



Real Estate Form All Risk Property Coverage

A. PERILS INSURED

This policy insures against all risks of direct physical loss or damage to insured property except as excluded under this policy.

B. PROPERTY INSURED

This policy insures the following property, if shown in the declarations section, at or within 300 metres of a **described location**, unless excluded, that the insured:

- i) Owns;
- ii) Operates;
- iii) Controls; or
- iv) Is under the obligation to insure for direct physical loss or damage, to the extent of such obligation.

1. Real Property

If this policy insures real property it includes:

- a. New construction;
- b. Additions under construction;
- c. Alterations and repairs to buildings or structures;
- d. Materials, equipment and supplies for new construction, additions, buildings or structures;
- e. Temporary structures;
- f. Machinery, equipment, and fixtures that are permanently attached to the building;
- g. Personal property that is used to maintain or service the building;
- h. Underground Pipes, Tanks, Flues and Drains;

All if not covered by other insurance. This policy also covers contractors' interests in a. through h. above to the extent that the Insured has agreed, prior to loss, to keep such interests insured

2. Personal Property

If this policy insures personal property, it includes:

- a. Improvements and Betterments in which the Insured has an insurable interest;
- b. Personal property of officers and employees of the Insured, while at a **described location**;
- c. **Electronic Data Processing Equipment**;
- d. **Furniture and Fixtures**;
- e. **Service Water**.

C. ADDITIONAL COVERAGE

1. Earth Movement:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **earth movement**.

Liability for such loss or damage by **earth movement** will not exceed the annual aggregate sub-limit as specified in the declarations section in any one policy year. This policy does not pay for **earth movement** commencing before the effective or after the expiration date and time of this policy.

- b. This coverage does not apply to:

- 1) Unnamed Locations; and
- 2) Errors and Omissions.

Coverage provided by this Additional Coverage is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

2. Flood:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **flood**.

- b. This coverage does not apply to:

- 1) Unnamed locations; and
- 2) Errors and omissions.

Coverage provided by this Additional Coverage is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

3. Debris Removal:

This policy covers the reasonable and necessary expense of removal of debris from a **location** remaining as the direct result of direct physical loss or damage insured by this policy to insured property.

There is no coverage for the expense of removing or disposing of:

- a) Contaminated uninsured property; or
- b) The contaminant in or on uninsured property;

Whether or not the contamination resulted from direct physical loss or damage insured by this policy.

This Additional Coverage covers expense to remove, dispose of or clean up the actual but not the suspected presence of **contaminant(s)**.

4. Property Removed from Described Locations:

This policy covers insured property when removed from a **location** in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

This Additional Coverage does not include property covered by other insurance.

This coverage applies for a period:

- a. Of 120 days from the date of removal; but
- b. Not beyond the termination or expiration date of this policy.

5. Protection and Preservation of Property:

This policy covers the reasonable and necessary costs incurred to temporarily protect or preserve insured property, at a **location**, in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

This Additional Coverage does not cover costs incurred to temporarily protect or preserve property to avoid or prevent immediately impending physical loss or damage covered by Section D., Extensions of Coverage, Item 17. **Terrorism.**

D. EXTENSIONS OF COVERAGE

The following coverages apply, subject to the terms and conditions of this policy, and to the extent shown in the declarations section.

1. Fire Fighting Materials and Expenses:

This policy is extended to cover expenses;

a. Incurred by the Insured to replace fire extinguishing materials:

- 1) Lost;
- 2) Expended; or
- 3) Destroyed.

To the extent of the value of such fire fighting materials; and

b. For fire-fighting expenses incurred by or imposed upon the Insured in connection with insured property.

There will be no coverage for charges incurred for false alarm.

2. Professional Fees:

This policy is extended to cover the reasonable fees paid to:

- a. Auditors;
- b. Accountants;
- c. Architects;
- d. Engineers; or
- e. Other professionals;

For producing and certifying particulars or details of the Insured's business in order to determine the amount of loss payable under this policy.

There will be no coverage for the expenses of:

- 1) Attorneys.
- 2) Public adjusters, loss appraisers, loss consultants or any of their subsidiaries or associated entities.
- 3) The Insured's own employees.

3. Expediting Expenses:

a. This policy is extended to cover Expediting Expenses which are the reasonable and necessary costs to;

- 1) Make temporary repairs to, or
- 2) Expedite the permanent repair or replacement of ;

Insured property that has sustained direct physical loss or damage insured by this policy.

b. Expediting Expenses do not include:

- 1) Expenses payable elsewhere in the policy, or
- 2) The cost of permanent repair or replacement.

4. Trees, Shrubs, Plants and Lawns:

This policy is extended to cover direct physical loss or damage to:

- a. Trees;
- b. Shrubs;
- c. Plants; and
- d. Lawns;

By **named perils**.

5. Paving and Roads:

This policy is extended to cover direct physical damage to:

- a. Paving; and
- b. Roads.

6. Land and Water Clean Up Expense:

This policy is extended to cover the reasonable and necessary expense to remove, dispose of or clean up the actual but not the suspected presence of **contaminants** from land or water at a **location**, when such land or water is contaminated due to direct physical damage insured by this policy.

There will be no coverage unless such expenses are reported to the company within 180 days of the date of direct physical damage.

7. Installation Floater:

This policy is extended to cover:

- a. Materials;
- b. Equipment;
- c. Machinery; and
- d. Supplies;

Designated by the Insured for use in construction or installation projects at locations other than **described locations**.

Coverage begins at the time covered property arrives at the site of installation and ends when:

- 1) The interest of the Insured ceases;
- 2) The property has been accepted by the owner or purchaser; or
- 3) The policy expires;

Whichever occurs first.

Coverage provided by this extension is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one occurrence regardless of the number of locations, coverages or extensions of coverage. The sub limit for this extension of coverage cannot be combined with any other sub-limits in this policy.

8. Newly Acquired Property:

This policy is extended to cover property that is newly acquired.

This coverage terminates:

- a. When the newly acquired property is reported to the company; or
- b. 120 days after the date of acquisition; or
- c. At the termination or expiration of this policy;

Whichever occurs first.

There will be no coverage provided under this extension for property while in transit.

