

**Bed & Breakfast Package
Additional Agreements**

The following Additional Agreements, subject to the policy conditions, shall not increase the amount of insurance.

Words and phrases in quotations have special meaning as defined on the 'Residential Property - Plus Form' (EO-0703-current version)

All terms and conditions stated on the 'Residential Property - Plus Form' (EO-0703-current version) apply to this form.

1. Building By-Law and Code Compliance Coverage:

This Form, without increasing the amount of insurance and only as a result of direct damage caused by an insured peril, is extended to pay for:

- a. loss resulting from the demolition of any undamaged portion of the specified building(s) or structure(s); or
- b. the cost of demolishing, and clearing the site of, any undamaged portion of the specified building(s) or structure(s); or
- c. any increase in the cost of repairing, replacing, construction or reconstructing the specified building(s) or structure(s) on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - i. regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - ii. is in force at the time of such loss or damage.

Limitation

"We" will pay the lesser of:

- a. the amount of insurance shown on the "Declaration Page", or
- b. the minimum amount required to comply with any by-law, regulation, ordinance or law.

"We" will not pay:

- a. the additional cost caused by the enforcement of any by-law, regulation, ordinance or law which prohibits "you" from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

This coverage extension does not override any provision in the Basis of Claim Payment of the policy to which this endorsement is attached.

2. Power Fluctuation Coverage: the Insurer will indemnify the Insured for any direct loss or damage to insured contents caused by a power fluctuation, meaning a sudden rise or fall of electrical power that is not caused by lightning. This extension will not apply:

- a. to property undergoing any process or while being worked on where the damage results from such process or work,
- b. to the property item which generated the power fluctuation.

3. Personal Property of Officers, Employees, Volunteers & Guests: At the option of the Insured, "equipment" also includes personal property of the Insured's officers, "employees", "volunteers" and guests. The insurance on such property:

- a. shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
- b. is, in any event, limited to a maximum recovery of \$500 in respect of any one officer, employee, "volunteer" or guest;
- c. shall apply only to loss or damage occurring at a location specifically described on the "Declaration Page" or included in "Newly Acquired Location".

4. Growing Plants, Trees, Shrubs or Flowers in the Open: This Form is extended to insure loss or damage to growing plants, trees, shrubs or flowers in the open (with the exception of windstorm or hail or from theft or attempt thereof). This extension of coverage shall be limited to a maximum recovery of seven hundred and fifty dollars (\$750) for each growing plant, tree, shrub or flower in the open including debris removal expense.

5. **Brands and Labels:** In the case of loss or damage to insured property bearing a brand or trademark, the sale of which carries or implies the guarantee of the responsibility of the manufacturers or Insured, the salvage value of such damaged property shall be determined after removal and/or re-identifying such brands or trademarks or other identifying characteristics.

EACH OF THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, IS COVERED UP TO THE LIMIT SHOWN ON THE "DECLARATION PAGE" AS ADDITIONAL AGREEMENTS #7 - #27. THE LIMIT APPLIES TO BOTH DIRECT AND/OR INDIRECT LOSS OR DAMAGE FOR WHICH INDEMNITY IS PROVIDED BY THIS POLICY

7. **Innkeepers Liability:** The insurer will pay those sums that the Insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to personal property of the Insured's guests, patrons, or customers while such property is in the Insured's care, custody and control and is located within the insured premises. No other obligation or liability to pay sums, or perform acts or services, are covered unless explicitly provided for under Supplementary Payments – Coverages A, B, and D. The insurer may, at their discretion, investigate any "occurrence" and settle any claim or "action" that may result, but the amount the insurer will pay for "compensatory damages" is limited as described in Section II Liability Coverage and the right to defend ends when the applicable limit of insurance has been exhausted.

This insurance does not apply to:

- a. any liability assumed by the Insured under any express contractor agreement, other than a written agreement by the insured with a guest;
- b. any dishonest act by the Insured or the Insured's "employees" or person to whom the property is entrusted;
- c. mysterious disappearance;
- d. any vehicle, or its equipment, accessories, appurtenances, or any property contained therein;
- e. any property in the care, custody or possession of the Insured for laundering or cleaning; or
- f. "property damage" to any property held by a guest, patron or customer as samples or for sale or for delivery after sale.

The insured warrants that he or she will post notices, as required by statute, specifying the Insured's liability as Innkeeper for the property of guest. Failure to do so will render this form null and void in the event of a loss.

