



## BUILDING AND BUSINESS CONTENTS COVERAGE FORM (Named Perils)

Words and phrases in quotation marks have special meaning as defined in Section G.

Whenever the following words are used in this Coverage Form, they will be specifically defined as follows:

**You** and **your** means the **Named Insured**.

**We, us** and **our** means **The Wawanesa Mutual Insurance Company**.

### A. INSURED PROPERTY AND PERILS

We will pay for direct physical loss or damage to Insured Property at the "premises" described in the Declarations caused by or resulting from an Insured Peril.

#### 1. Insured Property

Insured Property, as used in this Coverage Form, means the following types of property for which an Amount of Insurance is shown in the Declarations:

##### Coverage A - Buildings

We insure buildings or structures at the "premises" described in the Declarations, including:

- (a) Other buildings or structures at such "premises", including garages, storage buildings, shipping containers and unlicensed trailers used for storage;
- (b) Permanently installed fixtures, fittings, machinery and equipment;
- (c) Outdoor signs, if permanently attached to a building described in the Declarations;
- (d) Outdoor fixtures;
- (e) Materials, equipment and supplies on the "premises", owned by you and used to maintain or service an insured building or structure or its "premises";
- (f) Completed additions;
- (g) If not covered by other insurance:
  - (i) Additions under construction, alterations and repairs to the building or structure;
  - (ii) Materials, equipment, supplies and temporary structures, used for making additions, alterations or repairs to an insured building or structure.
- (h) Growing plants, trees, shrubs and flowers used for decorative purposes inside a building you own.

##### Coverage B - Business Contents

We insure Business Contents located in or on the buildings at the described "premises" including:

- (a) Property you own that is used in your business, including furniture, fixtures, machinery, equipment, "stock" and work or goods in progress;
- (b) Similar property owned by others that is in your care, custody or control and that you are contractually obligated to insure, or for which you are legally liable for loss or damage.
- (c) (i) Tenants' improvements and betterments, including those completed by a previous tenant. Improvements and betterments are fixtures, alterations, installations or additions:
  - (1) Made a part of the building or structure you occupy but do not own; and
  - (2) You acquired or made at your expense but cannot legally remove.
- (ii) If the "premises" is a condominium "unit" that you own, the improvements, betterments, fixtures and alterations within your "unit", including those completed by a previous tenant.

Coverage B does not include any property described in Coverage A.

##### Coverage C - Property of Every Description

We insure Buildings and Business Contents as described in **Coverage A - Buildings** and **Coverage B - Business Contents** above.

#### 2. Insured Perils

Except as otherwise provided, this Coverage Form insures against direct physical loss of or damage to Insured Property caused by the following perils:

##### (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, collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you:

- (i) (1) The portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to such boilers and containing steam or water under steam pressure;
- (2) Piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- (3) 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;
- (4) Smelt dissolving tanks;
- (ii) 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)

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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 their connected pipes while undergoing pressure tests, but this exclusion does 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:** 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 you or under the control or any of your 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:** Riot includes open assemblies of strikers inside or outside the "premises" who have quit work, and of locked-out employees.

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

- (i) Cessation of work or by interruption to process or business operations or by change in temperature;
- (ii) "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 Paragraph (b);
- (iii) Theft or attempted theft.

- (e) **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"** means:

- (i) The leakage or discharge of water or other substances from;
  - (ii) The collapse of; or
  - (iii) The rupture due to freezing of;
- "fire protective equipment" for the "premises".

- (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 Business Contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (ii) Directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, high water, overflow, "flood", waterborne objects, waves, ice, land subsidence, landslide.

## B. EXCLUDED PROPERTY AND PERILS

### 1. Excluded Property

We will not insure loss of or damage to:

- (a) Money, "cash cards", electronic currency (e-currency), bullion, platinum and other precious metals or their alloys, notes, securities, bank notes, stamps, tickets (except lottery tickets held for sale), tokens, bills, or evidence of debt or title;
- (b) Automobiles, trailers, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, motors, including equipment and accessories attached to or mounted onto all such property;

This exclusion (b) does not apply to:

- (i) Watercraft, amphibious or air cushion vehicles, land vehicles or self-propelled machines (other than licensed automobiles), that you hold for sale or that have been sold but not delivered;
- (ii) Unlicensed automobiles or unlicensed trailers held for sale or used in your business when on your "premises";
- (c) Crops, lawns, trees, shrubs, flowers or plants (other than "stock" of trees, shrubs, flowers or plants), all while outside buildings;

