

COMMERCIAL POLICY ENHANCEMENT ENDORSEMENT – E72

It is understood and agreed that this Insurance is extended to include the following Extensions of Coverage. These extensions supersede any similar extensions in specific Riders unless they limit coverage, in which case the broader coverage provided under the particular Rider shall apply. Unless otherwise specified, the limits stated herein for the extensions are in addition to the limits stated on the Coverage Summary page for the insured property.

A. BUILDING COVERAGE EXTENSIONS (Applicable only when buildings are insured under the policy):

1. INFLATION PROTECTION

If the Insured has a loss while the policy is in effect, the Insurer will automatically increase the limit of insurance on the “building(s)” by the percentage that the index for non-residential construction published by Statistics Canada has increased since the effective date of the current policy period. If the Insured increases the amount of insurance on the “building(s)” during the policy period, then the Insurer will base the percentage change from the date of the increase. The Insurer will also adjust the limit of insurance each year when the renewal premium is due. The premium will be raised to reflect the increased coverage.

2. NEWLY ACQUIRED OR NEWLY CONSTRUCTED BUILDING

A limit of \$500,000 will automatically apply to any building acquired by the Insured or constructed by the Insured during the term of this policy for use in connection with the Insured's business stated in the declarations and located in Canada. This insurance attaches at the time of the acquisition and ceases after a period of 60 days or on the date on which such building is added to this policy by endorsement, or on the expiration or cancellation of this policy, whichever occurs first.

3. INCREASED REPAIR COSTS REQUIRED BY LAW

In the event of loss of or damage to the “Building” by an insured peril, if the cost of repairing or replacing the building because of such loss or damage is increased by the enforcement of any law or ordinance regulating the construction, reconstruction or repair of buildings, the Insurer will pay the necessary additional cost of repair or replacement up to the minimum amount required by the law or ordinance or 25% of the Limit of Insurance applicable to the building, whichever is less.

The insurance under this extension applies only if:

- i. the law or ordinance was in effect when the loss or damage occurred; and
- ii. the building is actually repaired or replaced on the same or adjacent site within a reasonable time after the loss or damage occurs.

The Insurer shall not be liable for any cost of demolition, rebuilding or removal of debris of any undamaged portion of the building.

4. LAWNS, TREES, SHRUBS AND OTHER OUTDOOR PLANTS

This policy covers loss or damage to lawns, trees, shrubs and other outdoor plants, caused by the perils of fire, explosion, impact by aircraft, spacecraft or land vehicles, lightning, smoke, leakage or discharge from fire protective equipment, vandalism or malicious acts. A limit of \$1,000 any one tree, shrub, plant, or lawn subject to a maximum of \$10,000 any one occurrence applies to this coverage.

5. BLANKET BUILDING GLASS

The Insurer agrees to indemnify the Insured for damage to all interior and exterior glass, or vitrolite, and lettering, ornamentation, burglar alarm tape or foil situated thereon, which occurs during the Policy period and is directly caused by breakage or by chemicals accidentally or maliciously applied when such glass, or vitrolite, forms part of the “building(s)” described on the Coverage Summary page.

The Insurer also agrees to pay for:

- a. repairing or replacing frames immediately encasing and contiguous to such glass when necessary because of such damage;
- b. installing temporary plates in boarding up openings containing such glass when necessary because of unavoidable delay in repairing or replacing such damaged glass; and
- c. removing or replacing any obstruction, other than window displays, when necessary in replacing such damaged glass, lettering, ornamentation, burglar alarm tape or foil.

The limit of liability of the Insurer is the replacement cost value of the glass, or vitrolite, lettering, ornamentation, burglar alarm tape or foil at the time of loss, plus all costs incurred as a result of the coverage granted under clause (a), (b), and (c) above. The Insurer may pay for the loss in money or replace the property. Any property so paid for or replaced shall become the property of the Insurer. The Insurer shall not be liable under this extension for loss or damage caused by fire in the Insured's premises or elsewhere.

B. CONTENTS COVERAGE EXTENSIONS (Applicable only when contents are insured under the policy):

1. CONTENTS AT NEWLY ACQUIRED LOCATIONS

A limit of \$250,000 will apply to "Contents", "Contents of Every Description", "Stock" or "Equipment" at any location in Canada or the continental United States of America, acquired by the Insured during the term of this policy and owned, rented or controlled by the Insured. This insurance attaches at the time of acquisition and ceases after a period of 60 days or on the date on which such location is added to this policy by endorsement, or on the expiration or cancellation of this policy, whichever occurs first.

