.

## 3. Growing Plants, Trees, Shrubs or Flowers in the Open

**Amount of Insurance: \$ 750 Maximum Value Per Plant; \$ 7,500 Maximum Limit Per Occurrence**

This extension provides coverage for loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by **Named Perils**, with the exception of windstorm or hail as described in the applicable Homeowners' Package Policy to which this endorsement is attached to, or from theft or attempted theft. This extension's limit includes the amount of debris removal expense for the growing plants, trees, shrubs or flowers in the open.

## 4. Brands and Labels

**Amount of Insurance: \$10,000 Per Occurrence**

If **stock** damaged by an insured peril is salvageable and bears a brand or trademark or guarantee, **we** agree to pay for the removal of such brand, trademark or guarantee before sale of such **stock** as salvage.

## 5. Innkeepers Liability

**Amount of Insurance: \$2,500 Per Guest; Maximum Per Occurrence \$15,000**

**We** will pay those sums that **you** become legally obligated to pay as **compensatory damages** because of **property damage** to personal property of **your** guests, patrons, or customers while such property is in **your** care, custody and control and is located within the insured **premises**. No other obligation or liability to pay sums, or perform acts or services, are covered unless explicitly provided for under Supplementary Payments – Coverages A, B, and D of the Commercial General Liability that attaches to this Policy.

**We** may, at **our** discretion, investigate any **occurrence** and settle any claim or **action** that may result, but the amount **we** will pay for **compensatory damages** is limited as described in Section II - Liability Coverage of the Commercial General Liability that attaches to this Policy, and the right to defend ends when the applicable limit of insurance has been exhausted.

This insurance does not apply to:

- a) any liability **you** assume under any express contractor agreement, other than a written agreement by **you** with a guest;
- b) any dishonest act by **you** or **your employees** or person to whom the property is entrusted;
- c) mysterious disappearance;
- d) any vehicle, or its equipment, accessories, appurtenances, or any property contained therein;
- e) any property in the care, custody or possession of **you** for laundering or cleaning; or
- f) **property damage** to any property held by a guest, patron or customer as samples or for sale or for delivery after sale.

**You** warrant that **you** will post notices, as required by statute, specifying **your** liability as Innkeeper for the property of guests. Failure to do so will render this form null and void in the event of a loss.

## 6. Business Contents

**Amount of Insurance: \$10,000 Per Occurrence Above Homeowner's Package Policy Coverage C Limit**

Coverage C - Personal Property under the attached Homeowner's Package Policy is extended to include **business contents** specifically used for the operation of the Bed & Breakfast **business**. In addition to the limit of Coverage C – Personal Property, this extension provides an additional limit of \$10,000 to cover contents in the Bed & Breakfast **Building** should the Coverage C limit not be sufficient. The insurance on such property shall apply only to loss or

damage occurring at a location specifically described on the **Declaration Page** or included in Newly Acquired Locations.

#### 7. Fine Arts and Antiques

**Amount of Insurance: \$ 750 Maximum Value any One Item; \$ 10,000 Maximum Limit Per Occurrence**

This extension provides coverage for unscheduled fine arts and antiques that are not **stock**, only while the fine arts are at the location(s) as described on the **Declaration Page**.

There will be no coverage for breakage of glassware, statuary, marbles, bric-a-brac, porcelains and other fragile articles, unless caused directly by fire, earthquake, explosion, falling object striking the exterior of a building, flood, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, by accident to land, water, or air conveyances, or by theft or attempted theft.

#### 8. Goods Held for Sale

**Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage under Coverage C - Personal Property of the attached Homeowner's Package Policy to include goods **you** hold for sale and goods of others held for sale. The insurance on such property:

- a) shall not attach if it is insured by the owner unless **you** are obligated to insure it or are liable for its loss or damage;
- b) shall apply only to loss or damage occurring at a location specifically described on the **Declaration Page** or included in Newly Acquired Location.

#### 9. Theft/Vandalism by Guest

**Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for direct physical loss or damage to personal and/or **business** property on the premises caused by guests.