Coverage provided by this extension is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one occurrence regardless of the number of locations, coverages or extensions of coverage. The sub limit for this extension of coverage cannot be combined with any other sub-limits in this policy.

9. Unnamed Locations:

This policy is extended to cover insured property:

- a. At a place other than a **described location**, a Newly Acquired Property, or an Installation Floater location; and
- b. Not otherwise insured, including but not limited to:
 - 1) Stock Stored Off-Site;
 - 2) Property at Exhibitions;
 - 3) Salespersons Samples; or
 - 4) Office, Manufacturing and Other Equipment Off-Site.

There will be no coverage provided under this extension for property in transit.

Coverage provided by this extension is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one occurrence regardless of the number of locations, coverages or extensions of coverage. The sub limit for this extension of coverage cannot be combined with any other sub-limits in this policy.

10. Fine Arts:

This policy is extended to cover **fine arts** at a **location**.

There will be no coverage for:

- a. Breakage of any **fine arts** unless the breakage results from a **named peril**.
- b. Loss or damage to any **fine arts** as a result of restoring, repairing or retouching processes.

11. Book Debts:

This policy is extended to cover amounts due the Insured from customers, which the Insured is unable to collect, as a result of direct physical loss or damage insured by this policy to accounts receivable records.

Coverage includes:

- a. Interest charges on any loan to offset impaired collections pending repayment of sums that can not be collected.
- b. Collection expenses in excess of normal collection costs.
- c. Other reasonable expenses incurred by the Insured in recreating records of accounts receivable.

12. Valuable Papers and Records:

This policy is extended to cover **valuable papers and records**.

13. Electronic Data Processing (EDP) Media and Data:

This policy is extended to cover:

- a. **EDP media**; and
- b. **EDP data**;

14. Public Authorities:

- a. This policy is extended to cover the following when incurred by the Insured as a direct result of enforcement of any European Union legislation, building regulation or other regulation promulgated in accordance with any Act of Parliament, or by-laws of any public authority, when such legislation, regulation, or by-law:
 - 1) Regulates the demolition, construction, repair, replacement or use of buildings or structures;
 - 2) Is enforced as a direct result of direct physical loss or damage insured by this policy at a **location**; and
 - 3) Is in force at the time of such loss or damage.

Coverage is provided for:

Item A: The value of the physically undamaged portions of the insured buildings or structures when those portions are demolished;

Item B: The cost to demolish and clear any physically undamaged portions of the insured buildings or structures;

Item C: The cost incurred to actually rebuild the physically damaged and the undamaged portion, whether or not demolition is required, of such insured buildings or structures with materials and in a manner to comply with the minimum requirement of the legislation, regulation, or by-law;

Item D: The **Business Interruption** (if covered) loss during the additional time required for making the changes to the building or structures in coverage A, B and C above.

b. There will be no coverage for:

- 1) The cost required by the enforcement of any legislation, regulation, or by-law regulating any form of **contamination, or fungus, mould or mildew.**
- 2) The cost to comply with any legislation, regulation, or by-law with which the Insured was required to comply had the direct physical loss or damage not occurred.
- 3) Vacant or Unoccupied Locations subject to the terms and conditions in Section G, General Conditions, Item 7.

15. Errors and Omissions:

This policy is extended to cover direct physical loss or damage that would not be payable solely because of an error or unintentional omission:

a. In the description or address of a property, insured by this policy, which existed: at the inception date of this policy; or in any subsequent amendments to this policy.

b. Through failure to include any **location**:

- 1) Owned;
- 2) Occupied; or
- 3) Newly acquired;

By the Insured at the inception date or during the term of this policy.

c. Which results in cancellation of insured property under this policy.

Coverage applies to the extent this policy would have provided coverage, had the error or unintentional omission not been made.

There will be no coverage:

- 1) If coverage is found in whole or in part elsewhere in this policy.
- 2) Due to any error or unintentional omission in the declaration of values, or in the description of the type of coverage or property.

Coverage provided by this extension is limited to property while located within the United Kingdom, European Union and European Free Trade Association member states.

16. Transit:

a. This policy is extended to cover the following personal property, not otherwise excluded, while in transit within the United Kingdom, European Union and European Free Trade Association member states:

- 1) Personal property owned by the Insured.
- 2) Personal property of others to the extent of the Insured's interest or legal liability while in the actual or constructive custody of the Insured.
- 3) Personal property shipped to others on Free on Board (FOB), Cost and Freight (C&F), or similar terms. The Insured's contingent interest in such shipments is admitted.

b. This extension includes:

- 1) Direct physical loss or damage to insured property occasioned by:
 - a) Acceptance of fraudulent bills-of-lading, shipping or messenger receipts by the Insured, Insured's agent, customer or consignee(s).
 - b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.
 - 2) General average and salvage charges on shipments covered while waterborne.
- c. There will be no coverage for:
- 1) Property shipped by mail.
 - 2) Shipments by air unless made via regularly scheduled airlines.
 - 3) Waterborne shipments unless by inland waters or by roll-on/roll-off ferries operating between European ports.
 - 4) Any transporting vehicle.
 - 5) Property excluded elsewhere in this policy.
- d. Coverage begins:
- 1) From the time the property leaves the original point of shipment for the commencement of transit; and
 - 2) Continuously in the due course of transit;
- Until delivered at destination.
- e. Additional exclusions, conditions and provisions:
- 1) Coverage is excluded for any consequential loss beyond the direct physical loss or damage to the insured property.
 - 2) Coverage is excluded for property insured under any import or export ocean marine insurance. Coverage on export shipments not insured under ocean marine policies does not extend beyond the time when the property is loaded on board overseas vessel or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessel or aircraft.
 - 3) Permission is granted to the Insured, without prejudice to this insurance, to accept ordinary bills of lading used by carriers, including:
 - a) Released and/or under valued bills of lading.
 - b) Shipping or messenger receipts.
 - 4) The Insured may waive subrogation against railroads under sidetrack agreements.
 - 5) The Insured may not enter into any special agreement with carriers releasing them from their common law or statutory liability.

17. Terrorism:

This policy covers direct physical loss or damage to insured property caused by or resulting from **terrorism**, but only at a **described location(s)** outside the United Kingdom and where terrorism coverage is not available from the government where the location is situated.