This exclusion (c) does not apply to lawns, trees, shrubs, flowers or plants on a vegetative roof; however, loss or damage caused by or resulting from windstorm or hail;

- (d) Sewers, drains or watermains located beyond the outside walls or foundation of your building.
- (e) Outdoor radio, television, satellite, dish-type or other antennae or their masts, other communication towers or lead-in wiring;
- (f) Property which, to your knowledge, has been vacant, unoccupied or shut down for more than 60 consecutive days. A building that is under construction, will not be considered vacant, unoccupied or shut down.
- (g) Bridges, roadways, walkways, parking lots or other exterior paved surfaces;
- (h) Property:
  - (i) Insured under the terms of any marine insurance; or
  - (ii) While waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (i) Property after the time it leaves your custody if it is:
  - (i) Loaned, rented or leased to others; or
  - (ii) Sold by you under conditional sale, installment payment or other deferred payment plan.

This exclusion (i) does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at your risk.

- (j) Land, land value, water or groundwater. This exclusion (j) does not apply to packaged water products or water inside a storage tank that is used in your manufacturing or processing operations.
- (k) Property:
  - (i) Illegally acquired, kept, stored or transported; or
  - (ii) Seized or confiscated for breach of any law or by order of any public authority.
- (l) Property containing any polychlorinated biphenyls (also known as PCBs);
- (m) "Fine arts";
- (n) "Crop inputs" or "crop outputs". This exclusion (n) does not apply to "crop inputs" that you hold for sale or that have been sold but not delivered.

## 2. Excluded Perils

### SECTION I

We will not pay for 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";
- (b) In whole or in part by "flood". 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 of loss or damage caused directly by resultant fire, explosion, smoke, leakage from "fire protective equipment", riot, vandalism or malicious acts;
- (c) By smoke from agricultural smudging or industrial operations;
- (d) 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;
- (e) (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. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, except loss or damage caused directly by resultant fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) By contamination by radioactive material. This exclusion applies whether or not there are one or more causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
- (f) (i) By any dishonest or criminal act committed by you or your agent, acting alone or in collusion with others;
- (ii) By theft or attempted theft committed by any employee of yours, acting alone or in collusion with others;
- (iii) By any dishonest or criminal act committed by anyone, except as stated in (f) (ii), when you or your agent knew or ought to have known of the dishonest or criminal act prior to the loss or damage.

This exclusion (f) (iii) does not apply if, upon becoming aware of the dishonest or criminal act and prior to the loss or damage, you or your agent immediately notifies the police and us.

These exclusions (f) (i) and (f) (iii) above do not apply to a claim by an "innocent co-insured" for loss of or damage to property in which they have a legal interest, but only to the extent of their proportional interest in that property;

- (g) Proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance, building code, construction code or law regulating zoning or the demolition, use, repair or construction of buildings or structures, including the cost of removing any debris.  
This exclusion (g) applies whether or not the building or structure has sustained direct physical loss or damage;
- (h) To Business Contents while actually being worked upon and directly resulting from such work or caused by any repairing, adjusting or servicing of such property. This exclusion (h) does not apply to loss or damage caused directly by resultant fire or explosion.

### SECTION II

#### (a) Pollution

We will not pay for:

- (i) Loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", or the cost or expense of any resulting clean up. This exclusion does not apply:
    - (1) If the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" occurs during the policy period and is directly caused by an Insured Peril; or
    - (2) To loss or damage caused directly by a resultant Insured Peril;
  - (ii) The 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".
- (b) Data
- (i) We will not pay for loss or damage to "data".
  - (ii) We will not pay for loss or damage caused directly or indirectly by a "data problem". This exclusion (b)(ii) does not apply to loss or damage caused directly by resultant fire, explosion, smoke or leakage from "fire protective equipment";

**(c) Fungi and Spores**

We will not pay for:

- (i) Loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
  - (1) If the "fungi" or "spores" are directly caused by an Insured Peril that occurs during the policy period; or
  - (2) To loss or damage caused directly by a resultant Insured Peril;
- (ii) The cost or expense for any testing, monitoring, evaluating or assessing of "fungi" or "spores".

**(d) Terrorism**

This Coverage 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.

