

## COMMERCIAL EXTENSION ENDORSEMENT

Attached to and forming part of this Policy

This Endorsement modifies the coverage provided under the Commercial Building, Equipment and Stock Broad Form 51236 and Commercial General Liability (CGL) and is subject to the conditions, limitations and other terms of this Form, the Commercial Building, Equipment and Stock Broad Form 51236 the Commercial General Liability Form (CGL) and the Commercial Common Agreements, Definitions, exclusions and Conditions form attached to this Policy.

### SUMMARY OF COVERAGES

Unless specifically endorsed on the "Declarations Page", the Limits stated below are the Occurrence Limits under this Policy.

COVERAGE	LIMIT OF LIABILITY	PAGE
Accounts Receivable	\$25,000	2
Automatic Fire Suppression System Recharge Expense	\$5,000	2
Brands and Labels	\$20,000	2
Broad Blanket By-Laws Coverage (Building Only)	Included	2
Building Damage By Theft	\$20,000	2
Catch-All Coverage	\$25,000	2
Co-Insurance Waiver	5% /\$20,000	2
Consequential Loss Assumption	\$20,000	2
Data	\$20,000	3
EDP (Electronic Data Processing) Equipment	\$25,000	3
Exhibition Insurance	\$20,000	3
Extra Expense	\$20,000	3
Fire Department Charges	\$25,000	3
Growing Flowers, Plants, Shrubs Or Trees In The Open (Per Plant/Per Occurrence)	\$1,000 /\$20,000	3
Inflation Protection (Building Only)	Included	3
Installation Coverage	\$20,000	3
Land And Water Clean-Up (1st Party Pollution)	\$50,000	4
Leasehold Interests (Rents – Maximum 12 Months)	\$1,000/Month	4
Key and Lock Replacement	\$20,000	4
Newly Acquired Property	\$500,000.	4
Peak Season Increase	50% of Stock Limit	5
Personal property of visitors and employees	\$20,000	5
Professional Fees	\$20,000	5
Property at Unnamed Locations	\$20,000	5
Sales Representative	\$ 5,000	5
Transit Including Parcel Post	\$20,000	5
Valuable Papers And Records	\$25,000	5
Voluntary Payment for Damage to Property	\$500	5

## **ACCOUNTS RECEIVABLE**

This extension insures:

- (1) All sums due to "you" from customers, provided "you" are unable to complete collection of those sums as the direct result of loss of or damage to records of accounts receivable;
- (2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (3) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- (4) Other expenses when reasonably incurred by "you" in re-establishing records of accounts receivable following such loss or damage.

## **AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE**

This extension insures any automatic fire suppression system recharge expense incurred by "you" due to the leakage 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 policy.

## **BRANDS AND LABELS**

If "we" exercise "our" option to take all or any part of the "stock" involved in a loss as salvage, "you" have the right to first remove "your" trademarks, guarantees, names or other evidence of "your" interest from the "stock" or in connection with the "stock" and where the removal of such marks is impossible or impractical, the "stock" may be stamped "salvage" and/or transferred to bulk containers. The cost of such removal or rebranding will be borne by "us".

## **BROAD BLANKET BY-LAWS COVERAGE (BUILDING ONLY)**

This extension, applies only to those "buildings", which are insured under this policy. The coverage provided under this extension will, without increasing the amount of insurance, and only as a result of a peril insured against, extend to indemnify "you" for:

- (1) loss occasioned by the demolition of any undamaged portion of the "buildings" or structures, or
- (2) cost of demolishing, and clearing the site of, any undamaged portion of the "buildings" or structures, or
- (3) any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of 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.

"We" will not be liable under this extension for losses occasioned by the enforcement of any by-law, ordinance or law which prohibits "you" from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

## **BUILDING DAMAGE BY THEFT**

Item (b), **EXTENSIONS OF COVERAGE** on the Commercial Building, Equipment and Stock Broad Form is modified to provide an increased maximum limit of recovery as shown in the Summary of Coverages on this Commercial Extension Endorsement for "Building Damage by Theft".