Any act which satisfies the definition of **terrorism** provided in Section H., Definitions, or in any **terrorism** endorsement to this policy, will not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk which may be covered elsewhere in this policy. Amounts recoverable under this Additional Coverage are excluded from coverage elsewhere in this policy.

If any Business Interruption Endorsement is part of this policy, any coverage provided by any such endorsement or by any extension of such coverage will not apply to any loss resulting from the **actual cash value** portion of direct physical loss or damage by fire caused by or resulting from **terrorism**.

This extension does not cover loss or damage which also comes within the terms of Section F., Perils Excluded, Group I, Item 2.a, or Section F., Perils Excluded, Group I, Item 2.c.

This extension does not in any event cover loss or damage directly or indirectly caused by or resulting from any of the following, regardless of any other cause or event, whether or not insured under this policy contributing concurrently or in any other sequence to the loss:

- a. The use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination or that involves the discharge, explosion, or use of any nuclear device, weapon, or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war, and regardless of who commits the act; or
- b. The dispersal or application of pathogenic or poisonous biological or chemical materials; or
- c. The release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the **terrorism** was to release such materials; or
- d. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.

18. Fungus, Mould or Mildew:

This policy is extended to cover the direct physical loss or damage to insured property caused by or resulting from **fungus, mould or mildew**, when **fungus, mould or mildew** is the direct result of direct physical loss or damage insured by this policy. This coverage includes any cost or expense to clean up, remove, contain, treat, detoxify or neutralize **fungus, mould or mildew** from insured property resulting from such loss or damage.

19. Emergency Vacating Expense:

This policy is extended to cover the reasonable vacating expenses incurred by the Insured when an authorized governmental agency or other similar authority orders the emergency evacuation of:

- a. Residents; tenants; or
- b. Lawful occupants;

From a **described location** as a result of immediately impending direct physical loss or damage insured by this policy that threatens imminent physical danger or loss of life to such residents; tenants; or occupants.

No coverage is provided if the evacuation results from:

- 1) A planned evacuation drill;
- 2) Evacuation of any resident because of a medical condition(s);
- 3) A false alarm; or
- 4) **Terrorism** or immediately impending **terrorism**.

20. Off-Premises Service Interruption – Property Damage:

This policy is extended to cover physical loss or damage as a direct result of interruption of the following incoming and outgoing services. The loss of such services must be a direct result of direct physical loss or damage insured by this policy to property not excluded by this policy located at the facilities of the service provider(s).

Covered services are incoming electric, gas, fuel, steam, water, refrigeration, and outgoing sewerage.

There will be no coverage for; deliberate act(s) by the supplying utility to shed load to maintain system integrity, **business interruption, flood or earth movement** whether or not such coverage is provided elsewhere in this policy, and any loss resulting from physical loss or damage to property caused by or resulting from **terrorism**. Resultant and concurrent interruptions will be considered as one event.

21. Arson or Theft Reward:

This policy is extended to cover payment of any reward offered on the Insured's behalf for information that leads to conviction of the perpetrator(s) of:

a. Arson; or

b. Theft;

To insured property.

The company's total liability for any one occurrence will not exceed the lesser of:

a. The sub-limit of liability shown in the declarations section; or

b. Ten Percent (10%) of the direct physical loss or damage to insured property.

The company's payment of this reward will not increase regardless of the number of informants providing information that leads to a conviction.

This coverage does not cover payment of any reward offered on the Insureds behalf for information that leads to the conviction of the perpetrators of **terrorism** whether direct or indirect.

22. Money and Securities:

This policy is extended to cover direct physical loss or damage to the Insureds **money** and **securities** resulting from:

a. Dishonest or fraudulent acts including theft and forgery committed by employees acting alone or in collusion with others:

1) While in the Insured's service and who the Insured compensates directly by:

a) Salary;

b) Wages; or

c) Commissions.

2) Who are furnished to the Insured by an employment agency or service and under the Insured's direct control while performing such services in:

a) Substituting for a permanent employee on leave; or

b) Meeting seasonal or short-term workload conditions.

b. Robbery, while such property is in the care and custody of an employee of the Insured.

- c. The actual destruction or disappearance of such property.
- d. Direct physical loss or damage insured by this policy.

There will be no coverage for any loss or damage to **money** or **securities** unless such loss is reported to the company within 180 days of the date of direct loss.

23. Locks and Keys:

This policy is extended to cover the reasonable and necessary expense incurred by the Insured for replacing locks and keys by direct physical loss or damage insured by this policy.

Coverage includes the actual cost to replace, adjust or reprogram undamaged locks to accept new keys or entry codes.

24. Tenant Relocation Expense:

This policy is extended to cover relocation expenses incurred by the Insured to relocate:

- a. Residents; tenants; or
- b. Lawful occupants;

To other quarters in the shortest possible time when rented space or living quarter(s) at a **described location** are made uninhabitable as a result of direct physical loss or damage insured by this policy.

Coverage is provided for the reasonable and necessary expense of:

- 1) Packing, sorting, and transportation cost for personal property;
- 2) Reestablishing new utility services, less refunds from discontinued services, at the damaged location;
- 3) Searching for new quarters;
- 4) Disconnecting and reconnecting fixtures and equipment; and
- 5) Storage costs while awaiting possession of other quarters or restoration of existing quarters.

No coverage is provided for:

- a) Loss caused by the termination of a lease or other agreement;
- b) Security deposits or other payments made to the landlord or lessors of the new quarters;
- c) Down payments, legal fees and closing costs for the purchase of new quarters; or
- d) Expenses resulting when rented space or living quarter(s) are made uninhabitable as a direct result of direct physical loss or damage caused by or resulting from **terrorism**.

25. Soft Costs for Property in the Course of Construction/Renovation:

This policy is extended to cover **soft costs** as a result of direct physical loss or damage insured by this policy to insured property at **locations** undergoing alterations or additions to existing property and property in the course of construction. This coverage applies from the time of such physical loss or damage until the property is restored to the same degree of completion as existed prior to the physical loss or damage but for no more than 365 consecutive days from the date of such physical loss or damage.

