

OFFICE EQUIPMENT ENDORSEMENT

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

Indemnity Agreement

1. In the event that any of the property Insured be lost or damaged by the perils insured against, the insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of :
 - a. the actual cash value of the property at the time of loss or damage;
 - b. the interest of the Insured in the property;
 - c. the amount of insurance specified on the "Declaration Page" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page".

Property Insured

2. This form insures the following property at the location(s) specified on the "Declaration Page".

Office Contents, including all materials and supplies usual to the business of the Insured, including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, appliances, books of accounts, drawings, card index systems and other records and generally all office contents of every description used in the conduct of the Insured's business or profession; and

Tenants Improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a building occupied by the Insured and which are not otherwise insured; provided the Insured is not the owner of such building. If the Insured purchased the use interest in tenants improvements made by a predecessor tenant, this coverage applies as though such tenants improvements had been made at the expense of the Insured.

Extensions of Coverage

3. The following extensions of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form.
 - (a) **Personal Property of Officers and Employees:** At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - (i) 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;
 - (ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described on the "Declaration Page" or included in "Newly Acquired Location".
 - (b) **"Building" Damage by Theft:** This Form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such damage and the "building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
 - (c) **Currency, Money, Cheques and Stamps:** Up to \$250 may apply to loss by "burglary" or "robbery" of currency, money, cheques and stamps while in the premises insured or while being conveyed outside the premises by the Insured or an employee of the Insured.
 - (d) **Extra Expense:** 10% of the amount of insurance specified for each location, but not exceeding \$1000 at any one location, may apply in any one occurrence to cover extra expense necessarily incurred by the Insured to continue normal office operations which are interrupted as a result of loss by a peril insured against to the property insured, while in the premises, but only for the period of time required with the exercise of due diligence and dispatch to restore normal operations.

- (e) **Property Away From “Premises”:** 10% of the amount of insurance specified for each location may apply to equipment and instruments usually carried by the Insured away from the “premises”. This extension does not apply to portable computer units and their equipment unless specifically indicated on the “Declaration Page”.
- (f) **Valuable Papers and Records:** \$500 on any one occurrence may apply to additional expense necessarily incurred in the reproduction of the Insured’s valuable papers, original plans or drawings, specifications or other records, due to loss, destruction or damage by a peril insured against. The Insurer shall not be liable under this extension for any sums due the Insured which the Insured is unable to collect because of loss of records.

Items covered under Clause 3 are not subject to the terms of the Coinsurance Clause 5 in this Form.

Deductible

- 4. 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 on the “Declaration Page” in any one occurrence. If one occurrence could lead to the application of more than one deductible only the largest deductible will apply.

Co-Insurance

- 5. This clause applies separately to each item for which a co-insurance percentage is specified on the “Declarations Page” and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or \$10,000.

The Insured shall maintain insurance concurrent with this Form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the “Declaration Page”, and failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

Insured Perils

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

Exclusions

7. A. PROPERTY EXCLUDED

This Form does not insure loss or damage to:

- a. property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- b. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for each ensuing loss or damage, provided such perils are not excluded in this Form;
- c. growing plants, trees, shrubs or flowers except those which are used for decorative purposes within the buildings;
- d. animals, fish or birds;
- e. money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- f. furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones,
- g. property insured under the terms of any Marine insurance and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- h. property on loan or on rental or sold by the Insured under conditional sale, installment payment or other deferred payment plan, from the time of leaving the Insured’s custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- i. property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority.
- j. property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not the insured is aware of such use of the property.

7. B PERILS EXCLUDED

This Form does not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

- a. by earthquake, except for ensuring loss or damage which results directly from fire, "explosion", "smoke" or "leakage from fire protective equipment", all as described in Clause 8;
- b. by flood, including waves, tides, tidal waves, tsunamis, or 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", all as described in Clause 8 or leakage from a water main;

exclusions (a) and (b) do not apply to property in transit;

- c. (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in this Form;
(ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Form;
- d. by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Form;
- e. by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises" unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- f. by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", theft or attempt thereat or accident to transporting conveyance provided that such perils are not excluded in Clause 7.B or 7.C or 7.D of this Form.
- g. by smoke from agricultural smudging or industrial operations;
- h. by rodents (such as squirrels and rats), insects or vermin (such as skunks and raccoons), but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 7.B or 7.C or 7.D of this Form;
- i. by delay loss of market, or loss of use or occupancy;
- j. by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- k. (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
(ii) by contamination by radioactive material;
- l. (i) by misappropriation, secretion, conversion, infidelity or any dishonest or criminal act 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), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
(ii) by voluntary parting of ownership or title by the insured to any party whether from a legal or illegal transaction;
(iii) by loss or shortage disclosed on taking inventory or any mysterious disappearance;
- m. by wear and tear, gradual deterioration, latent defect, inherent vice or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the property is insured;
- n. by loss or damage sustained to office contents while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of office contents unless fire or explosion ensues and then only for such ensuing loss or damage;

7.C. POLLUTION EXCLUDED

This Form does not insure against:

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

7.D DATA & DATA PROBLEM EXCLUDED

- a. This Form does not insure "Data"
- b. This Form does not insure loss or damage caused directly or indirectly by "Data Problem".

However, if loss of damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, all as described in clause 8 "Named Perils" this exclusion (b) shall not apply to such resulting loss or damage.