## **CATCH-ALL COVERAGE**

Coverage under this extension applies if the limit for any other extension described in this form is insufficient to fully indemnify "you" for insured loss or damage that results from a single occurrence. "We" will pay the least of:

- (a) The difference between the loss payable under an extension coverage described in this endorsement and the amount required to fully indemnify "you" for the loss; or
- (b) The limit of insurance shown on the "Declaration Page" for this extension coverage.

If the limit for more than one extension is insufficient, this Catch All Coverage may be applied to one or more extensions in any one loss occurrence. "We" will not be liable for more than the limit of insurance shown on the "Declaration Page" for this extension coverage in any one occurrence, regardless of how many extension coverage limits are insufficient.

## **CO-INSURANCE WAIVER**

Co-insurance on the Commercial Building, Equipment and Stock Broad Form is modified to apply only where the total loss exceeds the limits as shown in the Summary of Coverages on this Commercial Extension Endorsement Form.

## **CONSEQUENTIAL LOSS ASSUMPTION**

This extension provides coverage for physical loss of or damage to "stock" on the "premises" caused by dampness or dryness of atmosphere or change of temperature that is a consequence of:

- i. physical loss of or 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 that are located on the "premises".
- ii. interruption to the supply of heat, light, water, power or gas to the "premises". The interruption must be caused by physical loss or damage by an insured peril under this policy to public utility plants, transformers or switching stations,

sub-stations, transformers or pumping stations, including underground transmission lines and pipes, that are located within 100 kilometres from the "premises" and that generate or supply heat, light, water, power or gas to the "premises".

This extension does not provide coverage for loss or damage resulting from partial or total interruption to the supply of heat, light, water, power or gas arising from:

- a. loss of or damage to any above ground electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
- b. lack of sufficient capacity; or
- c. intentional reduction in supply.

#### **DATA**

This extension provides coverage for the depreciated cost of "data" that sustains direct damage by:

- i. an insured peril under the Commercial Building, Equipment and Stock Broad Form; or
- ii. electrical disruption by artificially generated electrical currents, including arcing.

#### **EXHIBITION INSURANCE**

This insurance covers insured property from the time it leaves "your" "premises" stated on the "Declaration Page", while in transit to an exhibition site, while at such exhibition site and while in transit back to "your" premises.

#### **EXTRA EXPENSE**

This Extension insures the necessary Extra Expense incurred by "you" in order to continue as nearly as practicable the normal conduct of "your" business following damage to or destruction by the perils insured against to:

- i. insured "building(s)" or additions to such buildings; or
- ii. insured "equipment" or "stock"

for not exceeding such length of time commencing with the date of the insured loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace:

- a. such part of the described "building(s)" or their additions or
- b. "equipment" or "stock"

which may be destroyed or damaged.

#### **FIRE DEPARTMENT CHARGES**

In the event that as a result of an occurrence resulting from a peril insured by this policy, "you" are charged by a municipality for firefighting services, this policy shall reimburse "you" for such costs.

#### **GROWING FLOWERS, PLANTS, SHRUBS OR TREES IN THE OPEN (per plant/per occurrence)**

Item (c), **EXTENSIONS OF COVERAGE** on the Commercial Building, Equipment and Stock Broad Form is modified to provide a maximum limit of recovery as shown in the Summary of Coverages on this Commercial Extension Endorsement for "Growing Flowers, Plants, Shrubs, or Trees in the Open".

#### **INFLATION PROTECTION (BUILDING ONLY)**

It is agreed that:

- (1) the amount of insurance applicable to "building(s)" shall be increased during the policy period by the proportion by which the latest published "Building Construction Index" has increased since the last "premium due date".
- (2) at the "premium due date", the amount of insurance shall be increased automatically in accordance with the latest published "Building Construction Index" and the appropriate premium charged.
- (3) if the amount of insurance applicable to building(s) is changed at "your" request during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.
- (4) if the policy insurers two or more items, the foregoing shall apply separately to each item to which this endorsement applies.

