

## **Business Interruption Endorsement Gross Earnings Form Including Ordinary Payroll**

### **1. Coverage Provided:**

In consideration of additional premium, this policy is extended to cover at locations described in the declarations:

- A.** The actual loss sustained by the Insured due to the necessary interruption of business during the period of interruption, and 30 consecutive days following that period;
- B.** Expenses, over and above normal operating expenses, that must be incurred by the Insured:
  - 1) In making up lost production; and
  - 2) To reduce loss payable under this endorsement;

Resulting from direct physical loss or damage from perils insured by this policy to insured property utilized by the Insured. This company will not pay for any expense more than it would have paid had the Insured been unable to make up any lost production, or to continue any business operations or services.

If the Insured is wholly or partially prevented from producing goods or from continuing business operations or services and is unable to:

- a.** Make up lost production within a reasonable period of time (not to be limited to the period during which production is interrupted); or
- b.** Continue business operations and services;

By using any property owned or controlled or obtainable from other sources or through working extra time or overtime; then this company will be liable for the actual loss sustained during the period of interruption.

Coverage is provided for the following:

**Gross Earnings**, less all charges and expenses, that do not necessarily continue during the period of interruption.

For purposes of this endorsement: **Gross Earnings** is defined as:

**For manufacturing operations:** The net sales value of production less the cost of all:

- a)** Raw stock; and
- b)** Materials and supplies;

Utilized in such production;

Plus all other earnings derived from operations of the business.

**For mercantile or non-manufacturing operations:** The total net sales less the cost of all:

- a)** Merchandise sold;
- b)** Materials and supplies consumed in the operations; or
- c)** Service rendered by the Insured;

Plus all other earnings derived from the operation of the business.

**Entire Ordinary Payroll:**

For purposes of this endorsement: **Ordinary Payroll** is defined as:

- a) Wages of all employees except officers, executives, department managers, and employees under contract or similar key employees; and
- b) Includes taxes and charges dependent on the payment of those wages;

Only:

- 1) For the number of consecutive days as indicated in the declarations immediately following loss or damage insured by this policy; and
- 2) To the extent that such payroll would have been earned;

Had no interruption occurred.

If the Insured reduces the daily loss otherwise payable for ordinary payroll, either by:

- (a) Providing gainful employment for; or
- (b) Paying less than the normal salary rate to;

All or part of its employees; then the number of consecutive days provided above may be extended. In no event will this provision increase the total liability of the company beyond the amount for which it would have been liable for ordinary payroll without this additional provision.

Ordinary Payroll does not cover any portion of:

- (1) Salaries; or
- (2) Wages;

Included in Gross Earnings as defined above.

**2. Conditions:**

This company will give consideration to the:

- 1) Experience of the business before and the probable experience after the period of interruption; and
- 2) Continuation of only those normal charges and expenses that would have existed had no interruption of production, or suspension of business operations or services occurred;

In determining the Gross Earnings loss payable.

**3. Limit of Liability:**

The company's maximum limit of liability for any loss under this endorsement will not exceed the limit of liability shown in the declarations.

**4. Period of Interruption:**

A. For purposes of determining the loss payable under this endorsement, the period of interruption is defined as:

- 1) The period from the time of direct physical damage insured by this policy;

To the time;

2) When, with due diligence and dispatch, physically damaged property could be:

- a) Repaired or replaced; and
- b) Made ready for operations under the same or equivalent physical and operating conditions that existed prior to such damage;

Not to be limited by the expiration date of this policy.

**B.** The period of interruption for alterations or additions to existing property and property under the course of construction will be determined from:

1) The period from the time of direct physical damage insured by this policy when operations would have begun if the direct physical loss or damage had not occurred;

To the time:

2) When, with due diligence and dispatch, physically damaged buildings and equipment could be:

- a) Repaired or replaced; and
- b) Production or business operations would have commenced;

Had no physical damage occurred to such insured property.

**C.** The period of interruption:

1) Will include that period for which physically:

- a) Damaged; or
- b) Destroyed;

Raw materials would have supplied operating needs.

2) Will not include any additional time resulting from the inability to procure suitable:

- a) Raw materials; and
- b) Supplies;

To replace those physically damaged or destroyed.

The additional time required for:

(1) Making change(s) to the buildings, or structures, for any reason, except as set forth in the Demolition and Increased Cost of Construction extension contained with in the policy to which this endorsement is attached;

(2) Restaffing or retraining employees;

Is not included within the period of interruption and is not covered.

## **5. Additional Coverages:**

### **A. Civil Authority:**

Coverage is provided when access to the described location is prohibited by order of civil authority. This order must be given as a direct result of physical loss or damage from a peril of the type insured by this policy. The company will be liable for the actual amount of loss sustained at such location for a period of up to 30 consecutive days from the date of this action.

### **B. Transmission Facilities:**

This policy covers loss resulting from physical loss or damage insured by this policy to:

- 1) Electrical and telecommunication equipment; and
- 2) Electrical, telecommunication, fuel, water, steam, and, refrigeration transmission lines;

All situated on or within 300 metres of the described location.

Coverage is excluded for loss resulting from:

- a) The lack of incoming services described above; or
- b) Physical loss or damage to transmission facilities providing these services;

That occurs beyond 300 metres of the described location.

## **6. Exclusions:**

This endorsement, and any extension of coverage to this endorsement, do not cover:

- a. Any loss during any period in which goods would not have been produced.
- b. Any loss during any period in which business operations or services would not have been maintained.
- c. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license, or order.
- d. Any loss due to:
  - 1) Fines or damages for breach of contract.
  - 2) Late or non-compliance of orders or penalties of any nature whatsoever.
  - 3) Any other consequential or remote loss.
- e. Any loss resulting from physical loss or damage to property in transit.
- f. Any loss resulting from physical loss or damage to finished products manufactured by the Insured or the time required for their reproduction.

All other terms and conditions of this policy remain unchanged.