

**WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 18**

**1. INDEMNITY AGREEMENT**

In the event that any of the insured property is lost or damaged during the policy period by an insured peril, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

- (a) the value of the lost or damaged property as determined in Clause 15;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property. The

inclusion of more than one person or interest shall not increase the Insurer's liability.

**2. INSURED PROPERTY**

This form insures those of the following items for which an amount of insurance is specified on the "Declarations Page" and only while at the "premises":

"Building"

"Equipment"

"Stock"

"Contents of Every Description"

"Property of Every Description"

**3. DEDUCTIBLE**

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence.

Should any occurrence give rise to the application of more than one deductible amount for any one "premises", only the highest deductible will be applied, unless applying more than one deductible benefits the insured.

**4. CO-INSURANCE**

This clause applies separately to each item for which a co-insurance percentage is specified on the "Declarations Page" and only where the amount of loss or damage exceeds \$15,000.

The Insured shall maintain insurance concurrent with this form on the insured property to the extent of at least the amount produced by multiplying the value of the property as determined in Clause 15 by the co-insurance percentage specified on the "Declarations Page". If the Insured fails to do so, the Insured shall be entitled to recover only 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.

**5. INSURED PERILS**

This form, except as otherwise provided, insures against all risks of direct physical loss of or damage to the insured property.

**6. EXCLUSIONS**

**A. EXCLUDED PROPERTY**

This form does not insure loss of or damage to:

- (a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the "building. This exclusion does not apply to loss or damage caused directly by "Named Perils";
  - (b) exterior signs. This exclusion does not apply to loss or damage caused directly by "Named Perils";
  - (c) property at locations which, to the knowledge of the Insured, are vacant, unoccupied or shut down for more than 30 consecutive days;
  - (d) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing. This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 (l);
  - (e) growing plants, trees, shrubs or flowers, all while outside the "building", except as provided in Clause 7(e);
  - (f) animals, fish or birds. This exclusion does not apply to loss or damage caused directly by "Named Perils" or by theft or attempted theft;
  - (g) money, "cash cards", bullion, platinum or other precious metals or alloys, securities, stamps, tickets (except lottery tickets) or tokens, or evidence of debt or title;
  - (h) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property. This exclusion does not apply to watercraft or amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises";
  - (i) furs, fur garments, jewels, jewellery. This exclusion does not apply to:
    - (i) the first \$2,500 of any loss otherwise insured; or
    - (ii) loss or damage caused directly by "Named Perils";
  - (j) property insured under the terms of any Marine Insurance, except while on a regular ferry or railway car transfer in connection with land transportation;
  - (k) property from the time of leaving the Insured's custody if it is:
    - i) loaned or rented or leased to others; or
    - ii) sold by the Insured under conditional sale or installment payment or other deferred payment plan.

This exclusion (k) 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;
  - (l) property in the custody of a sales representative outside the "premises";
  - (m) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
  - (n) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
  - (ii) any boiler, including its connected piping and equipment, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
- caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use.

This exclusion (n) does not apply to:

- (1) manually portable gas cylinders;
- (2) explosion of natural, coal or manufactured gas;
- (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages from the furnace to the atmosphere;
- (o) roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the "building". This exclusion does not apply to the first \$10,000 of any loss otherwise insured;
- (p) "equipment" or "stock" while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of "equipment" or "stock". This exclusion does not apply to loss or damage caused directly by resultant fire or explosion as described in Clause 18 (l);
- (q) exterior glass or vitrolite and its lettering or ornamentation, except as provided in Clause 7 (d). This exclusion does not apply to loss or damage caused directly by "Named Perils".