**C. LIMITATIONS**

**1. Cannabis**

We will not pay for loss or damage to that quantity of cannabis or cannabis product that is in excess of any federal or applicable provincial or territorial legal limit.

**2. Furs, Jewellery and Precious Stones**

We will not pay more than the following limits for each group of property below:

- (a) \$5,000 for furs, fur garments and garments trimmed with fur;
- (b) \$5,000 for jewels, jewellery, costume jewellery, watches, pearls, precious stones or semi-precious stones.

**D. AMOUNTS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Amount of Insurance shown in the Declarations or in any schedule or endorsement that is part of this Coverage Form.

**E. DEDUCTIBLE**

We are liable for the amount by which the loss or damage in any one occurrence caused by an insured peril exceeds the amount of the deductible shown in the Declarations.

**F. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Common Policy And Property Conditions:

**1. Co-insurance Clause**

This clause applies separately to each item for which a co-insurance percentage is shown in the Declarations and only where the amount of loss or damage exceeds the lesser of 5% of the applicable amount of insurance or \$25,000.

You will 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 **2. Valuation Clause** below, by the co-insurance percentage shown in the Declarations. If you fail to do so, you will 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.

**2. Valuation Clause**

We will determine the value of Insured Property as follows:

**(a) Replacement Cost**

At Replacement Cost (without deduction for depreciation) if the Valuation basis shown in the Declarations indicates Replacement Cost, except as provided in Paragraphs (c) through (g) below. If Replacement Cost is shown in the Declarations, Paragraph (b) **Actual Cash Value** below does not apply.

- (i) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (ii) We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (iii) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (1) The cost to replace, on the same "premises", the lost or damaged property with new property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose;
  - (2) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
  - (3) The amount of insurance applicable to the lost or damaged property.

If a building is rebuilt at a different site, the cost described in (a)(iii)(1) above is limited to the cost which would have been incurred had the building been rebuilt at the original "premises".

**(b) Actual Cash Value**

At Actual Cash Value if the Valuation basis shown in the Declarations indicates Actual Cash Value. If Actual Cash Value is shown in the Declarations, Paragraphs (a) **Replacement Cost** and (f) in this **Valuation Clause** do not apply.

Actual cash value is determined as at the time and place of loss or damage to the Insured Property. We will not pay more for loss or damage on an actual cash value basis than the least of:

- (i) The cost to repair or replace the lost or damaged property less any depreciation; or
- (ii) The amount of insurance applicable to the lost or damaged property.

In determining depreciation, we will consider:

- (1) The condition of the property immediately before the loss or damage;
  - (2) The resale value of the property immediately before the loss or damage;
  - (3) The normal life expectancy of the property; and
  - (4) Obsolescence.
- (c) (i) On unsold "stock", Actual Cash Value plus the cost of your work (labour and materials) performed on the property;
  - (ii) On sold "stock", the selling price less discounts and expenses you otherwise would have incurred.
  - (d) The following property at actual cash value:
    - (i) Used or second-hand merchandise held in storage or for sale;
    - (ii) Surplus or obsolete property that is no longer used by you;
    - (iii) Property of others;
    - (iv) Manuscripts;
  - (e) Glass at the cost of replacement with safety glazing material if required by law.
  - (f) On tenants' improvements and betterments at:
    - (i) The cost to replace if repaired or replaced with due diligence and dispatch on the same site, or if this is not possible, the cost of moving, temporary storage and restoration on another site.
    - (ii) The pro-rated original cost of such improvements and betterments for the balance of the lease term, if you do not repair or replace such improvements and betterments promptly. If your lease contains a renewal option, the expiration of the renewal option will be used for the preceding calculation instead of the expiration of the current lease term.
    - (iii) The cost to replace such improvements and betterments at this or another location, if the building owner exercises the cancellation clause in your lease because of an Insured Peril (even if your tenants' improvements and betterments are not damaged or destroyed by such peril) and your interest in such improvements and betterments reverts to the building owner.

We are not liable for any loss of leasehold interest in tenants' improvements resulting from you exercising an option to cancel the lease;

- (g) Valuable papers and records including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (i) Blank materials for reproducing the records; and
  - (ii) Labour to transcribe or copy the records if duplicates exist.