E. PROPERTY EXCLUDED

This policy does not insure the following property unless coverage is specifically included in Section D., Extensions of Coverage, or elsewhere in this policy:

1. Land, water, or any substance in or on land, paving and roads, trees, shrubs, plants and lawns, growing crops or standing timber, and animals.
2. Bridges and tunnels used for vehicular traffic, reservoirs, canals and dams.
3. Docks, piers, and wharves which are not a structural part of the building.
4. Furs and fur garments; jewels, jewellery, watches, pearls; precious and semi-precious stones, gold, silver, platinum and other precious metals and alloys; all for loss caused by theft. This exclusion does not apply to precious metals and precious stones used by the Insured for industrial purposes.
5. Currency, **money**, notes, **securities**, accounts, bills, tickets, tokens, evidences of debt.
6. **Electronic data processing media** and **data, valuable papers and records**, and **fine arts**.
7. Motor vehicles licensed for highway use or owned by officers and employees of the Insured.
8. Satellites, aircraft, and watercraft; except if on land, unfueled, manufactured by the Insured, at a **location** and prior to being sold.
9. Personal property sold by the Insured under conditional sale, trust agreement, instalment payment, or deferred payment plan after delivery to the customer.
10. Personal property in the custody of the Insured acting as a warehouseman, bailee for hire, or carrier for hire.
11. Underground mines, caverns, and mining property within the foregoing.
12. Property while in transit.

F. PERILS EXCLUDED

GROUP I. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following. Loss or damage is excluded regardless of any other cause or event whether or not insured under this policy that contributes concurrently or in any sequence to the loss or damage.

1. Nuclear reaction or nuclear radiation or radioactive contamination. However:
 - a. If physical damage by fire or sprinkler leakage results, then only that resulting damage is insured but not including any loss or damage due to nuclear reaction or nuclear radiation or radioactive contamination.
 - b. This policy does insure against physical loss or damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted at a **location**, provided that at the time of such loss or damage there is neither a nuclear reactor nor any new or used nuclear fuel at the **location**. Such coverage does not apply to any act, loss or damage excluded in Section F., Perils Excluded, Group I, Item 2 f.

This exclusion and the exceptions in 1.a and b. above do not apply to any act, loss or damage which also comes within the terms of Section F., Perils Excluded, Group I, Item 2.b.

2. a. Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending or expected attack by:
 - 1) Any government or sovereign power (de jure or de facto);
 - 2) Any military, naval or air forces; or,
 - 3) Any agent or authority of any party specified in 1) or 2) above.

- b. Discharge, explosion, or use of any nuclear device, weapon, or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war, and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such an event.
- d. Seizure or destruction under quarantine or customs regulation, or confiscation by order of government or public authority.
- e. Risks of contraband or illegal transportation or trade.
- f. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, except to the extent provided in Section D., Extensions of Coverage, Item 17. **Terrorism**. However, if direct physical loss or damage by fire results from any of these acts (unless committed by or on behalf of the insured), and if the statutory law of the jurisdiction in which the physical loss occurs requires coverage for such direct physical loss or damage by fire, then this policy covers only to the extent the **actual cash value** of the resulting direct loss or damage by fire to insured property. This coverage exception for such resulting fire loss or damage does not apply to:
 - 1. Direct loss or damage by fire which results from any other applicable exclusion in the policy, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - 2. Any coverage provided in any Business Interruption Endorsement, if any, which may be a part of this policy, or any extension of such coverage, or to any other coverages provided by this policy.

Any act which satisfies the definition of **terrorism** provided in Section H., Definitions, or in any **terrorism** endorsement to this policy, also comes within the terms of Section F., Perils Excluded, Group I, Item 2.a, then Section F., Perils Excluded, Group I, Item 2.a applies in place of this exclusion Section F., Perils Excluded, Group I, Item 2.f.

If any act which satisfies the definition of **terrorism** provided in Section H, Definitions, or in any **terrorism** endorsement to this policy, also comes within the terms of Section F. Perils Excluded Group I, Item 2.b. then Section F., Perils excluded, Group I, Item 2.b. applies in place of this exclusion Section F., Perils Excluded, Group I, Item 2.f.

If any act which satisfies the definition of **terrorism** provided in Section H, Definitions, or in any **terrorism** endorsement to this policy, also comes within the terms of Section F. Perils Excluded Group I, Item 2.c. then Section F., Perils excluded, Group I, Item 2.c. applies in place of this exclusion Section F., Perils Excluded, Group I, Item 2.f.

If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, then this exclusion Section F., Perils Excluded, Group I, Item 2.f. applies in place of Section F., Perils Excluded, Group I, Item 1.

- 3. Loss of market; loss of use; damage or deterioration arising from any delay, whether such delay is caused by a peril insured against or otherwise; loss caused by any legal proceeding.
- 4. a. Misappropriation;
 - b. Conversion;
 - c. Infidelity; or
 - d. Any dishonest act;

Whether committed alone or in collusion with others at any time, on the part of the Insured or any additional interest, employees, directors, officers, or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted). A wilful act of destruction committed by employees of the Insured or others listed above, without the knowledge of the Insured, resulting in physical damage, is covered. Such coverage does not apply to any act excluded in Section F., Perils Excluded, Group I, Item 2 f. However, theft by employees of the Insured or others listed above is not covered.

5. a. Unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory; except that this exclusion will not apply to property while in the custody of any bailee.

b. The voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

This exclusion does not apply to coverage provided in Section D., Extensions of Coverage, Item 16. Transit.

6. The lack of power or other incoming service supplied from off a **location**. If direct physical loss or damage insured by this policy results to insured property, the resulting damage is covered.

7. **Earth movement**, except as provided in Section C., Additional Coverage, Item 1. **Earth Movement**.

Loss by fire, explosion or sprinkler leakage ensuing from **earth movement** is covered by this policy.

This exclusion does not apply to coverage provided in Section D., Extensions of Coverage, Item 16. Transit.

8. **Flood**, seepage or influx of water from natural underground sources below the surface of the ground. Except as provided in Section C., Additional Coverage, Item, 2. **Flood**.

Loss by fire, explosion or sprinkler leakage ensuing from **flood** is covered by this policy.

This exclusion does not apply to coverage provided in Section D., Extensions of Coverage, Item 16. Transit.