8. **Business Equipment:** Personal property is extended to include equipment specifically used for the operation of the Bed & Breakfast "business". The insurance on such property:
- a. shall apply only to loss or damage occurring at a location specifically described on the "Declaration Page" or included in "Newly Acquired Location".

As used in this document:

"Equipment" means :

- (i) generally all contents usual to the Insured's business including furniture, finishings, fittings, fixtures, machinery, tools, utensils and appliances other than "Stock" as herein defined;
- (ii) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
- (iii) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a building occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such building. If the Insured purchased the use interest in the tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured.

"Stock" means:

- (i) merchandise of every description usual to the Insured's business
- (ii) packing, wrapping and advertising materials; and
- (iv) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable

9. **Fine Arts/Antiques:** Coverage is provided for all risks of direct physical loss of or damage to Fine Arts including paintings, etchings, pictures, tapestries and other bona fide works of art (valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) or rarity, historical

value or artistic merit.

Coverage is also extended to Fine Arts acquired subsequent to the policy effective date. The Insured agrees to report such additional items within thirty (30) days of the date of acquisition and to pay premium thereon from said date at pro rata of the policy rate. This insurance shall cease if such additional items are not reported to the insurer within the thirty (30) day period.

- 10. Goods Held for Sale:** Personal property is extended to include goods of the insured held for sale and goods of others held for sale. The insurance on such property:
- a. shall not attach if it is insured by the owner unless the insured is obligated to insure it or is liable for its loss or damage;
 - b. shall apply only to loss or damage occurring at a location specifically described on the "Declaration Page" or included in "Newly Acquired Location".

- 11. Theft/Vandalism by Guest:** The insurance under this policy is extended to cover physical loss or damage to personal property on the premises caused by guests.

12. Pollution Damage – Insured Premises:

- a. Indemnity Agreement
The insurer will indemnify the insured, subject to the deductible, for expenses incurred to "cleanup" "pollutants" from land or "water" at the "premises" provided the spill, discharge, emission, dispersal, "seepage", "leakage", release, migration or escape of "pollutants"
 - i. is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under this form to which this endorsement is attached;
 - ii. is sudden, unexpected and unintentional from the standpoint of the insured; and
 - iii. is required to be reported to a provincial authority; and
 - iv. first occurs during the policy period.
- b. Limit of Insurance
The maximum amount of insurance under this additional agreement during the policy term shall not exceed in the aggregate the amount of insurance specified on the "declarations page"
- c. Reinstatement
Following a loss under this extension the amount of insurance specified in the "declarations page" for this item will be reduced by the amount payable
- d. Additional Exclusions
The insurer shall not be liable for:
 - i. expenses for "cleanup" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, "seepage", "leakage", migration, release or escape of "pollutants" even if the "pollutants" emanated from the "premises";
 - ii. expenses for "cleanup" of any spill discharge, emission, dispersal, "seepage", "leakage", migration or escape of "pollutants" that began before the effective date of this policy;
 - iii. fines, penalties, punitive or exemplary damages
 - iv. expenses incurred for the "cleanup" of "pollutants" at or from any "premises", site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.
- e. Additional Conditions
 - i. Reporting Period
It is a condition precedent to recovery under this extension that all expenses insured by this extension be incurred and reported to the insurer within one hundred and eighty (180) days of the spill, discharge, emission, dispersal, "seepage", "leakage", release, migration or escape of "pollutants" for which "cleanup" expenses are being claimed.

- 13. Data:** This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. Coverage is provided for direct loss or damage, by an insured peril to "Data". Coverage is included for the erasure or damage that is a result of direct physical damage to Electronic Data Processing equipment from the perils insured against including "Power Fluctuation" coverage as outlined in "Additional Agreements of the Insurer # 2". Coverage is limited to the actual cash value (depreciated value) of such "data". Coverage doesn't apply to "data" that cannot be replaced with other of like kind and quality. This extension of coverage is for "Data" at the insured "Premises" and subject to the following additional exclusions:

The insurer shall not be liable for loss, damage or expense caused directly or indirectly by:

- a. loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents except as they may be converted to data processing media form and then only in that form;
- b. loss of income or any other consequential or remote loss;
- c. programming errors or faulty machine instructions;
- d. cost of compiling such "data" if collection and reconstruction is so required.

