

BUSINESS INTERRUPTION LOSS OF RENTS COVERAGE

PERILS COVERED

The financial actual loss sustained by the Insured arising from rents not received by him for the premises leased as a consequence of the Fire and/or Lightning Perils or the Additional Perils contracted in Sections I and II which covered direct property, except for Earthquake, Volcanic Eruption and Hydro Meteorological Perils, up to the sum insured indicated on the Policy face.

Without exceeding a twelfth part of the sum insured per month up to the number of months contracted, which shall not exceed twelve months.
Also the expenses incurred to reduce the loss are covered, but not exceeding the amount so reduced, unless following written instructions given by the Company.

The Sum Insured represents the annual amount of the RENTS of the premises insured in the direct property damage Policy, and should this be lesser, Clause 4. "Proportion Subject to Indemnity" of the Policy General Conditions shall be applicable to all sections.

It is understood that the indemnity period shall be limited to the time required to repair, with due diligence and promptness, that part of the building which rents should have to be paid to the Insured, but limited to the contracted maximum indemnity period specified in the Policy face.

Such period becomes effective as of the date of the loss but shall not be limited to the expiration date of the Policy.

The Insured shall have insurances covering the direct property damage that the building herein described may sustain by Fire or Lightning, which total sum insured represents no less than 80% of the replacement value of the property insured, and he binds himself to maintain them in force during the term of this coverage without cancelling nor reducing same and making in all cases, the increases required to maintain the minimum indicated. The Company shall cancel the coverage in case of non-compliance with the previous stipulations.

DEFINITIONS

The following terms mentioned below, shall mean:

1. **Rents.**- mean the amounts that the Insured receives for rent of the premises in the building insured in the direct property damage Policy, but excluding:

- a) Salary of the Janitor or Administrator, should their services be unnecessary after the loss.
 - b) Commissions for collection of rents and administration of the building.
 - c) Cancelled taxes.
 - d) Cost of heating, water, and lighting.
 - e) Other expenses not incurred as a consequence of the damage, and included in the rent.
2. **Indemnity Period.** The period commencing as of the date of loss within the policy term, and which terminates after the months mentioned therein, and where the premises insured may be damaged as a consequence of a loss, but not limited to the expiration date of the Policy term.
3. **Interruption By Civil Authority.** This coverage is extended to cover the loss of rents up to a maximum of 15 days, when the access to the building which rents are covered is prohibited by the authorities, for damage sustained by adjacent buildings as a consequence of one or several of the perils covered hereunder.
4. **Changes In The Business Of The Peril Insured.** Inasmuch as the rate of this insurance is based on that applicable to the insurance against physical damage, the Insured binds himself to notify to the Company any change in the business of the building which rents are covered in order that the Company may adjust the difference in premium, if any.

If such change gives rise to an essential increase of hazard, and the Insured fails to notify it to the Company within a period of 24 hours, the Company shall be released from its obligations.

5. **EXCLUSIONS.** The Company shall not be liable for any increase in the ordinary amounts, which in accordance with this coverage, should be indemnified, whether if this increase is caused by or as a consequence of:
 - a) The Insured's failure to pay the expenses for the reconstruction or repair of the building, which rents are covered hereunder.
 - b) The suspension, termination or cancellation of any contract or authorization, by the application of any Law or provision of the authorities controlling the construction or repair of buildings.
 - c) Strikers or persons taking part in work stoppages, labour disturbances, riots interrupting the reconstruction or repair of the building which rents are insured hereunder, or persons interrupting the occupancy thereof.

- d) Defects resulting from the reconstruction or repair of the building, although the damage sustained by any of the perils covered under this Policy may have arisen from such reconstruction or repair.

It is stipulated that the Insured shall have leases for every premises rented, which shall be declared before the corresponding authorities.

IMPORTANT NOTE:

This is only a sample courtesy translation of a policy form in Mexico. This sample should only be used for informational purposes, as it does not represent or constitute the actual terms & conditions of a given policy. Insurance companies in Mexico may use a modified or amended version of this coverage depending on a particular risk or Insured. For legal interpretation of this coverage, as well as the territory jurisdiction, please refer to the original Spanish version of the policy in the country of Mexico.