9. Indirect or remote loss.

10. The failure or malfunction of any **Exterior Insulation and Finish System (EIFS)** or the cost to repair the **EIFS**, including loss or damage caused by:

a. Water penetration from any source;

b. Failure of sealants in any form;

c. Leaching of any kind;

d. Discoloration of the exterior paint or finish, or

e. Damage to materials between the **EIFS** and the interior finish of the building; damage to the interior finish of the building.

Any other loss or damage resulting from the failure or malfunction of the **EIFS** to prevent migration of water into the structure is excluded unless fire, explosion, or sprinkler leakage results, in which case this policy covers only the damage caused by the fire, explosion, or sprinkler leakage.

11. **Fungus, mould or mildew**, except as provided in Section D., Extensions of Coverage, Item 18.

12. Bookkeeping, accounting, or billing error or omission; alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable; committed to conceal the wrongful giving, taking, obtaining or withholding of **money, securities**, and/or other property as respects to Section D., Extensions of Coverage, Item 11. Book Debts.

13. Error in machine programming or machine instructions as respects to Section D., Extensions of Coverage, Item 13. **EDP Media and Data**.

GROUP II. This policy does not insure against loss or damage caused by the following; however, if direct physical loss or damage insured by this policy results, then that resulting direct physical loss or damage is covered.

1. Wear and tear, deterioration, inherent vice, latent defect, vermin or insects.
2. Defects in materials, faulty workmanship, faulty construction or faulty design.
3. Loss or damage to stock or materials attributable to manufacturing or processing operations while such stock or materials are being processed, manufactured, tested, or otherwise being worked upon.
4. Dampness or dryness of atmosphere; changes of temperature; freezing, except damage to fire protective equipment caused by freezing; heating; shrinkage; evaporation; depletion; erosion; loss of weight; change in colour, flavour, texture or finish; rust; corrosion.
5. **Contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy; nor will the foregoing constitute direct physical loss or damage insured by this policy. This exclusion does not apply to radioactive contamination which is excluded in Section F., Perils Excluded, Group I, Item 1.
6. Settling, cracking, shrinkage, bulging, or expansion of:
 - a. Foundations.
 - b. Walls.
 - c. Floors.
 - d. Roofs.
 - e. Ceilings.
7. Exposure to rain, sleet, snow, sand, or dust to personal property in the open.

G. GENERAL CONDITIONS

1. First Named Insured:

The First Named Insured shown in the declarations section:

- a. Is responsible for the payment of all premiums.
- b. Will be the payee for any return premiums.
- c. May authorize changes in the terms and conditions of this policy with the consent of the company.

This policy's terms can be amended or waived only by endorsement issued by this company and made a part of this policy.

Loss or damage will be adjusted with the first named Insured and payable to or as the first named Insured directs subject to: mortgagee; lender; or similar interests; as their interest may appear as shown on the certificates of insurance issued prior to loss by the Insured's broker and on file with this company. The effective date of any interests will be the issue date of the certificates unless a later date is specified on the certificate of insurance.

2. Inspections:

This company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property.

This company's:

- a. Right to make inspections; or
- b. Making of inspections or inspection reports;

Will not constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that any property is safe or healthful.

3. Examination of Books and Records:

This company or its duly appointed representative will be permitted to:

- a. Inspect the insured property;
- b. Examine and audit books and records;

As they relate to this policy:

- 1) Any time during the policy period.
- 2) Up to three years after the expiration of coverage.

4. No Benefit to Bailee:

No person or organization, other than the Insured, having custody of insured property will benefit from this insurance.

5. Control of Property:

This policy will not apply to any **location** where there is an increase in hazard over which the Insured has control and knowledge. Any increase in hazard at one or more **locations** will not affect coverage at other **locations** where, at the time of loss or damage, the increase in hazard does not exist.

6. Deductible Clause:

This company will not be liable for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible amount shown in the declarations section and then the company will only be liable for its share of the loss or damage in excess of the deductible amount. If two or more deductibles apply to a single occurrence, then the largest deductible amount will apply. However, the policy allows for the application of:

- a. Separate and distinct deductibles; and
- b. Deductibles for specific loss categories;

As shown in the declarations section.

7. Vacant or Unoccupied Locations:

Permission is given to cease operations and for a **location** to be vacant or unoccupied for up to sixty (60) consecutive days. Thereafter coverage will apply subject to the following conditions.

The Insured must:

- a. Maintain the same degree of fire protection, and watch and alarm service as existed prior to the cessation of normal operations, and
- b. Notify the company of any such locations in writing prior to any loss or damage.

If the conditions above are not met the company will;

- 1) Not cover any loss or damage caused by or resulting from:, vandalism, sprinkler leakage, breakage of building glass, water damage, theft, attempted theft, any loss covered under D., Extensions of Coverage, Item 14. Public Authorities and any loss covered under D., Extensions of Coverage, Item 18. **Fungus, Mould or Mildew**; all regardless of the cause of loss, and
- 2) Value the loss or damage at such **locations** on the lesser of the **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.

8. Other Insurance / Excess Insurance / Underlying Insurance:

If there is other insurance covering the same loss or damage that is covered:

- a. Under this policy; and
- b. Any other policy;

Then this insurance will apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted, whether or not such insurance is collectible.

Permission is granted for the Insured to purchase:

- 1) Excess insurance over the limit(s) of liability in this policy;
- 2) Underlying insurance on all or any part of the deductibles of this policy.

If the limits of the underlying insurance exceed the deductible that would apply under this policy, then the insurance provided by this policy will apply only after that portion that exceeds the deductible has been exhausted.

Except for the foregoing, the existence of such underlying or excess insurance will not:

- a) Prejudice; or
- b) Reduce;

Any recovery payable under this policy.

9. Reinstatement of Limits after a Loss:

Except for those perils subject to an annual aggregate limit of liability, any loss or payment of any claim will not reduce the amount payable under this policy.

10. Liberalization Clause:

If this company adopts a revision that would broaden the coverage under this policy Form (UK PRO RE 3100) without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

11. Transfer of Rights and Duties under this Policy:

The Insured's rights, interests and duties under this policy may not be transferred or assigned without this company's written consent.