2. NEWLY ACQUIRED CONTENTS

A limit of \$25,000 will automatically apply to "Contents", "Contents of Every Description", "Stock" or "Equipment" at any location Insured by this policy, acquired by the Insured during the term of this policy. This insurance attaches at the time of acquisition and ceases after a period of 60 days or on the date on which such coverage is added to this policy by endorsement, or on the expiration or cancellation of this policy, whichever occurs first.

3. CONSEQUENTIAL DAMAGE

It is agreed that this policy is extended to cover indirect or consequential loss or damage to "Stock" or "Contents of Every Description" insured by this policy, due to change of temperature or the interruption of power, heat, or refrigeration resulting from damage, caused by a peril insured against, to the power, heating, cooling or refrigeration apparatus, including all connections or supply pipes, on the premises described in the policy.

4. PROPERTY IN TRANSIT

A Limit of Insurance of \$25,000, or such other amount as may be specified on the Coverage Summary page for "Other Transit", will apply to "Contents", "Contents of Every Description", "Stock" or "Equipment" (other than tools) while in transit anywhere in Canada or the continental United States of America, other than by Parcel Post, including direct loss or damage by collision, derailment or overturn of the vehicle on which the property is being transported.

5. PROPERTY TEMPORARILY OFF PREMISES

A Limit of Insurance of \$25,000, or such other amount as may be specified on the Coverage Summary page for "Temporary Locations", will apply to "Contents", "Contents of Every Description", "Stock" or "Equipment" (other than tools) temporarily removed to a location in Canada or the continental United States of America, other than a location owned, rented or controlled in whole or in part by the Insured. This extension does not apply to property which the Insured has rented to others or has been left with others on approval.

6. PROPERTY IN THE CUSTODY OF A SALES REPRESENTATIVE

A Limit of Insurance of \$10,000, or such other amount as may be specified on the Coverage Summary page for "Sales Representative" will apply to "Contents of Every Description" or "Stock" whether in transit or otherwise, in the custody of a sales representative of the Insured within Canada and the continental United States of America.

7. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES

At the option of the Insured, "Contents", "Contents of Every Description", "Stock" or "Equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:

- a. shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
- b. is, in any event, limited to a maximum recovery of up to \$10,000 any one occurrence in respect of any one officer or employee, or all officers and employees combined;
- c. shall apply only to loss or damage occurring at a location specifically described on the Coverage Summary page or included in "Newly Acquired Location".

8. PEAK SEASON STOCK COVERAGE

The Limit of Insurance applicable to "Stock" or "Contents of Every Description" is automatically increased by 25% to provide for seasonal variations. This increase shall not apply unless the Limit of Insurance stated on the Coverage Summary page is 100% or more of the Insured's average monthly values of such property for the 12 months immediately preceding the date of loss, or for the period of time that the Insured has been in business, if less than 12 months.

9. CUSTOMER'S GOODS LEGAL LIABILITY

This Rider insures customer's goods in the care, custody or control of the Insured, which the Insured is under obligation to keep insured or for which the Insured is legally liable. The limit of liability applicable to this property is included in the limit applicable to "Contents", "Contents of Every Description" or "Stock" as stated on the Coverage Summary page.

10. EXTENDED DEFINITION OF "EQUIPMENT"

If the Insured is not the owner of a "building" at the location described in the declarations, the definition of "Equipment" is extended to include outside communication towers, antennae (including satellite receivers) and equipment attached to the foregoing, awnings and canopies all while on the "premises" described in the declarations, if such property is owned by the Insured or owned by others and for which the Insured is responsible.

11. VALUABLE PAPERS AND RECORDS

This extension provides up to \$25,000 coverage for costs actually expended by the Insured to reproduce, replace or restore books of account, manuscripts, abstracts, drawings, card index systems and other records, including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing when such records are damaged by any insured peril.

12. FINE ARTS

This extension provides up to \$25,000 coverage for Fine Art (including paintings, etchings, pictures, tapestries and other bona fide works of art or items of rarity, historical value or artistic merit excluding stock or merchandise) the property of the Insured or the property of others in the care, custody or control of the Insured, while situated at a location described on the Coverage Summary page. It is further agreed that up to \$10,000 of this limit is extended to cover Fine Art in transit or temporarily away from the described "premises".

13. ACCOUNTS RECEIVABLE

The Insurer will pay up to \$25,000 to cover:

- a. all sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss of or damage from a peril insured against hereunder to records of accounts receive;
- b. interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- c. collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- d. other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

Coverage applies only at the location(s) described on the Coverage Summary page.

Adjustment of Loss:

In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs such amount shall be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof, as compared with such average for the same months of the preceding year;
- c. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which the said loss occurs;
- d. The amount determined under (c) above, shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the fiscal month before the loss.