## **B. EXCLUDED PERILS**

This form does not insure against loss or damage caused directly or indirectly:

- (a) in whole or in part by earthquake. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 (l). This exclusion does not apply to property in transit;
- (b) in whole or in part by flood, including "surface water", waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except for loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", all as described in Clause 18 (l). This exclusion does not apply to property in transit or loss or damage caused directly by leakage from a watermain;
- (c)
  - (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings, foundations, basement floors, sidewalks or sidewalk lights, unless concurrently and directly caused by a peril not otherwise excluded in this form;
  - (ii) by the backing up or overflow of water from sewers, sumps, septic tanks or drains, wherever located, unless concurrently and directly caused by a peril not otherwise excluded in this form;
  - (iii) 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 centrifugal force, mechanical or electrical breakdown or derangement, in or on the "premises". This exclusion does not apply to loss or damage caused directly by resultant fire;
- (e)
  - (i) by dampness or dryness of atmosphere;
  - (ii) by changes in or extremes of temperature, heating or freezing;
  - (iii) by total or partial interruption to the supply of electricity, water, gas or steam; This exclusion (e) does not apply to:
    - (1) loss or damage caused directly by rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;
    - (2) damage to pipes caused directly by freezing, unless such pipes are excluded in paragraph (n) of Clause 6.A.;

- (3) loss of or damage to "building" or "equipment" caused directly by "Named Perils", theft or attempted theft;
- (4) loss or damage caused directly by an accident to a transporting conveyance;
- (f) (i) by shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture or finish;
- (ii) by contamination;
- (iii) by marring, scratching or crushing.

This exclusion (f) does not apply to loss or damage caused directly by:

- (1) "Named Perils";
- (2) rupture of pipes or breakage of apparatus not excluded in paragraph (n) of Clause 6.A.;
- (3) theft or attempted theft;
- (4) an accident to a transporting conveyance;
- (g) by rodents, insects, or vermin. This exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in this form;
- (h) by delay, loss of market, or loss of use or occupancy;
- (i) in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (j) (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in Clause 18 (l);
- (ii) by contamination by radioactive material;
- (k) (i) by any dishonest or criminal act committed by the Insured or any agent of the Insured, acting alone or in collusion with others;
- (ii) by theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
- (iii) by any dishonest or criminal act committed by anyone, except as stated in (k) (ii), when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

This exclusion (k) (iii) does not apply if, upon becoming aware of the dishonest or criminal act, the Insured or any agent of the Insured immediately notifies the police and the Insurer.

- (l) by snowslide, landslide, subsidence or other earth movement. This exclusion does not apply to property in transit, or to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment", all as described in Clause 18 (l);
- (m) by explosion (except explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured:
  - (i) 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;
  - (ii) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;

- (iii) other vessels and apparatus and their connected pipes 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, but this exclusion does not apply to loss or damage resulting directly from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
- (iv) moving or rotating machinery or its parts;
- (v) any vessels and apparatus and their connected pipes while undergoing pressure tests, but this exclusion does not apply to other insured property that has been damaged by such explosion;
- (vi) gas turbines.

This exclusion (m) does not apply to loss or damage caused by resultant fire;

- (n) by settling, expansion, contraction, moving, shifting or cracking. This exclusion does not apply to loss or damage caused directly and concurrently by a peril not otherwise excluded in this form;
- (o) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

### **C. POLLUTION EXCLUSION**

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". This exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this form, or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in 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".

### **D. DATA EXCLUSION**

- (a) This form does not insure "data".
- (b) This form does not insure loss or damage caused directly or indirectly by a "data problem".
- (c) Paragraphs (a) and (b) do not apply to specific coverage provided by this form for Accounts Receivable, Electronic Data Processing media or Valuable Papers and Records. Paragraph (b) does not apply to loss or damage caused directly by resultant fire, explosion of natural, coal or manufactured gas, smoke, leakage from "fire protective equipment", or water damage caused by bursting of frozen pipes and tanks.

### **E. FUNGI AND SPORES EXCLUSION**

- (a) This form does not insure loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".
- (b) This form does not insure the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".
- (c) Paragraph (a) does not apply:
  - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form.

**F. TERRORISM EXCLUSION**

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". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

**G. OTHER EXCLUDED LOSSES:**

This form does not insure:

- (a) (i) wear and tear;
- (ii) rust or corrosion;
- (iii) gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

This exclusion (a) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- (b) the cost of making good:
  - (i) faulty or improper material;
  - (ii) faulty or improper workmanship;
  - (iii) faulty or improper design.