#### **Definitions applicable to this extension:**

**"Building Construction Index"** means the relevant Regional Index of the Non-residential Building Construction Input Price Indexes published by Statistics Canada.

**"Premium due date"** means the inception date of this policy or any renewal or anniversary date.

#### **INSTALLATION COVERAGE**

This extension provides coverage, subject to the following additional exclusions, "your" property or property for which "you" are legally liable which "you" have contracted to install or which will be used in completing an installation contract, anywhere within Canada and the United States of America, its territories or possessions, but only while such property is in transit to the premises of installation or while thereat awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

- (1) "your" interest ceases; or

- (2) the property installed has been accepted; or
  - (3) thirty (30) days after completion of the installation; or
  - (4) this policy expires;
- whichever shall first occur.

#### **Additional Exclusions**

This Extension does not insure loss or damage to:

- (a) buildings, but building materials and supplies are covered until such time as they become part of any realty;
- (b) accounts, bills, deeds, jewellery or precious stones, plans, blueprints, designs, specifications or any similar property;
- (c) tools, contractor's equipment and any property not a part of or destined to become a part of any installation undertaken by the Insured except tools and equipment, the cost of which was included in the contract price;
- (d) any installation or part thereof from the commencement of use for purposes for which it was intended;
- (e) property while in airborne transit, unless by scheduled airlines;
- (f) against loss or damage 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 form.

#### **LAND & WATER CLEAN-UP (1<sup>st</sup> party pollution)**

This extension insures damage resulting from:

- (1) expenses incurred to "clean up" "pollutants" at the "premises", and
- (2) loss or damage to property insured caused directly by 'pollutants' provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants':
  - (a) is sudden, unexpected and unintended from "your" standpoint;
  - (b) is not otherwise insured under the policy to which this insurance is attached, and
  - (c) first occurs during the policy period.

Notwithstanding the Reinstatement Clause in this policy, the amount of insurance specified for this coverage is the aggregate amount payable during any one policy period.

#### **Exclusions**

"We" shall not be liable for:

- (1) 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";
- (2) expenses for "clean up" of or loss or damage to insured property caused directly by any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this coverage;
- (3) fines, penalties, punitive or exemplary damages;
- (4) 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.

#### **LEASEHOLD INTERESTS (RENTS – Maximum 12 Months)**

If as a result of an insured peril, the landlord terminates "your" lease, "we" agree to pay the difference between current rental value, and the rent actually paid prior to the loss, subject to the lesser of:

- i. the actual loss sustained; or
- ii. \$1,000 per month.

"We" are not liable for any loss of leasehold interests resulting from "your" exercising an option to cancel the lease. Coverage applies for the balance of the lease term, or twelve (12) months, whichever occurs first. 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.

#### **KEY AND LOCK REPLACEMENT**

This extension covers the cost of replacement of keys and changing or replacement of locks at the "premises" necessitated by the loss or theft of keys.

#### **NEWLY ACQUIRED PROPERTY**

This extension covers buildings (including additions to existing insured "buildings"), "equipment" and "stock" that are newly acquired by "you" which are to be used in conjunction with the expansion of "your" existing business. Newly acquired "buildings", "equipment" or "stock" must be located within the Canada or the continental United States.

Coverage under this extension begins when "you" first acquire new buildings (including additions to existing buildings), "equipment" or "stock" and ends:

- i. 60 days following the acquisition;
- ii. at the inception of more specific insurance on the newly acquired property;
- iii. when "stock" is shipped to customers;

iv. at the expiration of this policy  
whichever occurs first.

Additional premium for the addition of coverage on newly acquired property shall be computed from the date of acquisition or when construction begins.

#### **PEAK SEASON INCREASE**

When a limit of liability for "stock" is shown in the "Declaration Page", the limit of liability for "stock" may be increased by up to 50% for any 4 (four) month (120 consecutive days) period as determined by "you" 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 100% (one hundred 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, the average monthly values for such shorter period of time.