In determining the amount of the Insurer's liability for any loss hereunder there shall be deducted from the total amount of accounts receivable the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

Recoveries:

After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the Insured up to the total amount of loss paid by the Insurer; but all recoveries in excess of such amounts shall belong to the Insured.

C. BUILDING AND/OR CONTENTS COVERAGE EXTENSION (Applicable only when buildings and/or contents are insured under the policy):

1. TEAR OUT CLAUSE

It is understood and agreed that this insurance is extended to cover the cost of tearing out and replacing any part of the building or improvements which must be removed or torn apart before water damage from a plumbing, heating, sprinkler or air conditioning system or domestic appliance can be repaired, except damage related to an outdoor swimming pool or outdoor hot tub. The amount of insurance applicable to this extension is included in the limit applicable to insured buildings and/or contents.

2. **EXTRA EXPENSE**

This insurance covers extra expense necessarily incurred by the Insured in maintaining normal operations, including the reasonable extra cost of temporary repair of expediting the repair of such damaged property interrupted by a loss insured hereunder, for the period of time required with the exercise of due diligence and dispatch to restore normal operations. A limit of \$25,000 any one occurrence applies to this coverage.
3. **FIRE DEPARTMENT CHARGES**

This insurance covers the Insured's liability for fire department charges where a municipal fire department is called because of fire in, on or exposing the property insured under this policy or to property of others adjacent to the Insured's "premises". The Insurer's liability under this extension is limited to \$25,000 or such other amount as may be specified for this extension on the Coverage Summary page. No deductible applies to this extension.
4. **DEBRIS REMOVAL**

It is agreed that in the event the Limit of Insurance provided for Debris Removal under the Multi-Peril Divider for this section is insufficient, this endorsement will extend to indemnify the Insured for an additional \$25,000 for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Policy.
5. **ARSON CONVICTION AWARD**

This extension provides up to \$5,000 for information which leads to a conviction for arson in connection with a fire loss to property insured under this policy. The \$5,000 limit will not be increased regardless of the number of persons providing information. No deductible applies to this coverage.
6. **RECHARGE OF FIRE PROTECTION EQUIPMENT**

This extension provides up to \$25,000 for expenses incurred to recharge fire protection equipment:

 1. discharged to fight a fire on, or exposing, the premises insured under this policy, or
 2. which was discharged as a result of loss or damage to the premises by any other covered peril.

No deductible applies to this coverage.
7. **LEASEHOLD INTEREST**

This insurance is extended to cover necessary additional lease expenses resulting from loss or destruction of the premises described on the Coverage Summary page which renders such premises unfit for occupation, therefore canceling the lease under the terms of the lease agreement. The loss payable shall be based on the difference between the existing monthly rent at the premises and the rent required at the replacing location multiplied by the number of months remaining on the lease at the original premises, subject to a limit of \$10,000. The difference is to be calculated on the basis that the replacing location is of similar size, condition and location without allowance for improvement.
8. **MASTER KEY**

This extension provides up to \$10,000 for the cost of replacing or re-adjusting locks following loss or damage caused by a peril insured against to master keys that control doors at the location(s) described on the Coverage Summary page.
9. **BRANDS AND LABELS**

The Insurer will indemnify the Insured up to \$10,000 to pay:

 - a. the cost to remove trademarks, guarantees, names or other evidence of the Insured's interest in branded or labelled insured property; or
 - b. the cost to stamp the insured property SALVAGE and/or transfer it to bulk containers when removal is impossible or impractical;

provided the insured property was damaged by an insured peril.
10. **LAND AND WATER POLLUTION CLEAN UP**

The Insurer will indemnify the Insured up to \$25,000 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":

 - a. is occasioned by loss or damage to property insured at the "premise" for which insurance is afforded under this Policy.
 - b. is sudden, unexpected and unintended from the standpoint of the Insured; and
 - c. first occurs during the Policy Period.

All expenses insured hereunder must be incurred and reported to the Insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the sum of \$500. in any one occurrence.

11. SIGNS

The Insurer agrees to pay up to \$15,000 for direct physical loss of or damage to fixed signs (excluding advertising balloons), the property of the Insured or the property of others for which the Insured is responsible, while on the "premises" described on the Coverage Summary page or an adjacent parking lot or in public walkways of shopping malls.

This extension does not insure against:

- a. loss or damage caused by wear and tear, gradual deterioration, mechanical breakdown, inherent vice, latent defect or faulty installation;
- b. loss or damage caused by dampness of atmosphere, extremes of temperature, corrosion or rust;
- c. loss or damage caused by electrical currents other than lightning, unless fire or explosion ensues and then only for the loss or damage caused by such fire or explosion;
- d. loss or damage caused by breakage during installation, repairing or dismantling.