This exclusion (b) does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form;

- (c) mysterious disappearance, or shortage of "equipment" or "stock", disclosed on taking inventory.

**7. EXTENSIONS OF COVERAGE**

The following extensions of coverage shall not increase the amounts of insurance applying under this form and are subject to all the conditions of this form.

- (a) Removal: If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the policy if less than 30 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
- (b) (i) Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the sum of:

- 1) the total amount payable for the direct loss of or damage to insured property; and
- 2) the amount of the applicable deductible.

- (ii) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises".

Extensions of coverage b(i) and b(ii) do not apply to costs or expenses:

- (a) to "clean up" "pollutants" from land or water; or

- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expense shall not be considered in the calculation of the value as determined in Clause 15 for the purpose of applying co-insurance.

- (c) 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 the "premises".
- (d) "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 attempted theft and from vandalism or malicious acts committed on the same occasion, provided the Insured is not the owner of such "building" and is legally liable for such damage and the "building" is not otherwise insured under this form. This extension of cover shall be limited to a maximum recovery of \$2,500 for any one occurrence.
- (e) Growing Plants, Trees, Shrubs or Flowers outside the "Building": This form is extended to insure loss of or damage to growing plants, trees, shrubs or flowers outside the "building" caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 18 (l)) or from theft or attempted theft. This extension of coverage shall be limited to a maximum recovery, including debris removal expense, of:
  - (i) \$500 for each growing plant, tree, shrub or flower; and
  - (ii) \$5,000 for any one occurrence.
- (f) Construction of Additions and Alterations: This form covers property for use in the construction of an addition, extension or alteration to the "building". Such property shall comprise:
  - i. (a) Fences, foundations, frescoes, glass, machinery and equipment for building services, materials and supplies, all to enter into and form part of the addition, extension or alteration.
  - (b) Landlord's permanent fittings and fixtures to be attached to the "building".
  - ii. Excavation, falsework, forms, hoardings, landscaping, scaffolding, site preparation, temporary structures and similar work.

This extension of coverage shall be limited to a maximum recovery of \$100,000.

## **8. PERMISSIONS**

Permission is granted:

- (a) for other insurance concurrent with this form;
- (b) to make additions, alterations or repairs;
- (c) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

## **9. BREACH OF CONDITION**

If the Insured does not comply with a condition of this insurance, any claim for subsequent loss or damage is not recoverable.

The Insurer will not deny a claim for this reason if the Insured proves that the non-compliance neither caused nor worsened the loss or damage. Coverage will not be affected if the Insured fails to comply with a condition in part of the "premises" over which the Insured has no control.

**10. REINSTATEMENT**

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

**11. SUBROGATION**

The Insurer, upon making any payment or assuming liability for payment under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this policy.

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.

**12. PROPERTY PROTECTION SYSTEMS**

It is a condition of this insurance, for the purpose of Clause 9, that the Insured shall immediately notify the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

- (a) sprinkler or other fire extinguishing system; or
- (b) fire detection system; or
- (c) intrusion detection system;

and shall also immediately notify the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

**13. PREMIUM ADJUSTMENT**

This clause is applicable if a specific amount of insurance is shown on the "Declarations Page" for "stock".

If, within six months after the expiry or anniversary date of each policy period, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the policy period, the value of the "stock" on the last day of each month at each "premises" as commented upon by the Insured's Accountant, the actual premium for the policy period shall then be calculated at the rate applying to each "premises" for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

**14. VERIFICATION OF VALUES**

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the policy period, or within a year after termination or expiration, to inspect the insured property and to examine the Insured's books, records and such policies as relate to any insured property. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

**15. BASIS OF VALUATION**

The value of the insured property shall be determined as follows:

- (a) unsold "stock": the actual cash value of the property at the time and place of loss or damage, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (b) sold "stock": the selling price after allowance for discounts;
- (c) the property of others in the custody or control of the Insured for the purpose of performing work upon it: the amount for which the Insured is liable, but not exceeding the actual cash value at the time and place of loss or damage plus allowance for labour and materials expended to such time;



(d) tenant's improvements:

- (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended, but not exceeding the actual cash value of the tenant's improvements at the time and place of loss or damage;
- (ii) if not repaired or replaced with due diligence and dispatch, that portion of the original cost of the lost or damaged tenant's improvements which the unexpired term of the lease at the time of loss or damage bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease;

(e) business records, including those which exist on electronic or magnetic media (other than pre-packaged software programs):

- (i) the cost of blank materials for reproducing the records; and
- (ii) the costs of labour to transcribe or copy the records when there is a duplicate.

(f) all other insured property under this form and for which no more specific conditions have been set out:

the actual cash value at the time and place of loss or damage, but not exceeding what it would then cost to repair or replace with material of like kind and quality.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to, replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

## **16. PROPERTY OF OTHERS**

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.

## **17. LIBERALISATION**

If, during the policy period, the Insurer introduces any broadening of its standard coverage for this rider without an increase in rates, the broadened coverage shall also apply to the Insured's coverage from the introduction date of the broadened coverage.

## **18. DEFINITIONS**

Wherever used in this form:

(a) **"Building"** means:

the building(s) described on the "Declarations 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".
- (vi) At the option of the Insured, and only for a "building" occupied as rented private residences:
  - (a) Landlord's permanent fittings and fixtures, excluding furniture and furnishings in furnished suites or apartments.
  - (b) Cooking, cooling, dishwashing, heating and refrigerating apparatus in suites and apartments.
  - (c) Electrical and lighting fixtures.
  - (d) Awnings, blinds, fencing, screen doors, screens and shutters.

- (b) "**Cash cards**" means cards designed to store a cash value by electronic means as a mode of payment, without a personal identification number and without direct access to a bank or other account.
- (c) "**Clean up**" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (d) "**Contents of Every Description**" means "equipment" and "stock".
- (e) "**Data**" means representations of information or concepts, in any form.
- (f) "**Data problem**" means:
  - (i) erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (ii) error in creating, amending, entering, deleting or using "data"; or
  - (iii) inability to receive, transmit or use "data".
- (g) "**Declarations Page**" means the Declarations Page applicable to this form.
- (h) "**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";
  - (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
  - (iii) 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.
- (i) "**Fire protective equipment**" includes tanks, watermains, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
  - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (ii) any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
  - (iii) any pond or reservoir in which the water is impounded by a dam.
- (j) "**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.
- (k) "**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".
- (l) "**Named Perils**" means:
  - (A) **FIRE OR LIGHTNING**
  - (B) **EXPLOSION:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability 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 their parts 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 from them;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus and connected pipes, 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 connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property 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 from them.

There shall in no event be any liability for 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 a "building".

**(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 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 Clause 18(I)(B);
- (iii) due to theft or attempted theft.

**(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 for any cumulative damage.

**(F) LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From "Fire Protective Equipment" means:

- (i) the leakage or discharge of water or other substances from;
- (ii) the collapse of;
- (iii) the rupture due to freezing of;

"fire protective equipment" for the "premises" or for adjoining structures.

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

- (i) to the interior of the "building" or to "contents of every description" 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.
- (m) "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (n) "**Premises**" means the entire area within the property lines and areas under adjoining sidewalks and driveways, and in the open within 305 metres at each location described on the "Declarations Page"; and in or on vehicles within 100 metres (328 feet) of such locations.
- (o) "**Property of Every Description**" means "building", "equipment" and "stock".
- (p) "**Stock**" means:
  - (i) merchandise of every description usual to the Insured's business;
  - (ii) packing, wrapping and advertising materials;
  - (iii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable; and
  - (iv) customers property.
- (q) "**Surface water**" means water or natural precipitation temporarily diffused over the surface of the ground.
- (r) "**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), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.