12. Legal Action against this Company:

No suit, action, or proceeding for the recovery of any claim under this policy, will be sustainable in any court of law or equity unless:

- a. The Insured has fully complied with all terms and conditions of the policy; and
- b. Such suit, action or proceeding is initiated within two years after the date on which the direct physical loss or damage first commenced or occurred.

13. Subrogation:

The Insured must cooperate in any subrogation proceedings. This company may require from the Insured an assignment of all rights of recovery against any party for loss to the extent of this company's payment.

This company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss. No such waiver will affect the Insured's rights under this policy.

Any recovery from subrogation proceedings, less expenses incurred by this company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- a. Any applicable deductible; and
- b. Any provable uninsured loss;

Bears to the entire loss amount.

14. Basis of Valuation:

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

a. The following property, unless endorsed, will be valued at the time of loss as follows:

- 1) Stock in process: the value of **raw materials** and labour expended plus the proper proportion of overhead charges.
- 2) **Finished goods** manufactured by the Insured, and other goods sold awaiting delivery: the regular cash selling price at the **location** where loss occurs, less all discounts and charges which the merchandise would have been subject to had no loss occurred.
- 3) **Raw materials**, supplies, and other merchandise not manufactured by the Insured: the replacement cost.

- 4) Property of others: the amount for which the Insured is legally liable, but not exceeding the replacement cost.
- 5) Unrepairable electrical and mechanical equipment, including **electronic data processing equipment**, the cost to replace with equipment that is the most functionally equivalent to that damaged, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program enhancement.
- 6) Trees, shrubs, plants, and lawns will be limited to standard local nursery stock.
- 7) **Fine arts** are valued at the lesser of:
 - a) The cost to repair or restore the article to the condition that existed immediately prior to the loss;
 - b) The cost to replace the article; or
 - c) The value designated for the article on the schedule of **fine arts** on file with this company.

In case of physical loss or damage to an article that is part of a pair or a set, this company will pay the full amount of the value of such pair or set only if: the damaged article cannot be repaired or restored to its condition before the loss; and the Insured surrenders the remaining article or articles of the pair or set to the company.

- 8) Book Debts is valued at the sum due which the Insured is unable to collect from customers, and includes:
 - a) Interest charges on any loan to offset impaired collections pending repayment of such sums that can not be collected;
 - b) Collection expenses in excess of normal collection cost; and
 - c) Other reasonable expenses incurred by the Insured in recreating records of book debts.

If the Insured is unable to accurately determine the amount of outstanding book debts at the time of loss, the following method will be used:

- (1) Determine the total average monthly amounts of book debts for the 12 months immediately preceding the month in which loss occurs; and
- (2) Adjust that total for any fluctuations in the month in which loss occurs, or for any demonstrated variance for that month.

Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted.

After payment of loss by the company, all amounts recovered by the Insured on book debts for which the Insured has been indemnified will belong to and be paid to the company by the Insured up to the total amount of loss paid by this company. All recoveries in excess of such amounts will belong to the Insured.

- 9) **Valuable papers and records** is valued at: the cost to replace or restore the property with other of like kind and quality including the cost of researching, gathering and/or assembling information. If the information is not replaced or restored, the company will pay the blank value of such **valuable papers and records**.
- 10) **Electronic data processing media and data** is valued at: the cost to replace or restore the property with other of like kind and quality including the cost of researching, gathering and/or assembling information. If the information is not replaced or restored, the company will pay the blank value of such **electronic data processing media**.
- 11) Property while in transit is valued as follows:
 - a. For property shipped to or for account of the Insured: the actual invoice to the Insured, together with such costs and charges (including the commission of the Insured as selling agent) as may have accrued and become legally due on such property.

- b. For property that has been sold by the Insured and shipped to or for account of the purchaser (if covered by this policy): the amount of the Insured's selling invoice, including prepaid or advanced freight.
 - c. For property not under invoice:
 - (1) For property of the Insured, the valuation provisions of the policy applying at the **location** from which the property is being transported; or
 - (2) For other property, the actual cash market value at point of destination on the date of occurrence.
 - (3) Less any charges saved which would have become due and payable upon arrival at destination.
- 12) Property that is damaged by fire and such fire is the result of **terrorism** and the statutory law of the jurisdiction in which the physical loss occurs requires coverage for such direct physical damage by fire, the **actual cash value** for any portion of the fire damage loss which exceeds the limit of liability provided in the declarations section.
- b. The Insured may:
 - 1) Voluntarily elect to rebuild on another site provided that such rebuilding does not increase the amount of loss or damage which would otherwise be payable to rebuild at the current site.
 - 2) Submit claim based on the **actual cash value** of the property lost or damaged until repair or replacement has been completed. The Insured may still claim for the additional coverage which replacement cost provides if notification of intention to do so is received by the company within 180 days after the loss or damage.
 - c. Replacement cost is subject to all the terms, conditions and limitations of the policy (including any endorsements) and the following additional provisions:
 - 1) The Insured must execute repairs or replacement with due diligence and dispatch.
 - 2) In no event will payment exceed the actual cost incurred for repairs, replacement, or the limit of liability stated in this policy, whichever is the lesser.
 - 3) If during the term of this policy, any insured real property is offered for sale, the liability for loss or damage will not exceed the lesser of:
 - a) The price of the offer for sale while the property is offered for sale (with proper deduction for the value of any land); or,
 - b) The cost to repair or replace.

The Insured may elect not to repair or replace the property. Loss valuation may be elected on the lesser of repair or replacement cost basis if the proceeds of the loss valuation are expended on other capital expenditures related to the Insured's operations within two (2) years from the date of loss. As a condition of collecting under this item, such expenditures must be unplanned as of the date of loss and be made at a **described location**. This loss valuation does not include any amount that would or could have been paid under section D., Extensions of Coverage, Item 14. Public Authorities Items A. thru D.

If the Insured fails to comply with any of the valuation provisions or does not repair or replace the property within two (2) years from the date of loss, the basis of valuation will revert to the **actual cash value** as defined in this policy.

15. Brands and Labels:

If branded or labelled property covered by this policy is damaged by direct physical loss or damage insured by this policy and this company elects to take all or any part of such property at the value established by the terms of this policy, the Insured may at Insured's own expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels;

If doing so will not physically damage the property.

The Insured must re-label the property or containers in compliance with the requirements of law.

