

SECTION 5

EXTRA EXPENSE INSURANCE COVERAGE FORM

(Words and phrases that appear in quotation marks have special meaning. Refer to Special Definitions of this form and General Definitions of this policy. This coverage must be shown on the "Declaration Page" of "your" policy for it to apply.)

Indemnity Agreement

In consideration of the payment of the premium, "we" agree to pay the necessary "extra expense" incurred by "you" in order to continue as nearly as practicable the "normal" conduct of "your" business during the "Indemnity Period" following damage or destruction by the perils insured against, to the property insured on this policy. Payment under this agreement shall not be limited by the date of expiration of this policy.

Special Limit of This Coverage

"We" will not pay more than 25% of the amount of insurance shown on the "Declaration Page" for this coverage in any 30 consecutive calendar days.

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.

Interruption by Civil Authority

This coverage is extended to include the necessary "extra expense" incurred during a period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

Determination of Payment

In determining loss under this coverage the following factors will be considered:

- a) The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses.
- b) The cost, in excess of the "normal" cost of such repairs or replacements, necessarily incurred for the purpose of reducing the total amount of "extra expense". The amount "we" pay for such excess cost however, shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced.
- c) The "extra expense" incurred in obtaining property for temporary use during the "Indemnity Period" necessarily required for the conduct of "your" business.

Loss or Damage not Insured

"We" will not be liable for:

- a) loss of income nor for "extra expense" in excess of that necessary to continue as nearly as practicable the "normal" conduct of "your" business;
- b) the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against;
- c) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by the operation of any bylaw, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- d) any increases of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- e) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- f) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- g) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

Definitions

- a) **“Extra expense”** means the excess (if any) of the total cost during the “Indemnity Period” for the purpose of continuing “your” 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 which would have existed had no loss occurred.
- c) **“Indemnity Period”** 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.

All other terms and conditions of this Policy remain unchanged.

ALL THE STATUTORY AND ADDITIONAL CONDITIONS, GENERAL DEFINITIONS AND GENERAL LOSS OR DAMAGE NOT INSURED ALSO APPLY TO THIS COVERAGE