

## ELECTRONIC EQUIPMENT COVERAGE – BROAD FORM

### 1. INSURED PROPERTY

If the Declaration Page shows that Electronic Equipment Coverage - Broad Form applies, we insure ELECTRONIC EQUIPMENT as defined and as listed on the Declaration Page, normally located at the premises shown on the Declaration Page; while temporarily removed; or while in Transit, usual or incidental to the your business but only within Canada and Continental United States (excluding Alaska).

### 2. LIMITS OF LIABILITY

- (a) We will not pay more than the limit of coverage shown on the Declaration Page for each location.

### 3. ADDITIONAL COVERAGE

- (a) **Newly Acquired Property:** If you acquire any additional items of the type for which this coverage is shown on the Declaration Page, we will automatically insure these under this coverage as long as you notify us within 60 days and pay the pro rata premium from the date acquired. We will not pay more than \$50,000 under this extension.
- (b) **Newly Acquired Location:** This coverage is also extended to cover for up to \$10,000.00 on Electronic Equipment at any location that you buy, rent or obtain control of in whole or in part for 60 days from the date acquired or until the new location is added to the policy, whichever occurs first.
- (c) **Data, Media and Extra Expense:** This coverage is extended to cover, an amount not to exceed :
  - (1) \$10,000.00 per accident on Data and Media (combined) as defined;
  - (2) \$10,000.00 per accident on Extra Expense which you must incur in order to continue normal operations which are interrupted as a result of a loss insured by this coverage.
- (d) **Automatic Extinguishing:** This coverage is extended to pay you for up to \$1,000.00 due to any loss for expenses actually incurred as a result of a peril insured to recharge an Automatic Extinguishing System.

### 4. DEDUCTIBLE

- (a) We will pay only for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible shown on the Declaration Page in any one occurrence.

### 5. CO-INSURANCE

- (a) This clause applies separately to each location. You must maintain insurance concurrent in form, range and wording with this coverage on the property insured to at least 90% of its actual cash value (Replacement Cost if replacement cost is specified on the Declarations Page), and failing to do so, we will pay only for that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required by this clause.
- (b) This clause applies only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.00.

### 6. PERILS INSURED

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

## EXCLUSIONS

### 7. A. PROPERTY EXCLUDED

This Form does not insure loss or damage to:

- (a) accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to electronic data form and then only in that form;
- (b) property rented or leased to others while away from your premises;
- (c) any electronic data which cannot be replaced with others of the same kind and quality unless specifically described and insured for an agreed value;
- (d) property insured under the terms of any Marine Insurance, and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation.;
- (e) property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, marijuana or any other substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not the insured is aware of such use of the property.

## 7. B. PERILS EXCLUDED

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

- (a) by electrical or magnetic injury, disturbances or erasure of electronic recordings, except by lightning;
- (b) by faulty construction or error in design;
- (c) by error in machine programming or instructions to machine;
- (d) by change in the electric power supply, interruption, power surge or brown out, if the change originates more than 100 feet from the building containing the Electronic Equipment;
- (e) by computer virus;
- (f) by buildup of static electricity.
- (g) by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Form;

## 7. C. DATA & DATA PROBLEM EXCLUDED

(a) This Form does not insure "Data"

(b) This Form does not insure loss or damage caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss or damage to property insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, all as described in clause 19 (k) "Named Perils" this exclusion (b) shall not apply to such resulting loss or damage.

## 8. ADDITIONAL LOSS OR DAMAGE NOT INSURED

With respect only to Extra Expense as provided under 3(c)(2); this coverage does not insure against loss, damage or expense directly or indirectly caused by or resulting from:

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

## 9. MAINTENANCE AGREEMENT

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

## 10. SPECIAL LOSS OR DAMAGE NOT INSURED

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

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

## 11. REINSTATEMENT

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

## 12. VALUATIONS

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

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

## 13. SPECIAL BASIS OF CLAIM PAYMENT

We will not pay more than:

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

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

#### 14. SPECIAL DEFINITIONS OF THIS COVERAGE

- (a) **"Electronic Equipment" Means:**
  - i. electronic or electro-mechanical equipment, including but not limited to data processing equipment, terminals, automated milking, feeding, weighing or climate control systems, assembly or fabricating systems, teleprinters, readers, computerized cash registers and word processing equipment owned by or leased to the insured and housed within the Insured's building or within 100 feet of it.
  - ii. similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (b) **"Data"** means representations of information or concepts, in any form.
- (c) **"Data Problem"** means:
  - i. erasure, destruction, corruption, misappropriation of "Data";
  - ii. error in creating, amending, entering, deleting or using "Data"; or
  - iii. inability to receive, transmit or use "Data";
  - iv. damage to electronic data processing equipment or any other related component system, process or device.
- (d) **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
- (e) **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (f) **"Media"** means materials on which data are recorded, including magnetic tapes, disc packs, paper tapes and cards.

**SEE ALSO DEFINITIONS AND GENERAL LOSS OR DAMAGE NOT INSURED OF SECTION 2  
ALL STATUTORY AND OTHER CONDITIONS OF THE POLICY ALSO APPLY TO THIS COVERAGE**