



Deluxe Home Business Property Coverage

This part of Your Masterpiece Policy provides the home business with coverage against physical loss or damage to Your home business property anywhere in the world subject to the terms, conditions and exclusions stated in the Policy.

Definitions

Accounts receivable loss	means: <ul style="list-style-type: none">• money due from customers of the covered business that the covered business is unable to collect because of a covered loss to the home business accounts receivable records; and• the reasonable expenses incurred by the covered business to recreate or reproduce the covered business' accounts receivable records.
Business data	means home business facts or information recorded on computer media.
Business documents	means securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports or tickets.
Covered business	means the home business entity shown in the Coverage Summary.
Covered loss	means the physical loss or damage to home business property subject to the terms, conditions and exclusions in this Policy.
Financial instruments	means money, money orders, cheques, bank notes, bullion, gold, silver or platinum.
Home business	means a business or professional activity legally conducted under the name of the covered business, by You or a family member, primarily at the residence premises for which Home Business Property Coverage is shown in the Coverage Summary.
Home business continuation expenses	means any reasonable expenses the covered business incurs: <ul style="list-style-type: none">• in an attempt to continue the covered business' activities over and above the expenses the covered business would have normally incurred had there been no covered loss; and• to repair or replace any home business property, if such action will reduce any loss We would pay under loss of business income.
Home business property	means computers, business data, valuable papers, financial instruments, business documents, furnishings including carpets and curtains, supplies, and equipment owned by the covered business or owned by others that is in the care, custody or control of the covered business. However, home business property does not include: <ul style="list-style-type: none">• inventory of stock or merchandise;• samples;• prototypes; or• specimens.
Loss of business income	means net profit or loss, before taxes, that would have been earned had there been no covered loss, less sums saved during the period of covered loss in respect of such charges and expenses of the home business as may cease or be reduced in consequence of the covered loss. Loss of business income does not include interest, investment income or net income that would likely have been earned as a result of an increase in home business activities due to favourable business conditions caused by the impact of a loss to customers or to other businesses.
Replacement cost	means the full cost to replace the home business property without deduction for depreciation or the amount required to repair the damage, whichever is less, up to the sum insured.
Valuable papers	means home business printed documents or records. However, valuable papers does not include: <ul style="list-style-type: none">• money, money orders, cheques, bank notes, bullion, gold, silver or platinum; or• securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports or tickets.
You	For the purpose of this Home Business Property Coverage, when used in the Policy Conditions section of this Masterpiece Policy (pages Y-1 – Y-4), You means the covered business only.



How We will pay Your claim

<i>Sum insured</i>	<p>The sum insured for home business property at each residence for each occurrence is shown in the Coverage Summary. At the time of a covered loss, the sum insured for home business property will include any increase in the Consumer Price Index (all groups) from the beginning of the Policy period.</p>
<i>Inflation protection</i>	<p>If this Policy is renewed, the sum insured for Your home business property may be changed by Us based on annual adjustments for inflation.</p>
<i>Payment basis</i>	<p>The payment basis for home business property is replacement cost.</p> <p>However, We will determine the value of valuable papers and business data at the reasonable and necessary cost of:</p> <ul style="list-style-type: none">• recreating or reproducing the data on or in the valuable papers and business data, if the items are actually recreated or reproduced; or• blank materials plus labour and expense to transcribe or copy the records from a backup copy if one exists. <p>If valuable papers and business data are not actually recreated, reproduced, transcribed or copied, the most We will pay is the cost of blank materials.</p> <p>For home business property that the covered business rents or leases, subject to the payment basis and the sum insured for home business property, We will not pay more than the contractual obligation of the covered business to the lessor for that property.</p> <p>For a covered loss to home business property, the amount of coverage depends on where the loss occurs:</p>
<i>At a residence with home business property coverage</i>	<p>If the covered loss takes place at the listed residence with home business property coverage in this policy, We will pay up to the sum insured for home business property for that covered business, for each occurrence.</p>
<i>Away from Your residence</i>	<p>If a covered loss takes place away from the listed residence with home business property coverage in this Policy, We will pay up to 20% of the sum insured for home business property for that covered business, for each occurrence.</p> <p>If more than one location is shown in the Coverage Summary for the covered business, We will choose the location which is most favourable to You as the single listed location on which payment is to be made.</p> <p>Regardless of the number of policies providing the covered business with home business property coverage, the payment will be made based only on this chosen location and will not be made under more than one policy.</p>
<i>Pairs, sets and parts</i>	<p>For a covered loss or damage to a pair or set or to part of a larger unit, We will pay whichever is least:</p> <ul style="list-style-type: none">• the cost to repair the damaged property to its condition before the loss;• the cost to replace it; or• the cost to make up the difference between its market value before and after the loss. <p>However, if the covered business agrees to surrender the undamaged article(s) of the pair, set or parts to Us and We agree to accept them, We will pay the covered business the full replacement cost of the entire pair, set, or parts.</p>
<i>Deductible</i>	<p>A deductible listed in the Coverage Summary applies to each occurrence. But it does not apply to a covered loss of more than \$50,000. We will not apply more than one deductible per occurrence even if a loss is covered under more than one part of this Policy.</p>