Definitions

8. When used in this policy:

"Building" - means:

the building(s) described on the Declaration Page and includes:

- (i) fixed structures pertaining to the building(s) and located on the "premises";
- (ii) additions and extensions communicating and in contact with the building(s);
- (iii) permanent fittings and fixtures attached to and forming part of the building(s);
- (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
- (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".

"Burglary" means the wrongful abstraction of property insured from within buildings by a person making wrongful entry therein or exit there from by actual force and violence as evidenced by visible marks at the place of such entry or exit.

"Data" means representations of information or concepts, in any form.

"Data Problem" means:

- (i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
- (ii) error in creating, amending, entering, deleting or using "Data"; or
- (iii) inability to receive, transmit or use "Data"; or
- (iv) damage to electronic data processing equipment or other related component system, process or device.

"Declaration Page" means the Declaration Page applicable to this policy.

"Equipment" means:

- (i) generally all contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
- (ii) electronic or electro-mechanical equipment, including but not limited to computers data processing equipment, terminals, teleprinters, readers, computerized cash registers and word processing equipment owned by the insured or leased to the insured;
- (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (iv) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.

"Fungi" includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.

"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 "premises" described on the "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

"Named Perils" means:

- (A) **FIRE OR LIGHTNING**

- (B) **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure
 - (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - (d) smelt dissolving tanks;
 - (ii) other vessels and apparatus and pipes connected therewith, while under pressure or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - (iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - (v) gas turbines
- The following are not explosions within the intent or meaning of this section:
- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (b) bursting or rupture caused by hydrostatic pressure or freezing;
 - (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

(C) **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:**

The Terms "Aircraft" and "Spacecraft" include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

(D) **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked out employees.

There shall in no event be any liability hereunder for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Definition 16(B)
- (iii) due to theft or attempted thereat

(E) **SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

(F) **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term 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 "premises" described on the "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

(G) **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:

- (i) to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not; snow-load, ice-load, tidal wave, high water overflow, flood, waterborne objects, waves, ice, land subsidence, landslip

"Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the Declaration Page and in or on vehicles within 100 metres (328 feet) of such locations.

"Robbery" means:

- (a) the felonious and forcible taking of property
 - (i) by violence inflicted up the custodian; or
 - (ii) by putting the custodian in fear of violence; or
 - (iii) by any other overt act committed in the presence of the custodian and of which he was cognizant proved such act is not committed by an officer or employee of the Insured.
- (b) the felonious taking of property from the custodian who, while having custody of the property insured under this form, has been killed or physically disabled by injuries inflicted maliciously or sustained accidentally.

“**Spores**” includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any “fungi”.

Territorial Limits

9. This insurance applies only to loss, destruction or damage occurring within Canada or the Continental United States of America (excluding Alaska), unless endorsed to the contrary.

Breach of Condition

10. 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.

Reinstatement

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

Subrogation

12. The insurer, upon making any payment or assuming liability therefore under this Form, 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 Form.

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.

Valuations

13. For the purpose of calculating the total value of the property for the application of Co-insurance, value reporting and for loss adjustment, the following valuation basis applies:

- (a) on property of others in the custody or control of the Insured for the purpose of performing work thereon – the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- (b) paintings, etchings, pictures, tapestries, statuary. Marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity – the actual cash value at the time the loss or damage occurs;
- (c) on tenant’s improvements, media and records – as defined in paragraphs (b) and (c) of Clause 14;
- (d) on all other property insured under this Form and for which no more specific conditions have been set out – the actual cash value at the time the loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

Basis of Settlement

14. (a) **Office Contents:** The Insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:

The liability of the Insurer shall be determined as follows

- (i) the cost to repair or replace (whichever is the least) the insured property with property of like kind, quality and function subject to the terms, conditions and limitations of this Policy and to the following:
 - 1. the repair or replacement must be effected by the Insured with due diligence and dispatch;
 - 2. any other insurance effected by or on behalf of the Insured in respect of the perils insured against by the Policy on the property to which this coverage is applicable shall be upon the replacement cost basis as set out herein;
 - 3. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this coverage document.

4. Any reference to actual cash value in a coinsurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.

- (ii) failing compliance by the Insured with any of the foregoing provisions the basis of settlement will be on an actual cash value basis

(b) **Tenant's Improvements:** The liability of the Insurer shall be determined as follows:

- (i) the cost to repair or replace or reconstruct (whichever is the least) the insured property on the same site or on an adjacent site, with standard building materials of like kind and quality and currently available in North America and for like occupancy subject to the terms, conditions and limitations of this Policy and to the following:
 1. the repair or replacement must be effected by the Insured with due diligence and dispatch;
 2. any other insurance effected by or on behalf of the Insured in respect of the perils insured against by the Policy on the property to which this coverage is applicable shall be upon the replacement cost basis as set out herein;
 3. if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.
 4. Any reference to actual cash value in a coinsurance clause in this Policy is deemed to be a reference to replacement cost of the property insured.

- (ii) failing compliance by the Insured with any of the foregoing provisions the basis of settlement will be on an actual cash value basis

(c) **Media and Records :** The liability of the Insurer for loss or damage to:

- (i) books of accounts, drawings, card index systems and other records, other than as described in (b) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
- (ii) media, data storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "Data" is not insured, shall not exceed the cost of reproducing such media, data storage devices, and program devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or "Data" for such reproduction.

Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying co-insurance.

Property of Others

15. At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.

Locked Vehicle Warranty

16. This clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.