14. Media: This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. Coverage is provided for the depreciated cost of Media being materials on which "data" is recorded including magnetic tapes, discs, disc packs, portable memory devices, paper tapes and cards. Coverage under this additional agreement is limited to "Media" on the insured "premises" and the direct physical loss or damage must be caused by an insured peril. Coverage doesn't apply to media that cannot be replaced with other of like kind and quality.

15. Building Damage by Theft: This Form is extended to insure damage (except by fire) to that part of a building occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such building or is liable for such damage and the building is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of the amount shown on the "Declaration Page" for Additional Agreements #7 - #27. Glass and lettering or ornamentation thereon is excluded from this extension.

16. Stock Spoilage: This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. The insurance under this policy is extended to cover physical loss of or damage to "stock" or "contents" on the "premises" caused by dampness or dryness of atmosphere or change of temperature. The dampness or dryness of atmosphere or change of temperature must be the direct result of (a) or (b) below.

- a. Physical loss of or damage to building, "equipment" or "contents", including supply or transmission lines and pipes and their connections furnishing "services", on the "premises". The physical loss or damage must directly result from a peril insured against. The part of the building or of the "equipment" or "contents" that sustains loss or damage must be used for refrigerating, cooling, humidifying, heating or for generating or converting power.
- b. Interruption to the supply of "services" to the "premises". The interruption must be caused by physical loss of or damage to apparatus that generates or supplies such "services" to the "premises". The physical loss or damage must directly result from a peril insured against. The apparatus that sustains loss or damage must be located on or within 1 kilometre of the "premises".

This extension does not cover loss or damage resulting from partial or total interruption to the supply of "services" arising from:

- i. Loss of or damage to any electrical transmission lines or distribution lines or their supporting structures, except for those located on the "premises";
- ii. Lack of sufficient capacity; or
- iii. Intentional reduction in supply; or
- iv. Any loss for which indemnity is provided under an Equipment Breakdown Rider.

17. Glass and Signs: This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. Coverage is provided for all loss or damages to exterior glass, lettering, ornamentation and burglar foils thereon, caused by accidental breakage of such glass.

The insurer shall not be liable under this additional agreement for coverage for:

- a. loss or damage directly or indirectly from fire whether in the "premises" described in the "Declaration Page" or elsewhere;
- b. the cost of removing or replacing any fixtures or other obstructions to the replacement of the glass;
- c. loss or damage caused directly or indirectly by the "Perils Excluded" in "Perils Excluded" section of PP-0703-current version.

This form also insures actual loss sustained by the insured through direct physical loss or damage to exterior signs located on the "premises" to the limit shown on the "Declaration Page" for this additional agreement of the Insurer.

18. Off Premises Stock and Equipment: This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. Coverage is provided for insured property sustaining direct damage by an insured peril;

- a. while temporarily removed from the insured "premises"; or

- b. while in transit; or
- c. in the custody of the insured, any officer or employee or "volunteer".

In no event does this extension apply to contractor's stock, equipment and tools.

- 19. Valuable Papers and Records:** This Additional Agreement applies only to contents pertaining to the Bed & Breakfast business. Coverage is provided for the extra expense necessarily incurred in the cost of compiling books of account, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing, all the property of the Insured, when such records are damaged by a peril insured against.
- 20. Accounts Receivable:** The Insurer will indemnify the Insured for all sums due the Insured from customers, provided that the Insured is unable to effect collection thereof as a direct result of loss of or damage to records of accounts receivable contained on the insured "premises" and resulting from a peril insured against. This extension of coverage also includes the following:
- a. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss, destruction or damage.
 - b. Collection expense in excess of normal collection cost and made necessary because of such loss, destruction or damage.
 - c. Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such loss, destruction or damage.
- 21. Extra Expense:** Coverage is provided for the extra expense necessarily incurred by the Insured to continue normal "business" services and operations which are interrupted as a result of loss by a peril insured against to insured property and only for the period of time required with the exercise of due diligence and dispatch to repair, rebuild or replace the damaged or destroyed insured property and restore normal "business" service and operations.
- 22. Professional Fees:** Coverage is provided for reasonable fees payable to Professionals whom an Insured may hire to produce and certify particulars or details of the Insured's "business" required by the Insurer to arrive at the loss payable to the Insured.
- 23. Fire Department Expenses:** "We" will reimburse "you" for fire department charges incurred for attending premises insured under this policy to save or protect insured property from loss or damage, or further loss or damage insured against by this policy.
- 24. Master Key:** Coverage is provided for the reimbursement of the cost to replace lock(s) and key(s) at the premises insured made necessary by the actual destruction, disappearance or wrongful abstraction of master key(s) and/or lock(s) as the result of an insured peril damaging or destroying insured property.
- 25. Leasehold Interest (Rents):** The Insurer will indemnify the Insured for any increase in "your" rent where such an increase:
- a. arises from the termination of "your" lease by "your" landlord, in accordance with the terms of "your" lease, and
 - b. the termination of "your" lease is caused by damage to the building by perils insured against on this policy and
 - c. "you" enter into a new lease of premises of like kind and size for the purpose of continuing "your" operations.
- The Insurers liability under this Additional Agreement is limited to the actual increase in rents for the period beginning with the termination of "your" lease and ending on the expiry date of the terminated lease or twelve (12) months from the date of the termination, whichever is sooner.
- The Insurer is not liable for any loss resulting from "you" exercising an option to terminate the lease.
- The Insurer is not liable for any loss arising from the termination of a lease renewal option unless the renewal offer had been accepted in writing by the landlord prior to the loss.
- 26. Contingent Loss of Income:** Coverage is extended under Loss of Income for the amount of loss which results from the interruption or interference of the Insured's "business" caused by the damage or destruction as the result of an insured peril under this Policy, to any building or part thereof or other property of a "contributing property" or "recipient property" being a "business" not operated by the Insured. When used in this additional agreement:

- a. A “contributing property” is a premise within the territorial limits of this policy which supplies materials to the insured and which is not owned, rented or controlled in whole or in part by the Insured.
- b. A “recipient property” is a premise within the territorial limits of this policy to which the insured’s products are shipped and which is not owned rented or controlled in whole or in part by the Insured.

27. Off-Premises Utilities Interruption: Loss of Income coverage if shown on the “Declaration Page” is hereby extended, subject to the all terms and conditions, provisions and limitations of this policy, to include loss resulting from the necessary interruption of “business” caused by damage to or destruction of off-premises public utility property located within 1 kilometre of the “premises. Such public Utility property includes plants, transformer or switching stations, sub-stations, transformers, pumping stations which furnish heat, light, power or gas to the insured “premises”, provided such loss or damage is caused directly by the perils insured against under this policy to buildings, structures, machinery, equipment or stock as described in the policy declarations. This agreement does not cover Business Interruption loss during the first 24 consecutive hours of loss of “services” or “service interruption” directly or indirectly arising from:

- a. loss or damage to electrical transmission lines or distribution lines or their supporting structures;
- b. loss of or reduction of “services” due to lack of sufficient capacity; or
- c. an intentional reduction in the supply of “services”.

As used in this agreement:

“services” means electricity, “water”, gas or steam.

“service interruption” means loss of “services” for a period exceeding 24 consecutive hours

THE FOLLOWING ADDITIONAL AGREEMENTS, SUBJECT TO THE POLICY CONDITIONS, ARE IN ADDITION TO THE AMOUNT OF INSURANCE APPLYING UNDER THIS POLICY

Newly Acquired Locations or Expansion of Current Operation: Coverage is provided for building(s) or additions to existing buildings up to a limit of \$200,000 or to contents up to a limit of \$100,000. This shall cover new building(s) or additions to an existing building or additional contents all to be used in conjunction with the expansion of the Insured's existing “business”. This additional coverage shall cease 60 days from the date construction begins or contents are shipped. Additional premium for such new coverage shall be due and payable for values so reported, computed from the date construction begins or additional contents arrive at the premises.

Peak Season Stock Increase: Up to 25% of the total amount(s) specified for “stock” may be applied to increase the “stock” limit for 4 months (120 consecutive days) to cover loss by a peril insured against. However, this increase shall not apply unless the limit of insurance shown on the “Declaration Page” is 80% or more of the insured’s average monthly values for the 12 months immediately preceding the date of loss, or in the event that insured has been in “business” for less than 12 months, such shorter period of time.

Automatic Inflation Protection: It is agreed that:

- a. The amount of insurance applicable to Building(s) shall be increased during the policy period by the proportion by which the latest published Statistics Canada New Housing Price Indexes have increased since the last premium due date.
- b. At the premium due date, the amount of insurance shall be increased automatically in accordance with the latest published Statistics Canada New Housing Price Indexes and the appropriate premium charged.
- c. If the amount of insurance applicable to Building(s) is changed at the request of the Insured during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.
- d. If the policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.
- e. In this agreement, "premium due date" means the inception, renewal or anniversary date of the policy to which this endorsement is attached.