#### 10. Pollution Damage – Insured Premises

**Amount of Insurance: \$10,000 Per Policy Term**

##### Indemnity Agreement

**We** will indemnify **you**, subject to the deductible, for expenses incurred to clean-up **pollutants** from land or water at the **premises** provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of **pollutants**:

- (i) is occasioned by loss or damage to property insured at the **premises** for which insurance is afforded under the Policy to which this Extension Endorsement is attached;
- (ii) is sudden, unexpected and unintentional from **your** standpoint; and
- (iii) is required to be reported to a provincial authority; and
- (iv) first occurs during the Policy period.

##### Limit of Insurance

The maximum amount of insurance under this Extension Endorsement during the Policy term shall not exceed the amount of insurance specified in the Coverage Summary on the Extension Endorsement.

##### Reinstatement

Following a loss under this Extension Endorsement, the amount of insurance specified in the Extension Endorsement for this term will be reduced by the amount payable.

##### Additional Exclusions

**We** shall 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 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 **you** or others for the handling, storage, disposal, processing or treatment of waste.

### **Additional Conditions**

Reporting Period:

- (i) It is a condition precedent to recovery under this extension that all expenses insured by this extension be incurred and reported to **us** within one hundred and eighty (180) days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of **pollutants** for which clean-up expenses are being claimed.

## **11. Data**

### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for the contents pertaining to the Bed & Breakfast **business** for direct loss or damage by an insured peril to **data**. Coverage is included for the erasure or damage that is a result of direct physical damage to Electronic Data Processing Equipment from the perils insured against including power fluctuation coverage as outlined in this Extension Endorsement. Coverage is limited to the **actual cash value** of such **data**. Coverage does not apply to **data** that cannot be replaced with other of like kind and quality. This extension of coverage is for **data** at the insured **premises** and subject to the following additional exclusions.

**We** shall not be liable for loss, damage or expense caused directly or indirectly by:

- a) loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to **data** processing media form and then only in that form;
- b) loss of income or any other consequential or remote loss;
- c) programming errors or faulty machine instructions;
- d) cost of compiling such **data** if collection and reconstruction is so required.

## **12. Media**

### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for the contents pertaining to the Bed & Breakfast **business** for the depreciated cost of **media** including magnetic tapes, discs, disc packs, portable memory devices, paper tapes and cards. Coverage under this extension is limited to **media** on the insured **premises** and the direct physical loss or damage must be caused by an insured peril. Coverage does not apply to **media** that cannot be replaced with other **media** of like kind and quality.

“**Media**” means material on which data is recorded.

## **13. Building Damage by Theft**

### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for damage (except by fire) to the part of a **building(s)** occupied by **you** directly resulting from theft or any attempted theft and from vandalism or malicious acts committed on the same occasion, provided **you** are the owner of such **building(s)** or are liable for such damage and the **building** is not otherwise insured hereunder. Glass and lettering or ornamentation thereon is excluded from this extension.

## **14. Stock Spoilage**

### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for the contents pertaining to the Bed & Breakfast **business** for direct physical loss of or damage to **stock** or **business content(s)** on the **premises** caused by dampness or dryness of atmosphere or change of temperature. The dampness or dryness of atmosphere or change of temperature must be the direct result of (a) or (b) below:

- a) Physical loss of or damage to **building, equipment** or **business content(s)**, including supply or transmission lines and pipes and their connections furnishing **services**, on the **premises**.  
The physical loss or damage must directly result from a peril insured against. The part of the **building** or of the **equipment** or **business content(s)** that sustains loss or damage must be used for refrigerating, cooling, humidifying, heating or for generating or converting power.

- b) Interruption to the supply of **services** to the **premises**.
- c) The interruption must be caused by physical loss of or damage to the apparatus that generates or supplies such **services** to the **premises**. The physical loss or damage must directly result from a peril insured against. The apparatus that sustains loss or damage must be located on or within one (1) kilometre of the **premises**.