D. BUSINESS INTERRUPTION COVERAGE EXTENSION (Applicable only when Business Interruption Insurance is provided under the policy):

1. OFF PREMISES HEAT, POWER, GAS OR WATER SUPPLY

This insurance is extended to include loss resulting from damage to or destruction of off-premises public utility plants, transformer or switching stations, sub-stations or pumping stations furnishing heat, power, gas or water to the premises described herein when such damage or destruction is caused by the perils insured against, but excluding loss resulting from damage to or destruction of off-premises poles, towers, and transmission or distribution lines. It is a condition of this extension that liability shall exist only for such part of the loss that is incurred for the determined period of interruption in excess of the first 48 hours. The amount of insurance applicable to this extension is included in the limit of Business Interruption Insurance.

2. COST OF PREPARING PROOF OF LOSS

The Insurer will pay up to \$10,000 for reasonable expenses incurred by the Insured in preparing the proof of loss or any other exhibits required to claim for loss or damage insured by this policy, including Auditors' fees. This extension is in addition to the Limits of Insurance stated in the declarations.

E. CONTRACTORS EQUIPMENT COVERAGE EXTENSION (Applicable only when Contractor's Equipment – Rider MP8 is provided under the policy)

1. NEWLY ACQUIRED MOBILE EQUIPMENT

A limit of \$200,000 will automatically apply to any equipment acquired by the Insured during the term of this policy for use in connection with the Insured's business as stated in the Coverage Summary page and located in Canada or continental United States. This insurance attaches at the time of the acquisition and ceases after a period of 60 days or on the date on which such equipment is added to this policy by endorsement, or on expiration or cancellation of this policy, whichever occurs first.

2. LOSS OF USE

A limit of insurance of \$10,000 will automatically apply to expenses incurred by the Insured for the rental of mobile equipment similar in size and capacity to an item insured by this rider which has become inoperative because of loss or damage caused by an insured peril. This coverage ceases on the date of completion of repairs or replacement of the lost or damaged property or on the date that we make or tender settlement for such loss, whichever comes first.

3. CONTRACTOR'S EQUIPMENT ON LOAN OR RENTAL

This Rider is extended to cover additional items of a nature similar to those scheduled under the Contractor's Equipment – Rider MP8 or usually covered under a Contractor's Equipment Floater policy. The Insured at their option may apply \$100,000 to any property of others for which the Insured is legally liable whether loaned or rented to the Insured during the term of this policy for use in connection with the Insured's business as stated in the Coverage Summary page and located in Canada or continental United States. This insurance attaches at the time of the acquisition and for a period not exceeding 30 days.

4. REPLACEMENT COST OPTION

If there is a loss or damage to property insured by the Contractor's Equipment – Rider MP8, you may choose as the basis of loss settlement either Option A or Option B below, provided that:

- a. you were the first to have possession of the property, whether as owner or lessee, except for the selling dealer;
- b. the loss or damage occurs within 60 months from the date you first took possession of the property as owner/lessee; and
- c. you repair or replace the property within 180 days after the date on which the loss or damage occurs, otherwise, settlement will be as set out for Option B.

If the 60 months referred to in b. above ends within the term of this policy, you may still choose either Option A or Option B if the loss or damage occurs before the next policy anniversary date following the end of the 60 month period, provided you repair or replace the property within 180 days after the date on which the loss or damage occurs.

Option A:

Replacement Cost Settlement: Replacement Cost means the cost, at the time of the loss, of repair or replacement (whichever is less) with new property of similar kind and quality, without deduction for depreciation. We will not pay more than the applicable limit of insurance shown on the Coverage Summary page, nor will we pay a greater proportion of the loss than the limit of insurance bears to 90% of the Replacement Cost of the property at the time of the loss.

Option B:

Actual Cash Value Settlement: The Actual Cash Value of the loss or damage at the time of the loss, but not exceeding the applicable limit of insurance shown on the Coverage Summary page. Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value, and the normal life expectancy. We will not pay a greater proportion of the loss than the limit of insurance bears to 80% of the Actual Cash Value of the property at the time of the loss.

F. TOOL FLOATER COVERAGE EXTENSION (Applicable only when Tool Floater – Rider MP21 is provided under this policy)

1. NEWLY ACQUIRED TOOLS

A limit of \$10,000 will automatically apply to any tool acquired by the Insured during the term of this policy for use in connection with the Insured's business stated in the declarations and located in Canada or continental United States. This insurance attaches at the time of the acquisition and ceases after a period of 60 days or on the date on which such tools are added to this policy by endorsement, or an expiration or cancellation of this policy, whichever occurs first.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the policy shall have full force and effect.