Special limits

For a covered loss to the following types of home business property, We will not pay more than the amounts shown. These special limits do not increase the sum insured for home business property or on any item covered elsewhere in this Policy.

Item	Special Limit
Business data	\$25,000
Valuable papers	\$10,000
Financial instruments	\$1,000
Business documents	\$10,000

Extra Coverages

These coverages are included in Your Deluxe Home Business Property Coverage and are in addition to the sum insured for Your home business property unless stated otherwise or where an exclusion applies. The deductible applies to Extra Coverages unless stated otherwise.

Endangered property

Covered home business property removed from Your house because the house is endangered by a covered peril is covered against any peril for up to 90 days. These payments do not increase the sum insured for home business property.

Home business credit cards, forgery and counterfeiting

We cover a covered business' legal obligation, up to a total of \$10,000 any one loss for:

- loss or theft of a credit or bank card issued in the name of the covered business, provided that all the terms for using the card are complied with;
- loss caused by forgery or alteration of any cheque or negotiable instrument; or
- loss caused by accepting in good faith any counterfeit paper currency.

This coverage is in addition to the sum insured for home business property shown in the Coverage Summary. There is no deductible for this coverage.

We will defend a claim or suit against the covered business for loss or theft of a credit or bank card. We have the option to defend a claim or suit against the covered business (or against a bank, with respect to this coverage) for forgery or counterfeiting.

We may investigate, negotiate and settle any such claim or suit at Our discretion. Our obligation to defend ends when Our payment for the loss equals \$10,000. Any costs We pay for legal expenses to defend a claim or suit are in addition to the sum insured for loss under this extra coverage.

If the covered business has a loss under the home business credit cards, forgery and counterfeiting coverage on page M3 of this policy, the covered business must:

- notify Us or its broker or authorised representative of the loss;
- in case of theft the covered business must notify the police or similar competent authority;
- notify the credit card service company or the issuing bank;
- include evidence or an affidavit supporting the claim, including the amount of and cause of the loss in any statement the covered business prepares at Our request;
- upon Our request submit a signed description of the circumstances surrounding a loss and the covered business' interest in it; and
- produce all records and documents We request and permit Us to make copies.

Home business continuation expenses, loss of business income and forced evacuation

If the covered business is impaired due to a covered loss covered elsewhere under this Policy at the residence premises shown in the Coverage Summary for which home business property coverage applies, We will pay up to 40% of the sum insured for home business property at this location for actual home business continuation expenses, loss of business income and forced evacuation expenses combined. We provide this coverage for the reasonable amount of time it takes to resume home business activities to the level that would have existed had no loss occurred, but not to exceed 12 months from the date of the covered loss even if the Policy period ends during that time.

Forced evacuation

Subject to the limits set out above, We will pay the actual home business continuation expenses and loss of business income the covered business incurs due to the impairment of home business activities when You are forced to evacuate Your residence or other permanent structure as a direct result of a covered loss or a reasonable threat of a loss covered under this Policy. We cover these forced evacuation expenses for up to 60 days, even if the Policy period ends during that time.

