

Form #EE801 (Rev. Aug 29, 2012)
Extra Expense Form

THIS FORM ONLY APPLIES IF INDICATED "COVERED" AND LIMITS SHOWN ON THE DECLARATIONS PAGE(S).

THIS FORM IS ATTACHED TO AND MUST BE READ TOGETHER WITH THE COMMERCIAL BUILDING, EQUIPMENT & STOCK BROAD FORM POLICY.

1. INDEMNITY AGREEMENT

This Form insures, up to the Limit specified in the Declaration Page(s), 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 by the perils insured against in the Commercial Building, Equipment & Stock Broad Form ("this Policy") and occurring during the term of this Policy to the Building(s), Equipment or Stock on the Premises specified in the Declarations Page(s), 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 expiration date of this Policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of the Building(s), Equipment or Stock as may be destroyed or damaged.

2. AMOUNT OF INSURANCE

The liability of the Insurer shall in no event exceed that percentage of the amounts of this Insurance (at the time of loss) which is stated below or specified on the Declarations Page(s) 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 in excess of 1 Month but not in excess of 3 Months;
90% when the Period of Restoration is in excess of 2 Months but not in excess of 3 Months;
100% when the Period of Restoration is in excess of 3 Months but not in excess of 4 Months.

In the event that Extra Expense insured 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 as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the Premises described in the Declarations Page(s) 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.

5. SPECIAL EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, 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;
- (b) any increase 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;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- (e) 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; or
- (f) loss or damage caused directly or indirectly by any peril excluded in the Commercial Building, Equipment and Stock Broad Form.

6. ADDITIONAL DEFINITIONS

Wherever used in this Form:

"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.

"Month" means 30 consecutive days.

"Normal" the condition that would have existed had no loss occurred.

"Premises" means the entire area within the property lines at the location(s) specified in the Declarations Page(s), including areas under adjoining sidewalks and driveways.

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