

Business Interruption - Extra Expense Insurance Coverage

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 8

1 INDEMNITY AGREEMENT

This Form insures, up to the amount stated on the "Declarations Page", the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business following damage to or destruction of the perils insured against to the building(s) or additions thereto or contents thereof, for not exceeding such length of time, herein referred to as the "period of restoration", commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described "building(s)" or additions thereto or contents thereof as may be destroyed or damaged.

2 AMOUNT OF INSURANCE

The liability shall in no event exceed that percentage of the amount of this insurance (at the time of the loss) which is stated below for the determined "period of restoration":

40% when the "period of restoration" is not in excess of 1 "month";
70% when the "period of restoration" is not in excess of 2 "months";
90% when the "period of restoration" is not in excess of 3 "months";
100% when the "period of restoration" is in excess of 3 "months" but no in excess of 4 "months".

In the event that "extra expense" incurred by the Insured during the longest "period of restoration" for which provision is above made does not exhaust the insurance hereby provided, then such unexhausted insurance shall apply for the remainder of the "period of restoration".

3 RESUMPTION OF OPERATIONS

As soon as practicable after any loss, the Insured 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.

4 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 neighboring premises by a peril insured against.

5 ADDITIONAL EXCLUSIONS

The Insurer shall not be liable for:

- a 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;
- b loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- c loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- d 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.

6 WAIVER OF TERM OR CONDITION

No term or condition of this Policy shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this policy.

7 BREACH OF CONDITION

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 Form, 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 premises over which the Insured has no control.

8 DEFINITIONS

Wherever used in this Form:

- a "Extra Expense" means the excess (if any) of the total cost during the "Period of Restoration" for the purpose of continuing the Insured's 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. The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be

liable under this Form for loss of income nor for "Extra Expense" in excess of that necessary to continue as nearly as practicable the "Normal" conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except 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"; liability for such excess cost however, shall not exceed the amount by which the total "Extra Expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "Extra Expense" incurred in obtaining property for temporary use during the "Period of Restoration" necessarily required for the conduct of the Insured's business; Any salvage value of such property remaining after resumption of "Normal" operations shall be taken into consideration in the adjustment of any loss hereunder;

- b "Month" means 30 consecutive days;
- c "Normal" means the condition which would have existed had no loss occurred;
- d "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.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.