

BUILDERS RISK DWELLING FORM - RIDER MP5 (Broad Form)

I. PROPERTY INSURED

This rider, except as otherwise provided insures the following property at the "project site" for the amount of insurance specified in the Declarations for the "Project Site":

1. property in course of construction, installation, reconstruction or repair:
 - (a) owned by the Insured;
 - (b) owned by others, provided the value of such property is included in the amount of insurance; all to enter into and form part of the completed project including expendable materials and supplies, not otherwise excluded, necessary to complete the project;
2. temporary buildings, scaffolding, falsework, forms, hoardings, excavation, site preparation and similar work, provided that the value thereof is included in the amount of insurance and then only to the extent that "replacement" or restoration is necessary to complete the project.

II. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified herein in any one occurrence.

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

III. PERILS INSURED

This rider, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

IV. EXCLUSIONS

A. Property Excluded

This rider does not insure loss of or damage to:

1. property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
2. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage, provided such perils are not excluded in Clauses IV.A and IV.B hereof;
3. property illegally acquired, kept, stored or transported; property subject to forfeiture, seized or confiscated for breach of any law or by order of any public authority;
4. property
 - (a) while waterborne, from the commencement of loading until completion of discharge except on a ferry, railway car or transfer barge, all in connection with land transportation;
 - (b) insured under a Marine Policy;
 - (c) aboard or being transported by any aircraft;
5. contractor's tools and equipment including spare parts and accessories whether owned, loaned, hired or leased other than property specified in clause I.2.;
6. furnishings or other personal property;
7. money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
8. automobiles, watercraft, amphibious or air cushioned vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property
9. property used for the cultivating, harvesting, processing, manufacturing, distributing or selling of marijuana, or any other substance falling under the Controlled Drug and Substances Act.

B. Perils Excluded

This rider does not insure:

1. the cost of making good:
 - (a) faulty or improper material;
 - (b) faulty or improper workmanship;
 - (c) faulty or improper design;

provided, however, to the extent otherwise insured and not otherwise excluded under this rider resultant damage to the property is insured;

2. penalties or liquidated damages for non-completion of or delay in completion of a contract or non-compliance with contract conditions or costs incurred solely in an effort to eliminate or reduce penalties or liquidated damages for which the Insured may be contractually liable;
3. any increase in cost occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
4. wear and tear, gradual deterioration, latent defect or inherent vice, provided however, to the extent otherwise insured and not otherwise excluded under this rider, resultant damage to the property is insured;
5. shortage of insured property disclosed when taking inventory or any mysterious disappearance;
6. any loss of use or occupancy however caused.

This rider does not insure against loss or damage caused directly or indirectly:

1. by cessation of work or by interruption of construction, unless directly caused by a peril otherwise insured and not otherwise excluded under this rider;
2. by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or "leakage from fire protective equipment", provided such perils are not otherwise excluded in this rider;
3. by flood, surface water, including waves, tsunamis, tides, tidal waves, and the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, "leakage from fire protective equipment", provided such perils are not otherwise excluded in this rider.

Exclusions (2) and (3) do not apply to property in transit.

4. by mechanical or electrical breakdown or derangement provided, however to the extent otherwise insured and not otherwise excluded under this rider resultant damage to the property shall be insured;
5. by pollution or contamination;
6. by rust or corrosion, frost or freezing, pollution or contamination unless caused directly by a peril not otherwise excluded in this rider;
7. by dampness or dryness of atmosphere, changes of temperature, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft, or land vehicle, riot, strike, vandalism, malicious acts, rupture of pipes or breakage of apparatus, theft or attempt thereat or accident to transporting conveyance provided such perils are not otherwise excluded in this rider;
8. by smoke from agricultural smudging or industrial operations;
9. by rodents, insects, or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this rider;
10. by delay, loss of market or loss of use or occupancy;
11. by misappropriation, secretion, conversion, infidelity or any dishonest manner of acquiring possession on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted)
12. in whole or in part, out of "Terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

C. Pollution Excluded

This rider does not insure against:

1. loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutant", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - (a) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this rider;
 - (b) to loss or damage caused directly by a peril not otherwise excluded under this rider;

2. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

V. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this rider and are subject to all conditions of this rider.

1. REMOVAL: If any of the insured property is necessarily removed from the "project site" to prevent loss or damage or further loss 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 7 days only, or for the unexpired term of the Policy if less than 7 days, insure the property removed and any property remaining at the "project site" 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.
2. DEBRIS REMOVAL: The Insurer will indemnify the Insured for expenses incurred in the removal from the "project site" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this rider.
The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this rider but which has been blown by windstorm upon the "project site".
3. OFFSITE COVERAGE: This rider insures the property described in Clause I:
 - (a) In transit in Canada and continental United States (excluding Alaska) for the amount of insurance specified in the Declarations for In Transit; and
 - (b) At any location in Canada and continental United States (excluding Alaska) other than in transit or while being manufactured or undergoing any process, for the amount of insurance specified in the Declarations for Any Other Location.

VI. CESSATION OF COVERAGE

This rider ceases to insure the project:

1. on the commencement of use or occupancy of any part or section of the project unless such use or occupancy is for:
 - (a) construction purposes;
 - (b) habitational purposes, subject to Clause VI.2 hereof;
 - (c) installing, testing or storing equipment or machinery;
 2. thirty days after the commencement of use or occupancy of the project for habitational purposes;
 3. when left unattended for more than 30 consecutive days or when construction activity has ceased for more than 30 consecutive days; or
 4. on the expiration of this insurance;
- whichever first occurs.

VII. LOSS ADJUSTMENT

Any claim for loss or damage under this rider shall be adjusted with, if named in this policy, the General Contractor or Owner.

VIII. 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 project over which the Insured has no control.

IX. REINSTATEMENT

Loss under any item of this rider shall not reduce the applicable amount of insurance.

X. SUBROGATION

The Insurer, upon making any payment or assuming liability therefor 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 rider.

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.

XI. PREMIUM ADJUSTMENT

The premium stated in this rider is provisional. Within 30 days after the termination or expiration of this insurance the Insured shall report to the Insurer the actual completed contract price and the value of any property not included in such completed contract price and insured herein or in the absence of a contract price the Insured shall report the total completed value of the project. The actual premium shall be calculated from inception date of this rider on the total value so reported at the rate shown herein. If the premium so calculated exceeds the provisional premium the Insured shall pay to the Insurer the amount of such excess. If such premium is less than the provisional premium the Insurer shall refund to the Insured the amount of the difference.

XII. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy or within a year after termination or expiration to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. This inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Policy.

XIII. DEFINITIONS

1. "Project Site" means the site of the project described herein.
2. "Fire Protective Equipment" includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - (a) branch piping from a joint system whether the branches are used entirely for purposes other than fire protection;
 - (b) any watermains or appurtenances located outside of the "project site" and forming a part of the public water distribution system;
 - (c) any pond or reservoir in which the water is impounded by a dam.
3. "Leakage from Fire Protective Equipment" means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the project specified on the "Declarations Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Cleanup" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
6. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s), or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.