Accounts receivable

We will pay up to \$10,000 for an accounts receivable loss caused by or resulting from a covered loss to the covered business' accounts receivable records.

If the amount of an accounts receivable loss cannot be accurately established through physical evidence, We will estimate the amount of the accounts receivable loss based on what the home business accounts receivable books and records reflected on the last day of the same month one year prior to the day the covered loss occurred. We will then adjust this estimate of the accounts receivable loss by any percentage increases or decreases in home business gross income during the 12 months prior to the accounts receivable loss.

Food spoilage

We cover food while contained in a refrigerator or freezer which spoils due to changes in, or extremes of, temperature caused by:

- off premises power interruption;
- interruption of premises power supply; or
- mechanical or electrical breakdown of refrigeration equipment.

This coverage applies only to spoilage which occurs at any residence You own or live at. This payment does not increase the sum insured for Your Home Business Property.

Exclusions

These exclusions apply to Your Deluxe Home Business Property Coverage, including the Extra Coverages, unless stated otherwise. The words **caused by** mean any loss that is contributed to, made worse by, or in any way results from that peril.

Wear and tear

We do not cover any loss caused by wear and tear, gradual deterioration, fading, rust, corrosion, bacteria, dry or wet rot, warping, insects or vermin. We do insure subsequent covered loss unless another exclusion applies.

Fungi and mould

We do not provide coverage for the presence of mould, however caused, or any loss caused by mould, other than as provided under the Extra Coverage, mould remediation expenses. But We do cover mould resulting from fire or lightning unless another exclusion applies. **Mould** means fungi, mould, mould spores, mycotoxins, and the scents and other by-products of any of these.

Inherent vice and breakdown

We do not cover any loss caused by inherent vice, latent defect or mechanical breakdown if:

- i) You were aware of the inherent vice, latent defect or mechanical breakdown at the time this Policy was entered into; or
- ii) a reasonable person in the circumstances could be expected to have been aware of the inherent vice, latent defect or mechanical breakdown at the time this Policy was entered into.

We do cover any damage to household electrical motors provided there is actual burning out of the motor and provided the burning out is not caused by lack of proper maintenance. We do insure subsequent covered loss unless another exclusion applies.

Contamination

We do not cover any loss caused by the discharge, dispersal, seepage, migration or release or escape of pollutants. Nor do We cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A **pollutant** is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. A **contaminant** is an impurity resulting from the mixture of a substance with a foreign substance. **Waste** includes materials to be disposed of, recycled, reconditioned or reclaimed.



Loss by animals	We do not cover any loss caused by vermin insects or rodents. But We do insure subsequent covered loss unless another exclusion applies.
Structural movement	We do not cover any loss caused by settling, cracking, shrinking, bulging or expansion. But We do insure subsequent covered loss unless another exclusion applies.
Special rules for escaping water	<p>If any of the excluded causes of loss previously described (wear and tear, fungi and mould, inherent vice and breakdown, contamination, loss by animals or structural movement) cause water to escape from within a household appliance, swimming pool or plumbing, heating or air conditioning system, We cover the loss caused by the water. We provide this coverage unless an exclusion applies other than the exclusions for wear and tear, fungi and mould, inherent vice and breakdown, contamination, loss by animals or structural movement.</p> <p>This coverage also includes the cost of tearing out and replacing any part of the house or other permanent structure necessary to repair the appliance, swimming pool, or system. But We do not cover loss to the appliance, swimming pool, or system itself.</p>
Flood	We do not cover any loss caused by flood, waves or tidal water, overflow of a body of water or spray from any of these even if it is driven by wind. Flood means the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake or of any reservoir, canal or dam. But We do provide cover against tsunami and We do insure subsequent covered loss unless another exclusion applies. Tsunami means a sea wave caused by a disturbance of the ocean floor or by a seismic movement.
Computer error	<p>We do not cover any loss caused by:</p> <ul style="list-style-type: none">• errors or omissions in the development of, programming of or instructions to:<ul style="list-style-type: none">• software;• electronic data processing equipment;• a machine;• telephone equipment; or• electronic data processing media which is faulty, inadequate or defective for the use intended at the time of loss or damage. <p>But We do insure subsequent covered loss unless another exclusion applies.</p>
Business property	We do not cover any loss covered under business property shown elsewhere in this Policy.
Tenant property	We do not cover any loss to property of roomers, boarders, other tenants, customers or employees, except We do cover personal property of Your customers or employees, limited to \$1,000, if the covered loss takes place at the listed residence with Deluxe Home Business Property Coverage in this Policy.
Motorised land vehicles	We do not cover any loss to a motorised land vehicle.
Theft of certain electronic equipment from a motorised land vehicle	<p>We do not cover any theft or attempted theft of:</p> <ul style="list-style-type: none">• sound reproducing, receiving, and transmitting equipment;• equipment to view video recordings;• equipment for transmitting or reproducing print or still pictures;• data processing equipment;• global positioning systems;• scanning monitors, radar and laser detectors; or• any other similar equipment including their accessories and antennas; <p>from a motorised land vehicle if the equipment is permanently installed or removable from a housing unit permanently installed in the vehicle.</p>
Repairs and renovations	We do not cover loss or damage caused by repairing, restoring, retouching, refinishing, or renovating any contents. But We do insure subsequent covered loss unless another exclusion applies.