### 3. Pairs, Sets or Parts

- (a) In case of loss or damage to any part of a pair or set we may:
  - (i) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
  - (ii) Pay the difference between the value of the pair or set before and after the loss or damage.
- (b) In case of loss or damage to any part of Insured Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

### 4. Subrogation

- (a) Upon making any payment or assuming liability for payment under this Coverage Form, we will be subrogated to all your rights of recovery against others and may bring action to enforce such rights. We will have the right to control such subrogation. Following loss or damage, you will not take any action that harms or prejudices your or our rights of recovery against others, nor will you do anything to impair those rights.

All rights of subrogation with respect to insurance provided by this Coverage Form are waived against:

- (i) Any person or organization for whom insurance is provided by this Coverage Form; and
- (ii) If the "premises" is a condominium building:
  - (1) The "condominium corporation" for whom insurance is provided by this Coverage Form, and its directors, property managers, agents and employees; and
  - (2) The owner of a "unit" and, if residents of the household of the owner of a "unit", his or her spouse, the relatives of either and any person under the age of 21 in the care of such owner or his or her spouse provided that the "condominium corporation" has waived its right of legal action against such persons prior to the loss. However, this waiver of subrogation does not apply to loss or damage excluded in (c) of Section **B.2. Excluded Perils**.

If the "premises" is a condominium building, independent contractors will not be considered agents or employees of the "condominium corporation", its directors or property managers, or of a "unit" owner.

- (b) 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 will be divided between you and us in the proportion in which the loss or damage has been borne by each party respectively.
- (c) Any release from liability entered into by you:
  - (i) Prior to loss; or
  - (ii) After a loss if that party is someone insured by this insurance, a business firm owned or controlled by you, a business firm that owns or controls you, or your tenant; will not affect your right to recover.

**G. DEFINITIONS**

1. **"Cash Cards"** means cards designed to store a cash value by electronic means as a mode of payment and without direct access to a bank or other account. "Cash cards" do not include electronic currency (e-currency).
2. **"Condominium Corporation"** means a corporation constituted under provincial or territorial legislation relating to condominiums or co-ownership by declaration. It refers to a strata corporation in British Columbia and to a syndicate in Quebec.
3. **"Crop Inputs"** means fertilizers and chemicals, including herbicides and pesticides.
4. **"Crop Outputs"** means "Grain", "Produce" or "Hay, Straw, Silage or Feed".  
 "Grain" means whole threshed grain, seeds, peas, lentils and beans.  
 "Produce" means agricultural products of the soil, including fruits and vegetables.  
 "Hay, Straw, Silage or Feed" means stacked or baled hay, straw, silage or feed, commercial feed supplements, concentrates and processed grains, all for livestock consumption.
5. **"Data"** means representations of information or concepts, in any form.
6. **"Data Problem"** means:
  - (a) Erasure, destruction, corruption, misappropriation, misinterpretation of "data";
  - (b) Error in creating, amending, entering, deleting or using "data"; or
  - (c) Inability to receive, transmit or use "data".
7. **"Fine arts"** means paintings, etchings, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, manuscripts, antique silver, porcelains, rare glass and bric-a-brac) or other articles of rarity, historical value or artistic merit.
8. **"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:
  - (a) Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - (b) Any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system; or
  - (c) Any pond or reservoir in which the water is impounded by a dam.
9. **"Flood"** means:
  - (a) The breaking out or overflow of any natural or artificial body of water, waves, storm surge, seiche, tides, tidal wave or tsunami; or
  - (b) The unusual and rapid accumulation, overflow or runoff of water or natural precipitation temporarily diffused over the surface of the ground.
10. **"Fungi"** includes 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.
11. **"Innocent co-insured"** means any Insured who is a natural person and who has not abetted, colluded or consented to any dishonest or criminal act which resulted in loss or damage.  
 "Livestock" means any breed or population of animal kept for a useful or commercial purpose. These uses include the production of meat, dairy products, eggs and clothing materials.
12. **"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.
13. **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location shown in the Declarations, and in or on vehicles within 100 metres of such location.
14. **"Spores"** includes one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
15. **"Stock"** means merchandise held in storage for sale, raw materials and in-process or finished goods, including supplies and packing, wrapping, shipping or advertising materials.
16. **"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, organization or government for the purpose of influencing any government or instilling fear in the public or a section of the public.
17. **"Unit"** means the unit as defined in the declaration, description or bylaws of the "condominium corporation" or provincial or territorial legislation relating to condominiums or divided co-ownerships. It refers to a strata lot in British Columbia and to a private portion in Quebec.