

Applicable to: "Business Income" Forms, "Rental Income" Forms and "Extra Expense" Forms

This Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Policy together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Policy the Insured acknowledges the cancellation, from the effective date of this Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

POLICY CONDITIONS

MISREPRESENTATION

- 1 This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

CHANGE OF INTEREST

- 2 This policy shall be avoided if
 - i) the business as specified on the Declaration Page is wound up or carried on by a liquidator or receiver or permanently discontinued; or
 - ii) the Insured's interest ceases otherwise than by death;at any time after the commencement of this insurance unless its continuance be admitted by endorsement signed by or on behalf of the Insurer.

MATERIAL CHANGE

- 3 Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

TERMINATION OF INSURANCE

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 - 1) This contract may be terminated:
 - a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail, or 5 days' written notice of termination personally delivered.
 - b) by the Insured at any time on request.
 - 2) Where this contract is terminated by the Insurer
 - a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - 3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event, shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - 4) The refund may be made by money, postal or express company money order, or by cheque payable at par.
 - 5) The 15 days mentioned in Clause a) of Subcondition 1) of this Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS

- 5 Upon the occurrence of any loss of or damage to the property in consequence of which a claim is or may be made under this policy, the Insured shall
 - a) forthwith give notice thereof in writing to the Insurer;
 - b) at the Insured's own expense
 - i) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration setting forth particulars of the Insured's claim, together with details of any other insurances covering business income, business interruption or other consequential loss of any kind resulting from the lost or damaged property

- and stating the loss of or damage to the property did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured;
- ii) produce and furnish to the Insurer such books of accounts and other business books, vouches, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurer for the purpose of investigating or verifying the claim.

CLAIMS

- 6 No claim under this policy shall be payable unless the terms of Condition 5 above have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

FRAUD

- 7 Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

WHO MAY GIVE NOTICE AND PROOF

- 8 Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

APPRAISAL

- 9 In the event of disagreement as to the amount to be paid under this policy (liability being otherwise admitted), such disagreement shall be referred to and resolved by appraisal as provided under The Insurance Act. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

WHEN LOSS PAYABLE

- 10 The loss shall be payable within sixty days after completion of the proof of loss.

ACTION

- 11 Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year next after the loss or damage occurs.

NOTICE

- 12 Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition the expression "registered" means registered in or outside Canada.

CONTRIBUTION

- 13 If at the time of any damage resulting in a loss under this policy there shall be other insurance effected by or on behalf of the Insured covering such loss or any part of it, the liability of the Insurer hereunder shall be limited to its rateable proportion of such loss.

- N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions, a copy of which is available on request from the Insurer, apply to all perils insured and coverages provided by this policy, except where such conditions and provisions may be modified or supplemented in forms or endorsements attached to this policy.