This extension does not cover loss or damage resulting from partial or total interruption to the supply of **services** arising from:

- (i) loss or damage to any electrical transmission lines or distribution lines or their supporting structure(s), except for those located on the **premises**;
- (ii) lack of sufficient capacity; or
- (iii) intentional reduction in supply; or
- (iv) any loss for which indemnity is provided under an Equipment Breakdown Rider.

As used in this extension:

“**Services**” means electricity, water, gas or steam.

#### 15. Glass

##### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for all loss or damages to exterior glass, lettering, ornamentation and burglar foils on the insured **premises** caused by accidental breakage of such glass.

**We** shall not be liable under this extension for:

- a) loss or damage directly or indirectly from fire whether in the **premises** described in the **Declaration Page** or elsewhere;
- b) loss or damage caused directly or indirectly by the perils excluded in Perils Excluded of the Homeowner’s Package Policy to which this Extension Endorsement applies, whichever is attached to this Policy;
- c) the cost of removing or replacing any fixtures or other obstructions to the replacement of the glass.

#### 16. Signs

##### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for direct physical loss or damage to exterior signs located on the **premises**.

**We** shall not be liable under this extension for:

- a) loss or damage caused directly or indirectly by the perils excluded in this Policy; or
- b) loss or damage caused during the process of cleaning, moving, repairing or reconstructing.

#### 17. Off Premises Stock and Equipment

##### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for the insured **stock** and **equipment** pertaining to the Bed & Breakfast **business** sustaining direct damage by an insured peril:

- a) while temporarily removed from the insured **premises**; or
- b) while in transit; or
- c) in the custody of **you**, any officer or employee or volunteer.

In no event does this extension apply to contractor’s stock, equipment and tools.

**We** are not liable under this extension for insured **stock** and **equipment** at any location, including any job site, that is rented or controlled in whole or in part by **you**, but this does not include locations where **you** have paid a fee to rent for the purposes of a trade show, craft show, exhibition, or similar type of event.

#### 18. Valuable Papers and Records

##### **Amount of Insurance: \$10,000 Per Occurrence**

This extension provides coverage for extra expense necessarily incurred in the cost of compiling books of account, drawings, card index systems or other records pertaining to the Bed & Breakfast **business** including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing, all of which are **your** property, when such records are damaged by a peril insured against.

## 19. Accounts Receivable

### Amount of Insurance: \$10,000 Per Occurrence

We will indemnify **you** for all sums due to **you** from customers, provided that **you** are unable to effectively collect them as a direct result of loss of or damage to records of accounts receivable contained on the insured **premises** and resulting from a peril insured against. This extension of coverage also includes the following:

- a) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss, destruction or damage.
- b) Collection expense in excess of normal collection cost and made necessary because of such loss, destruction or damage.
- c) Other expenses, when reasonably incurred by **you** in re-establishing records of accounts receivable following such loss, destruction or damage.

## 20. Extra Expense

### Amount of Insurance: \$10,000 Per Occurrence

This extension provides coverage for the necessary **extra expense** incurred by **you** in order to continue as nearly as practicable the **normal** conduct of **your** Bed & Breakfast **business** during the **period of restoration** following damage or destruction by the perils insured against, to the property insured on this Policy. Payment under this extension shall not be limited by the date of expiration of this Policy.

When used in this Extension Endorsement:

- a) “**Extra Expense**” means the excess (if any) of the total cost during the **period of restoration** for the purpose of continuing **your** Bed & Breakfast **business** over and above the total cost that would normally have been incurred to conduct the **business** during the same period had no loss occurred.
- b) “**Normal**” means the condition that would have existed had no loss occurred.
- c) “**Period of Restoration**” means the length of time commencing with the date of loss that is required, with the exercise of due diligence and dispatch, to repair, rebuild or replace the property insured on this Policy that has been damaged or destroyed by an insured peril.

### Resumption of Operations

As soon as practicable after any loss, **you** shall resume complete or partial **business** operations of the property described and, in so far as practicable, reduce or dispense with such extra expenses that are being incurred.

