



## ACTUAL LOSS SUSTAINED – EARNINGS INSURANCE

The Insurer agrees to indemnify the insured up to the amount stated under the limit of liability on the "Declaration Page" against loss directly resulting from necessary interruption of business caused by destruction or damage by the perils insured against to "building(s)", "equipment" or "stock" on insured "premises".

### MEASURE OF RECOVERY

- (a) This insurance is limited to loss of earnings sustained, less operating expenses which do not necessarily continue, commencing with the date of damage or destruction but not limited by the expiration of this insurance, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property,
- (b) In determining the loss hereunder due consideration shall be given to:
  - (i) the earnings of the business before the date of damage or destruction, and to the probable earnings thereafter, had no loss occurred;
  - (ii) the continuation of operating expenses, including payroll expenses to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss;
  - (iii) the reduction of loss which could be made possible by the Insured by resuming complete or partial operation of the described property, or by making use of other property.

### INTERRUPTION BY CIVIL AUTHORITY

Coverage is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the insured "premises" is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

### EXPENSES TO REDUCE LOSS

This Form also insures such expenses as are necessarily incurred for the purpose of reducing loss under this Form (except expense incurred to extinguish a fire) but in no event shall the aggregate of such expenses exceed the amount by which the loss under this Form is thereby reduced.

## SPECIAL DEFINITIONS, EXCLUSIONS AND LIMITATIONS OF EARNINGS INSURANCE

### DEFINITIONS

- (a) Earnings means net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.

### EXCLUSIONS

The Insurer shall not be liable for:

- (a) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (b) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the damaged or destroyed property or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (c) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (d) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's earnings after the period following any loss during which indemnity is payable;
- (e) any other consequential loss or remote loss.

### LIMITATION

Electronic Data Processing Media: With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the peril(s) insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed:

- (a) 30 consecutive calendar days; or
- (b) the length of time that would be required to rebuild, repair or replace the property which has been damaged or destroyed thereby resulting in the loss of earnings, whichever is the greater length of time

SEE ALSO MULTI-PERIL AGREEMENTS, EXCLUSIONS AND CONDITIONS

### **PROFITS RECOVERY EXTENSION**

Coverage under the Earnings Insurance is extended to provide Profits cover, if so indicated on the "Declaration Page". Coverage commences from the date of an Insured loss and continues until the business' profits are restored to normal.

Normal is defined as the condition which would have existed had no loss occurred, subject to the following:

The amount recoverable shall be the least of:

1. The limit of Liability shown under Earnings Insurance
2. The actual loss sustained, not to exceed 365 consecutive days.

All other terms and conditions of the Earnings Insurance coverage apply.