Cancellation of any licence, lease or contract	We do not cover any home business continuation expenses or loss of business income due to suspension, lapse or cancellation of any licence, lease or contracts.
Dampness or temperature	We do not cover any loss caused by air dampness or temperature extremes or condensation unless the loss or damage is directly caused by rain, snow, sleet or hail except as provided for in the Extra Coverage “food spoilage” above.
Confiscation	We do not cover any loss caused by confiscation, destruction or seizure of property by any government or public authority.
Loss to animals	We do not cover any loss, damage or injury of or to animals, birds or fish.
Aircraft	We do not cover any loss to an aircraft or aircraft parts.
Acts of war	We do not cover any loss caused by war, undeclared war, civil war, insurrection, rebellion, revolution, warlike acts by a military force or personnel, any action taken in hindering or defending against any of these, the destruction or seizure of property for a military purpose, or any consequences of any of these acts, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss. If any act that is within this exclusion involves nuclear reaction, radiation, or radioactive contamination, this acts of war exclusion supersedes the nuclear, biological, chemical or radiation hazard exclusion.
Nuclear, biological, chemical or radiation hazard	We do not cover any loss caused by nuclear reaction, radiation, or biological, chemical, radioactive contamination, regardless of how it was caused. But We do insure subsequent covered loss due to fire resulting from a nuclear reaction unless another exclusion applies.
Intentional or fraudulent acts	We do not cover any loss caused intentionally or fraudulently by You, a family member, the covered business, its partners, directors, trustees or its employees, or by a person acting under the direction or instruction of the covered business, You, a family member, Your partners, directors, trustees or employees to cause a loss. An intentional or fraudulent act is one done deliberately with conscious design. However this exclusion shall not apply when the loss is caused by an intentional act committed for the purpose of preventing personal injury or property damage or eliminating danger to persons or property. This exclusion also does not apply to acts of vandalism by an employee of the covered business.
Misappropriation	We do not cover any loss to home business property caused by the theft, stealing, taking or other misappropriation of the home business property from the covered business by You, a family member, the covered business’ partners, directors, trustees or employees or a person acting under the instruction or direction thereof.
Faulty planning, construction or maintenance	We do not cover any loss caused by the faulty acts, errors or omissions of You or any other person in planning, construction or maintenance. It does not matter whether the faulty acts, errors or omissions take place on or off the insured property. But We do insure subsequent covered loss unless another exclusion applies. Planning includes zoning, placing, surveying, designing, compacting, setting specifications, developing property and establishing building codes or construction standards. Construction or maintenance includes grading, compacting, materials, workmanship, and parts or equipment used for construction, repair or maintenance.
Failure to Protect	We do not cover any loss or damage caused by Your failure to use all reasonable means to protect property before, at, or after the time of a loss.