

## ELECTRONIC EQUIPMENT COVERAGE FORM - BROAD FORM

### 1. Insured Property

This Coverage Form insures "Electronic Equipment" usual to the business of the Insured being property of the Insured as listed on the "Declaration Page", or on the schedule known to the Insurer, normally located at the "premises" shown on the "Declaration Page"; while temporarily removed; or while in Transit, usual or incidental to the Insureds business but only within Canada and the continental United States (excluding Alaska).

### 2. Limits of Liability

The Insurer will not pay more than the limit of coverage shown on the "Declaration Page" for each location.

### 3. Additional Coverage:

- a. **Newly Acquired Property:** If the Insured acquires any additional items of the type for which this coverage is shown on the "Declaration Page", the Insurer will automatically insure these under this coverage as long as the Insured notifies the Insurer within 60 days and pay the pro rata premium from the date acquired. The Insurer will not pay more than \$50,000 under this extension.
- b. **Newly Acquired Location:** This coverage is also extended to cover for up to \$10,000 on "Electronic Equipment" at any location that the Insured buys, rents or obtains control of in whole or in part for 60 days from the date acquired or until the new location is added to the policy, whichever occurs first.
- c. **"Data", "Media" and Extra Expense:** This coverage is extended to cover, an amount not to exceed:
  - i. \$10,000 per accident on "Data" and "Media" (combined) as defined;
  - ii. \$10,000 per accident on Extra Expense which the Insured must incur in order to continue normal operations which are interrupted as a result of a loss insured by this coverage.
- d. **Automatic Extinguishing:** This coverage is extended to pay the Insured for up to \$1,000 due to any loss for expenses actually incurred as a result of a peril insured to recharge an Automatic Extinguishing System.
- e. **Debris Removal:**

The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris from property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this policy.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

- f. **Removal:**

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss, destruction or damage or further loss, destruction or damage thereto, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportion which the value of the property in each of the respective locations bears to the value of the property in them all.

### 4. Deductible

We will pay only for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible shown on the "Declaration Page" in any 1 occurrence.

### 5. Co-Insurance

This clause applies separately to each location. The Insured must maintain insurance concurrent in form, range and wording with this coverage on the property insured to at least 90% of its actual cash value (Replacement Cost if replacement cost is specified on the "Declarations Page"), and failing to do so, the

Insurer will pay only for that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required by this clause.

This clause applies only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

## **6. Perils Insured**

This coverage insures against direct physical loss of or damage to the property insured, subject to the terms and conditions below.

## **7. Exclusions**

### **a. PROPERTY EXCLUDED**

This Form does not insure loss or damage to:

- i. accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to electronic data form and then only in that form;
- ii. property rented or leased to others while away from the Insureds "premises";
- iii. any electronic data which cannot be replaced with others of the same kind and quality unless specifically described and insured for an agreed value;
- iv. 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;
- v. property used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from, or containing, cannabis 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;
- vi. property held as samples, held for rental or sale or that the Insured rent to others;
- vii. property illegally acquired, kept, stored or transported.

### **b. PERILS EXCLUDED**

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

- i. by electrical or magnetic injury, disturbances or erasure of electronic recordings, except by lightning;
- ii. by faulty construction or error in design;
- iii. by error in machine programming or instructions to machine;
- iv. by change in the electric power supply, interruption, power surge or brown out, if the change originates more than 100 feet from the building containing the Electronic Equipment;
- v. by computer virus;
- vi. by buildup of static electricity.

### **c. FUNGI AND SPORES EXCLUSION**

This Form does not insure against:

- i. loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
  1. if the "fungi" or spores" are directly caused by a peril not otherwise excluded in this form; or
  2. to loss or damage caused directly by a resultant peril not otherwise excluded in this Form;
- ii. the cost or expense for any testing, monitoring, evaluation or assessing of "fungi" or "spores".

### **d. DATA & DATA PROBLEM EXCLUSION**

- i. This Form does not insure "Data"

- ii. 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.

e. **TERRORISM**

This Form does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

**8. Additional Loss or Damage not Insured**

With respect only to Extra Expense as provided under 3c.(ii); this coverage does not insure against loss, damage or expense directly or indirectly caused by or resulting from:

- a. loss of profits or earnings;
- b. error or omission in machine programming or instructions to machine;
- c. any local or provincial ordinance or law regulating construction or repair of buildings or property;
- d. any suspension, lapse or cancellation of any lease, license, contract or order;
- e. interference at "premises" by strikers or other persons while repairing or replacing the property damaged or destroyed, or with the resumption or continuation of the Insured's occupancy.

**9. Maintenance Agreement**

It is a condition of this coverage that a maintenance agreement for the "Electronic Equipment" shall be entered into and maintained in force during the term of this policy.

**10. Special Loss or Damage not Insured**

If Mechanical Machinery Breakdown is excluded by endorsement, or if a Maintenance Agreement for the Electronic Equipment is not entered into and maintained in force during the term of this policy, the Insurer will not pay for loss, damage or expense caused directly or indirectly by;

- a. mechanical breakdown, machinery malfunction or media failure while said media is being run through the electronic equipment;
- b. dryness or dampness of atmosphere, extremes of temperature, corrosion or rust.

**11. Reinstatement**

Any loss under this coverage will not reduce the amount of coverage available.

**12. Valuations**

For the purpose of calculating the total value of the property for the application of the Co-Insurance Clause, and loss adjustment, the following valuation basis applies:

- a. **ACTUAL CASH VALUE:** The Insured will not pay more than the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be determined or estimated according to such actual value with proper deduction for depreciation, however caused, and shall in no event exceed the limit stated for this coverage.
- b. **REPLACEMENT COST:** (only if stated on the "Declaration Page") The Insurer will not pay more than the replacement cost of the property at the time any loss or damage occurs and the loss or damage shall be determined or estimated on the basis of the replacement cost of property similar in kind to that insured at the place of and immediately before the time of such loss or damage, but in no event to exceed the limit stipulated.

**13. Special Basis of Claim Payment**

The Insurer will not pay more than:

- a. On Data, the actual reproduction cost;
- b. On Media, the cost of repairing or replacing with material of like kind and quality.

If the property is not replaced or reproduced, the blank value.

#### 14. Special Definitions of this Coverage

- a. **"Data"** means representations of information or concepts, in any form.
- b. **"Data Problem"** means:
  - i. erasure, destruction, corruption, misappropriation of "Data";
  - ii. error in creating, amending, entering, deleting or using "Data"; or
  - iii. inability to receive, transmit or use "Data";
  - iv. damage to electronic data processing equipment or any other related component system, process or device.
- c. **"Electronic Equipment" Means:**
  - i. electronic or electro-mechanical equipment, including but not limited to data processing equipment, terminals, automated milking, feeding, weighing or climate control systems, assembly or fabricating systems, teleprinters, readers, computerized cash registers and word processing equipment owned by or leased to the insured and housed within the Insured's building or within 100 feet of it.
  - ii. similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- d. **"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.
- e. **"Media"** means materials on which data are recorded, including magnetic tapes, disc packs, paper tapes and cards.
- f. **"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".
- g. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organizations(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

**SEE ALSO DEFINITIONS AND GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2**

**ALL STATUTORY AND OTHER CONDITIONS OF THE POLICY ALSO APPLY TO THIS COVERAGE**