## 21. Professional Fees

### Amount of Insurance: \$10,000 Per Occurrence

This extension provides coverage for reasonable fees payable to professionals whom **you** may hire to produce and certify particulars or details of **your** Bed & Breakfast required by **us** to arrive at the loss payable to **you**.

## 22. Fire Department Charges

### Amount of Insurance: \$10,000 Per Occurrence

We will reimburse **you** for fire department charges incurred for attending **premises** insured under this Policy to save or protect insured property from loss or damage insured against by this Policy.

## 23. Master Key

### Amount of Insurance: \$2,500 Per Occurrence

We will reimburse **you** for the cost to replace lock(s) and key(s) at the **premises** insured made necessary by the actual destruction, disappearance or wrongful abstraction of master key(s) and/or lock(s) as the result of an insured peril damaging or destroying insured property.

## 24. Off-Premises Utilities Interruption

### Amount of Insurance: \$10,000 Per Occurrence

Loss of Income coverage, if shown on the **Declaration Page**, is hereby extended, subject to all the terms and conditions, provisions and limitations of this Policy, to include loss resulting from the necessary interruption of **business** caused by damage to or destruction of off-premises public utility property located within twenty-five (25)

kilometres of the **premises**. Such public utility property includes plants, transformer or switching stations, sub-stations, transformers, pumping stations which furnish heat, light, power or gas to the insured **premises**, provided such loss or damage is caused directly by a peril insured against under this Policy to **building(s)**, structure(s), machinery, **equipment** or **stock** as described on the **Declaration Page**. This extension does not cover Loss of Income during the first twenty-four (24) consecutive hours of loss of **services** or **service interruption** directly or indirectly arising from:

- a) loss or damage to electrical transmission lines or distribution lines or their supporting structure(s);
- b) loss of or reduction of **services** due to lack of sufficient capacity; or
- c) an intentional reduction in the supply of **services**.

As used in this Extension Endorsement:

“**Services**” means electricity, water, gas or steam.

“**Service Interruption**” means loss of **services** for a period exceeding twenty-four (24) consecutive hours.

## 25. Peak Season Stock Increase

### **Amount of Insurance: 25% Increase on Contents**

Up to 25% (twenty-five percent) of the total amount(s) specified for **stock** may be applied to increase the **stock** limit for 4 (four) months (120 consecutive days) to cover loss by a peril insured against. However, this increase shall not apply unless the limit of insurance shown on the **Declaration Page** is 80% (eighty percent) or more of **your** average monthly values for the 12 (twelve) months immediately preceding the date of loss, or in the event that **you** have been in **business** for less than 12 (twelve) months, such shorter period of time.

## 26. Newly Acquired Locations or Expansion of Current Operation

### **Amount of Insurance: \$250,000 Per Occurrence**

This extension provides coverage for newly acquired **building(s)** or additions to existing **building(s)** up to a limit of two hundred fifty thousand dollars (\$250,000) or to newly acquired **content(s)** up to a limit of two hundred fifty thousand dollars (\$250,000), all to be used in conjunction with the expansion of **your** existing Bed & Breakfast **business**. This additional coverage shall cease 60 (sixty) days from the date construction begins or **content(s)** are shipped. Additional premium for such new coverage shall be due and payable for values so reported, computed from the date construction begins or additional **content(s)** arrive at the **premises**. The **building** and/or **contents** must be situated within the territorial limits of Canada, and have been acquired or had construction begun by **you** after the inception date of this Policy.

## 27. Additional Living Expenses

### **Amount of Insurance: \$25,000 Per Occurrence Above Homeowner’s Package Policy Coverage D Limit**

In addition to the limit of Coverage D – Additional Living Expenses, this extension provides an additional limit of twenty-five thousand dollars (\$25,000) to cover lost income from pre-booked guests when the Bed & Breakfast operation is unfit for occupancy due to damage caused by an insured peril to the **premises** described on the **Declaration Page** or included in Newly Acquired Locations.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.**