16. Pairs and Sets:

This policy covers the reduction in value of the undamaged portion of Insured personal property that is a part of a pair or set, directly resulting from direct physical loss or damage insured by this policy to other insured parts of such pairs or sets. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such property to the company.

17. Requirements in Case of Loss:

The Insured must:

- 1) Give immediate written notice to the company of any loss;
- 2) Protect the property from further loss or damage;
- 3) Separate the damaged and undamaged personal property and put it in the best possible order;
- 4) Furnish a complete inventory of the:
 - a) Lost;
 - b) Destroyed,
 - c) Damaged and undamaged;Property showing in detail quantities, costs and amount of loss claimed;
- 5) If demanded, provide a statutory declaration of the truth of the claim and other matters connected with it; and
- 6) Cooperate with any reasonable request by the company to support the proof of loss and submit to examinations under oath by any person named by the company.

18. Arbitration:

All disputes and differences between the parties arising under, out of, or in connection with this insurance policy, including formation and validity, and whether arising before, during, or after the period of this insurance policy, will be referred to an arbitration in the manner set out below.

- a. If the parties fail to agree on the amount of loss, arbitration will not commence until:
 - 1) The Insured has fully complied with all terms and conditions of the policy; and
 - 2) The company has received a signed and sworn proof of loss from the Insured.
- b. The party requesting the arbitration shall write the other party requesting arbitration and within 20 days of that request require the appointer to nominate a sole arbitrator unless otherwise agreed by the parties.

- c. The arbitrator, so far as it is permissible under law and practice at the place of arbitration, shall have power to fix all procedural rules for the holding of the arbitration including discretionary powers to make orders as to any matter which they may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of documents, examination of witnesses and any matter whatsoever relating to the conduct of the arbitration providing that the arbitrator(s) shall always respect and adhere to any agreement made between the claimant and the respondent as to the manner in which the arbitration shall proceed.
- d. All costs of the arbitration shall be determined by the arbitrator.
- e. The place of arbitration may by agreement be chosen by the parties, but in the absence of such agreement, the place shall be London and English law shall be the governing law.

19. Company Option:

This company may, at its option:

- a. Take all or any part of the property at the agreed or appraised value; or
- b. Repair or replace the physically lost or damaged property;

Upon giving notice of intent to do so within 60 days after the receipt of the proof of loss.

20. Abandonment:

There can be no abandonment to this company of any property.

21. Fraud:

If any claim upon this policy shall be in any respect fraudulent or if fraudulent means or devices be used by or on behalf of the Insured to obtain benefit under this policy or if any loss or destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this policy shall be forfeited as from the commencement of this policy

22. Misrepresentation and Non-Disclosure:

This policy shall be voidable in the event of any intentional:

- a. Misrepresentation;
- b. Misdirection; or
- c. Non-disclosure;

Of any material fact.

23. Cancellation:

a. The first named Insured may cancel this policy at any time by:

- 1) Surrendering the policy to the company.
- 2) Mailing or delivering to the company advance written notice of cancellation.

b. This company may cancel this policy by:

- 1) Mailing; or
- 2) Delivering;

Written notice of cancellation to the first named Insured at the address as stated in the declarations section, not less than:

- a) Sixty (60) days; or
- b) Ten (10) days for non-payment of premium;

Before the effective date of cancellation.

Proof of mailing or delivery will be sufficient proof of notice.

c. This company will return unearned premium to the Insured:

- 1) On a pro rata basis if this company cancels the policy.
- 2) 90% of the pro rata basis if the Insured cancels the policy.

24. Currency:

Any amounts specified in this policy, including but not limited to premium, limit(s) of liability, deductible(s), and loss payable will be considered to be in British Sterling unless specified otherwise.

Losses will be adjusted and paid in British Sterling, unless otherwise directed by the Insured.

In the event loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

- a. As respects to deductibles and limits of liability, the rate of exchange published in the Financial Times on the date of loss.
- b. As respects to loss or damage to real and personal property:
 - 1) The cost to repair or replace real and personal property will be converted at the time the cost of repair and replacement is incurred based on the rate of exchange published in the Financial Times.
 - 2) If such property is not repaired or replaced, the conversion will be on the rate of exchange published in the Financial Times as of the date of loss.
- c. As respect to business interruption loss the conversion will be based on the average of the rate of exchange published in the Financial Times on the date of loss and the rate of exchange published in the Financial Times on the last day of the period of liability.

If the Financial Times is not published on the stipulated date, the rate of exchange will be as published on the next business day.

25. Conformity to Statute:

Terms of this policy, which are in conflict with the statutes of the jurisdiction where the insured property is located, are amended to conform to such statutes.

26. Jurisdiction:

This Policy will be governed by the law of England and any disputes arising hereunder shall be exclusively subject to English law and any arbitration shall be held in Great Britain.

27. Suspension:

Upon discovery of a dangerous condition, any representative of this company may immediately suspend the **boiler and machinery** insurance with respect to any machine, vessel or part thereof by giving written notice to the Insured. The insurance that is suspended may be reinstated by this company. The Insured will be allowed the return of the unearned portion of the premium resulting from the suspension of insurance.

If coverage is suspended, it will also be immediately suspended for any:

- a) Mortgagee;
- b) Lender; or
- c) Additional named interest;

By written notice of suspension.

H. DEFINITIONS

Actual Cash Value means the cost to repair or replace the property, at the time and place of the loss or damage, with material of like kind and quality, less proper deduction for obsolescence and physical depreciation.

Boiler and Machinery means direct physical loss or damage:

1. Originating within:

- a. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - 1) Waste disposal piping;
 - 2) Any piping forming part of a fire protective system;
 - 3) Furnaces; and
 - 4) Any water piping other than:
 - (a) Boiler feed water piping between the feed pump or injector and the boiler;
 - (b) Boiler condensate return piping; or
 - (c) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
- b. All mechanical, electrical, electronic or fibre optic equipment; and

2. Caused by, resulting from, or consisting of:

- a. Mechanical breakdown; or
- b. Electrical or electronic breakdown, or
- c. Extremes or changes of temperature; or
- d. Rupture, bursting, bulging, implosion, or steam explosion.

