

# Gross Rental Income Form

Words and phrases in quotations have special meaning as described in the definitions.

## 1. INDEMNITY AGREEMENT

This form insures, up to the amount stated on the “declarations page” against loss of “gross rents” directly resulting from or caused by destruction or damage by the perils insured against, to building(s) and additions, and extensions communicating and in contact therewith on the described “premises”.

## 2. MEASURE OF RECOVERY

The insurance is limited to loss of “gross rents” sustained due to a. Reduction in gross rents and b. Increase in cost of working and the amount payable shall be:

- a. **In Respect of Reduction of Gross Rents:** The amount by which the gross rents during the indemnity period shall, in consequence of the destruction or damage, fall short of the standard gross rents.
- b. **In Respect of Increase in Cost of Working:** The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in gross rents which but for that expenditure would have taken place during the indemnity period in consequence of the of the destruction or damage, but not exceeding the loss of gross rents thereby avoided; less any sum saved during the “indemnity period” in respect of costs as may cease or be reduced in consequence of the destruction or damage by the perils insured against, provided that if the amount of insurance be less than the annual gross rents, the amount payable shall be proportionally reduced.

## 3. AUDITOR'S FEES

The Insurer will pay the insured up to \$500 for reasonable fee payable to the insured's auditor for producing and certifying particulars and details of the insured's business required by the insurer in order to arrive at the loss payable under this form in the event of a claim.

## 4. ADDITIONAL EXCLUSIONS

- a. This 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”. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.
- b. property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from, or containing, cannabis 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.

## 5. DEFINITIONS

- a. **Gross Rents:** The money paid or payable to the insured by tenants in respect of rental of the “premises”.
- b. **Indemnity Period:** The period beginning with the occurrence of a peril insured against and ending not later than 12 months thereafter during which gross rents shall be affected in consequence of the destruction or damage by a peril insured against.
- c. **Annual Gross Rentals:** The gross rents during the 12 months immediately before the date of the destruction or damage by a peril insured against to which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting gross rents either before or after the destruction or damage or which would have affected gross rents had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably

practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.

- d. Standard Gross Rents: The gross rents during that period in the 12 months immediately before the date of the destruction or damage by a peril insured against or which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trends of, variations in or special circumstances affecting gross rents either before or after the destruction or damage or which would have affected gross rents had the destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the destruction or damage would have been obtained during the relative period after the destruction or damage.
- e. "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(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

## 6. PROVISIONS

- a. If during the indemnity period services shall be rendered elsewhere than at the premises" for the benefit of the business either by the insured or by others on his/her behalf the money paid or payable in respect of such services shall be brought into account in arriving at the gross rents during the indemnity period.
- b. The liability of the insurer shall in no case exceed the total amount of insurance specified herein or such other amount(s) as may hereafter be substituted therefore by endorsement signed by or on behalf of the insurer.
- c. The insurer shall not be liable for any loss due to fines or damages for breach of contract, or for any penalties of whatever nature.
- d. On the happening of any destruction or damage by a peril insured against in consequence of which a claim is or may be made under this endorsement, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption or interference with gross rents or to avoid or diminish the loss.
- e. The insurer shall be liable for actual loss sustained hereunder, during the period of time, not exceeding two consecutive weeks from the date when, as a direct result of the peril(s) insured against, access to the premises described is prohibited by order of civil authority.
- f. If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this endorsement and policy that the claim hereunder shall be adjusted with the insured on the basis that such policy or policies will contribute a rateable proportion of the loss; unless it is otherwise expressly agreed in writing.
- g. No term or condition of this policy shall be deemed to be waived by this 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 this policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this policy.

**All other terms and conditions of this policy remain unchanged.**