**PERSONAL PROPERTY OF VISITORS AND EMPLOYEES:** Coverage is provided for personal property of employees and visitors to "your" "premises" for damage caused by the perils which apply to insured "equipment" or "stock" to a limit of \$1,000 per item. The insurance on such personal property shall not attach if the owner has insured the property, unless "you" are under obligation to keep the property insured or is legally liable for its loss or damage.

#### **PROFESSIONAL FEES**

This Extension insures reasonable fees payable to "your" Accountants, Lawyers, Architects, Auditors, and Engineers for producing and certifying particulars or details of "your" business as required by "us" in order to arrive at the loss payable under this policy in the event of a claim.

#### **PROPERTY AT UNNAMED LOCATIONS**

This Extension provides coverage for "equipment" or "stock" while at any unnamed location within Canada. This extension does not apply to

- i. property at any location owned, occupied or controlled by "you";
- ii. property in transit;
- iii. property at an exhibition, trade show or similar event;
- iv. property on loan or on rental or sold by "you" under conditional sale, installment payment or other deferred payment plan, from the time of leaving "your" custody
- v. property in the custody of any sales representative employed by "you"
- vi. portable computers

The maximum recovery under this extension, regardless of the number of locations is limited to the amount shown on the Summary of Coverages for this Extension for any one occurrence.

#### **SALES REPRESENTATIVE**

This extension insures, subject to all the terms and provisions of the Policy, "equipment" and "stock" whether in transit or otherwise, in the custody of "your" sales representative.

#### **TRANSIT INCLUDING PARCEL POST**

This extension insures, subject to all the terms and provisions of the Policy, "equipment" and "stock" in course of transit between points or places within Canada or the continental United States.

#### **VALUABLE PAPERS AND RECORDS**

This extension covers "Valuable Papers and Records" that are "your" property or which "you" are legally responsible for, while located in Canada or the continental United States. This coverage includes the cost incurred to compile, gather or assemble information required to reproduce those "Valuable Papers and Records" which have been lost or damaged due to an insured peril.

#### **Definition applicable to this extension:**

Valuable Papers and Records means written, printed or otherwise inscribed documents and records including books, maps, films, tapes, discs, "data", drawings, abstracts, deeds, mortgages and manuscripts held in any form. Valuable Papers and Records do not include "money" or "securities".

#### **VOLUNTARY PAYMENT FOR DAMAGE TO PROPERTY**

**This coverage is added to Section I of the Commercial General Liability form**

- (1) Insuring Agreement
  - (a) "We" will pay for unintentional direct damage "you" cause to property even though "you" are not legally liable. "you" may also use this coverage to reimburse others for direct "property damage" caused intentionally by anyone listed under Paragraph (1) of Section II — Who Is An Insured or any "employee".
  - (b) "We" will pay whichever is the least of the following:
    - i. the actual cash value of the property at the time of loss;

- ii. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
  - (c) "We" may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with "you" or the owner of the property. "We" may take over any salvage if "we" wish.
  - (d) Within 60 days after the loss, "you" must submit to "us", under oath if required, a PROOF OF LOSS FORM containing the following information:
    - i. the amount, place, time and cause of loss;
    - ii. the interest of all persons in the property affected;
    - iii. the actual cash value of the property at the time of loss.
  - (e) If necessary, "you" must help "us" verify the damage.
- (2) Exclusions
- The following exclusions contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form apply to this coverage extension:
- (a) Asbestos
  - (b) Fungi or Spores
  - (c) Nuclear Energy Liability
  - (d) Pollution
  - (e) Terrorism
  - (f) War Risks
  - (g) "Silica" or "Silica-Related Dust"

The following Limits of Insurance is added to Section III of the Commercial General Liability form.

**Section III Limits of Insurance**

- (7) The Voluntary Payment for Damage to Property Limit is the most "we" will pay under Coverage F for "compensatory damages" because of "property damage even though "You" are not legally liable.

All other terms and conditions of this Policy remain unchanged