Boiler and Machinery does not mean:

Physical loss or damage caused by or resulting from any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- a. Combustion explosions, except from within combustion gas turbines; or
- b. Explosions from liquids coming in contact with molten materials; or
- c. Accidental discharge, escape, leakage, back-up, or overflow to the open of any material from confinement within piping, plumbing systems, or tanks except from property described in item 1 above; or
- d. Fire, or from the use of water or other means to extinguish a fire.

Described Locations means the locations described in the Insurance Provided section of the declarations section.

Earth Movement means any natural or man-made **earth movement**, including but not limited to earthquake and landslide.

Electronic Data Processing (EDP) Data means all information stored on media devices, including: facts, concepts, or computer programs; converted to a form usable in a data processing operation.

Electronic Data Processing (EDP) Equipment means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Equipment does not include electronic systems that control production machinery or the production machinery itself or any memory bank attached to the production machinery. Equipment does not include property in the course of manufacture or property the Insured holds for sale or demonstration.

Electronic Data Processing (EDP) Media means all materials on which data is recorded including: magnetic tapes; disc packs; paper tapes; and cards; used in data processing equipment. **EDP media** does not include any memory bank attached to production machinery or any property the Insured holds for sale or demonstration.

Exterior Insulation and Finish System (EIFS) means any exterior cladding or finish system used on any part of any structure and consisting of: a rigid or semi-rigid insulation board made of expanded polystyrene or other materials; adhesive and/or mechanical fasteners used to attach the insulation board to the substrate; a reinforced base coat; and a finish coat providing surface texture and colour, including sealant around windows and other penetrations.

Fine Arts means paintings; etchings; pictures; tapestries; rare or art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewellery; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit, excluding automobiles, coins, stamps, furs, jewellery, precious stones, precious metals, watercraft, aircraft, money, **securities**.

Finished Goods means stock manufactured or processed by the Insured which is ready for packing, shipment, or sale.

Flood means any surface water; tidal or seismic sea wave; tsunami; storm surge, including but not limited to the rush of water over or onto land from any body of water caused by high winds associated with a cyclone, tropical storm, hurricane or any other storm and secondarily by the low pressure of the storm; rising (including overflowing or breaking of boundaries) of any body of water, including but not limited to seas, oceans, reservoirs, lakes, streams, rivers, ponds and harbours; all whether driven by wind or not, and including spray from any of the foregoing that results from, contributes to, or is aggravated by any of the above. **Flood** also includes physical loss or damage from water which backs up through sewers or drains that are below ground level as a result of **flood**.

Fungus, Mould or Mildew means: fungus, including but not limited to mildew and mould; wet rot; dry rot; or bacterium; or chemical matter or compounds produced or released by such fungus, wet rot, or dry rot.

Location means **described location**, Unnamed Location, or Newly Acquired Property.

Money means currency, coins, bank notes and bullion; and traveller cheques, registered cheques, and money orders held for sale to the public

Named Perils means: fire, lightning, **wind and/or hail**, explosion, smoke, impact from aircraft and vehicles, objects falling from aircraft, strike, riot, civil commotion, vandalism, theft, attempted theft, sprinkler leakage, or collapse of buildings.

Occurrence means the sum total of all loss or damage of the type insured, including any insured **business interruption** loss arising out of or caused by one discrete event of physical loss or damage except

1. **Terrorism: Occurrence** will mean the sum total of all loss or damage of the type insured, including any insured **business interruption** loss, arising out of or caused by all acts of **terrorism** during a continuous period of seventy-two (72) hours.
2. **Earth Movement: Occurrence** will mean the sum total of all loss or damage of the type insured, including any insured **business interruption** loss, arising out of or caused by all **earth movement(s)** during a continuous period of seventy-two (72) hours.

Paving means any covering on land of tarmac, asphalt, concrete, stones, bricks, tiles, wood, or the like so as to make a firm, level surface on areas such as vehicle parking areas, runways and aprons, footpaths, pedestrian subways, courtyards, yards and playgrounds.

Raw Materials mean materials and supplies in the state in which the Insured receives them for conversion by the Insured into **finished goods**.

Roads means the part of the road or driveway on which vehicles travel.

Securities mean negotiable and non negotiable instruments or contracts representing **money** and includes: tokens; tickets; revenue and other stamps (whether represented by actual stamps or unused value in a meter); and evidence of debt issued in connection with credit card or charge cards that are not issued by the Insured. **Securities** do not mean **money**.

Service Water means water that is contained within any enclosed tank, piping system or any other service equipment.

Sewer Back Up means water which backs up through sewers or drains that are below ground level. **Sewer back up** does not mean loss or damage from water, which backs up through sewers or drains that are below the ground as a result of **flood**.

Soft Costs means the expenses over and above normal expenses at **locations** undergoing alterations or additions to existing property and property in the course of construction limited to the following:

1. Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, and charges by the lenders for the extension or renewal of loans necessary.
2. Commitment fees, leasing and marketing expenses - the cost of releasing and marketing of the Insured Project due to loss of tenant(s) or purchaser(s).
3. Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction as a direct result of direct physical loss or damage.
3. Carrying costs - building permits, additional interest on loans, insurance premiums and property and realty taxes.

Stock in Process means **raw materials** or stock, which has undergone any aging, seasoning, mechanical or other process or manufacture, but which is not **finished goods**.

Terrorism means:

Any act, involving the use or threat of: force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution, or any similar act,

When the effect or apparent purpose is:

To influence or instil fear in any government (de jure or de facto) or the public, or any segment of either; or to further, or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.

Valuable Papers and Records mean inscribed, printed or written: documents; manuscripts or records including abstracts; and, books, deeds, drawings, films, maps, or mortgages. Valuable Papers are not: **money, securities** and stamps; converted data programs or instructions used in the Insured's data processing operations; or, materials on which data is recorded.

Wind and/or Hail means direct and/or indirect action of **wind and/or hail** and all loss or damage resulting therefrom including loss or damage caused when water vapour, spray not from **flood**, mist, rain, sleet, hail, snow, ice, sand, dust or any other substance, material, object or thing is carried, blown, driven or otherwise transported through the air by wind onto or into a **location**. **Wind and/or Hail** will not mean or include anything within the policy definition of **flood**, nor will **wind and/or hail** include any loss or damage caused by fire or explosion.