

Form #S42002.2 (Rev. January 1, 2015)
Gross Rentals Form

FOR USE WITH EQUIPMENT BREAKDOWN INSURANCE

Words and phrases in quotation marks have special meaning as defined in this form or as defined in the Equipment Breakdown Insurance Form attached to this policy.

1. INSURING AGREEMENT

In consideration of the premium, the Insurer agrees, subject to the terms and conditions expressed herein, that if destruction or damage occurs to "insured equipment", when such destruction or damage is covered by a "breakdown", payment shall be made to the Insured for loss of Gross Rentals on the following basis:

This Insurance is limited to loss of Gross Rentals due to (a) reduction in Gross Rentals and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

- (a) **In respect of Reduction in Gross Rentals:** The amount by which the Gross Rentals during the Indemnity Period shall, in consequence of the destruction or damage, fall short of the Standard Gross Rentals;
- (b) **In respect of Increase in Cost of Working:** The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the destruction or damage, but not exceeding the loss of Gross Rentals thereby avoided, less any sum saved during the Indemnity Period in respect of Costs as may cease or be reduced in consequence of the damage.

Provided that if the sum insured shown in the "Declarations Page" for Gross Rentals be less than the amount of the Annual Gross Rentals the amount payable shall be proportionately reduced.

2. DEFINITIONS

"Gross Rentals" – The money paid or payable to the Insured by tenants in respect of rental of the "premises".

"Indemnity Period" – The period beginning with the occurrence of the destruction or damage and ending not later than the expiration of twelve (12) months thereafter during which the Gross Rentals shall be affected in consequence of the destruction or damage by a "breakdown" insured against.

"Annual Gross Rentals" – The Gross Rentals during the twelve months (12) immediately before the date of the destruction or damage by a "breakdown" insured against.

"Standard Gross Rentals" – The Gross Rentals during that period in the twelve months (12) immediately before the date of the destruction or damage by a "breakdown" insured against or which corresponds with the Indemnity Period.

To the Annual Gross Rentals and Standard Gross Rentals such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting Gross Rentals either before or after the destruction or damage or which would have affected Gross Rentals had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

3. PROVISIONS

- (a) If during the Indemnity Period services shall be rendered elsewhere than at the "premises" for the benefit of the business either by the Insured or by others on behalf of the Insured the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Rentals during the Indemnity Period.
- (b) The liability of the Insurer shall in no case exceed the total sum insured.
- (c) The Insurer shall not be liable for any loss due to fines or damages for breach of contract, or for any penalties of whatever nature.
- (d) On the happening of any destruction or damage by a "breakdown" insured against in consequence of which a claim is or may be made under this policy, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with Gross Rentals or to avoid or diminish the loss.
- (e) The Insurer shall be liable for actual loss sustained hereunder, during the period of time, not exceeding two consecutive weeks from the date when, as a direct result of the "breakdown" insured against, access to the "premises" described is prohibited by order of civil authority.
- (f) The Insurer, upon making any payment or assuming liability therefor under this policy, shall be subrogated to all rights of recovery of the Insured against any person and may bring action in the name of the Insured to enforce such rights. 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.
- (g) If, on the happening of any loss, there is in force more than one policy insuring the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the Insured on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.
- (h) No term or condition of this policy shall be deemed to be waived by this 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.