

**"ALL RISKS" PROPERTY DAMAGE POLICY**

Please read this Policy, Schedule and Specification carefully and note their terms conditions and exclusions.

Your attention is drawn to the importance of ensuring that the sum insured is maintained at an adequate level at all times.

## "ALL RISKS" PROPERTY DAMAGE POLICY

In consideration of the Insured named in the Schedule having paid or agreed to pay the required premium the Company agrees (subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if any of the property insured be accidentally physically lost, destroyed or damaged, other than by an excluded cause, at any time during the period of insurance shown in the Schedule or of any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal of this Policy

the Company will pay to the Insured the value of the property at the time of the happening of its accidental physical loss or destruction or the amount of such accidental physical damage (accidental physical loss destruction or damage being hereinafter termed Damage) or at its option reinstate or replace such property or any part thereof

provided that the liability of the Company in respect of any one loss or in the aggregate in any one period of insurance shall in no case exceed

- (i) in respect of each item the sum expressed in the Schedule to be insured thereon or in the whole the total sum insured hereby
- (ii) any limit of liability shown in the Schedule

or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

### **EXCLUSIONS**

This policy does not cover

#### **1. Damage to the property insured caused by:**

- (a) (i) faulty or defective design, materials or workmanship inherent vice, latent defect, gradual deterioration, deformation or distortion or wear and tear
- (ii) interruption of the water supply, gas, electricity or fuel systems or failure of the effluent disposal systems to and from the Premises

unless Damage by a cause not excluded in the policy ensues and then the Company shall be liable only for such ensuing Damage.

- (b) (i) collapse or cracking of buildings
- (ii) corrosion, rust, extremes or changes in temperature, dampness, dryness, wet or dry rot, fungus, shrinkage, evaporation, loss of weight, pollution, contamination, change in colour, flavour, texture or finish, action of light, vermin, insects, marring or scratching

unless such loss is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy

- (c) (i) theft except from a building and then only if there is violent or forcible entry to or exit from such building
- (ii) acts of fraud or dishonesty
- (iii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information, shortage in supply or delivery of materials or shortage due to clerical or accounting error
- (iv) cracking, fracturing, collapse or overheating of boilers, economizers, vessels, tubes or pipes, nipple leakage or the failure of welds of boilers
- (v) mechanical or electrical breakdown or derangement of machinery or equipment
- (vi) bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes when the premises are empty or disused

unless Damage by a cause not excluded in the policy ensues and then the Company shall be liable only for such ensuing Damage and such loss is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy.

- (d) (i) coastal or river erosion
- (ii) subsidence, ground heave or landslip
- (iii) normal settlement or bedding-down of new structures
- (iv) wind, rain, hail, frost, snow, flood, sand or dust to movable property in the open or in open-sided buildings or to fences and gates
- (v) the freezing, solidification or inadvertent escape of molten material.

2. **Damage caused by or arising from:-**

- (a) any wilful act or wilful negligence on the part of the Insured or any person acting on his behalf
- (b) cessation of work, delay or loss of market or any other consequential or indirect loss or any kind or description whatsoever

3. **Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences, namely:-**

- (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war
- (b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power
- (c) acts of terrorism committed by a person or persons acting on behalf of or in connection with any organisation. This Exclusion 3(c) shall not apply to Damage by Fire

For the purpose of this Exclusion 3(c) "terrorism" means the use of violence for political ends and includes the use of violence for the purpose of putting the public or any section of the public in fear.

- (d) (i) permanent or temporary dispossession resulting from confiscation, nationalisation, commandeering or requisition by any lawfully constituted authority
- (ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

provided that the Company are not relieved of any liability to the Insured in respect of Damage to the property insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy

- (e) the destruction of property by order of any public authority

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of Exclusions 3(a), (b) and (c) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss, destruction or damage is covered shall be upon the Insured.

4. **Damage directly or indirectly caused by or arising from or in consequence of or contributed to by:-**

- (a) nuclear weapons material
- (b) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion 4(b) combustion shall include any self-sustaining process of nuclear fission.

5. **Damage to:-**

- (a) money, cheques, stamps, bonds, credit cards, securities of any description, jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art unless specifically mentioned as insured by this policy and then only in respect of the perils specified below
- (b) fixed glass
- (c) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects
- (d) electronic installations, computers and data processing equipment

but this shall not exclude Damage (not otherwise excluded) caused by fire, lightning, explosion, aircraft, riot, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, impact by any road vehicle or animals, earthquake, windstorm, flood, bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes.

6. **Damage to:-**

Unless specifically mentioned goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, patterns, models, moulds, plans, designs, explosives, unless specifically mentioned as insured by this policy.

7 **Damage to:-**

- (a) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives or rolling stock, watercraft, aircraft, spacecraft or the like
- (b) property in transit other than within the premises specified in the Schedule
- (c) property or structures in course of demolition, construction or erection and materials or supplies in connection therewith
- (d) land (including top-soil, back-fill drainage or culverts) driveways, pavements, roads, runways, railway lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining property underground, off-shore property
- (e) livestock, growing crops or trees
- (f) property damaged as a result of its undergoing any process
- (g) plant, machinery or equipment during installation removal or resiting (including dismantling and re-erection) if directly attributable to such operations
- (h) property undergoing alteration, repair, testing, installation or servicing, including materials and supplies therefor if directly attributable to the operations or work being performed thereon unless Damage by a cause not otherwise excluded ensues and then the Company will be liable only for such ensuing loss
- (i) property more specifically insured

8. **Damage to:-**

Property which at the time of the happening of such Damage is insured by or would but for the existence of this policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

9. **Damage to:-**

Boilers, economizers, turbines or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.

## GENERAL CONDITIONS

### 1. IDENTIFICATION

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they shall appear.

### 2. MISDESCRIPTION

If there be any material misdescription by the Insured or any one acting on his behalf of any of the property hereby insured, or of any building or place in which such property is contained, or of the business or premises to which this insurance refers or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact, the Company shall not be liable under this Policy for the property affected by any such misdescription, misrepresentation or omission.

### 3. CANCELLATION

This insurance may at any time be terminated at the option of the Company on notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired period of the insurance concerned.

### 4. FORFEITURE

All benefit under this Policy shall be forfeited

(a) if any claim made under this Policy be in any respect fraudulent or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy

or

(b) if any claim be made and rejected and an action or suit be not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of Condition No.7 of this Policy) within three months after the arbitrator or arbitrators or umpire shall have made their award.

### 5. SUBROGATION

Any claimant under this Policy shall, at the expense of the Company do, and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

### 6. CONTRIBUTION

If at the time of any loss or damage happening to any property hereby insured, there be any other subsisting insurance or insurances whether effected by the Insured or by any other person or persons, covering either such loss or any part of it or the same property the Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

### 7. ARBITRATION

If any difference shall arise as to the amount to be paid under this Policy such difference shall independently of all other questions be referred to the decision of an arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required to do so in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator; and in case of disagreement between the arbitrators the decision shall be referred to the decision of an umpire who shall

have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the arbitrator, arbitrators or umpire respectively; and in the case of the death or an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator or umpire of the amount of the loss or damage if disputed shall be first obtained.

#### 8. ALTERATIONS AND REMOVALS

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage obtains the sanction of the Company signified by endorsement upon the Policy, by or on behalf of the Company

- (a) if the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building or containing the insured property be changed in such a way as to increase the risk of loss or damage.
- (b) if the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days.
- (c) if the property insured be removed to any building or place other than that in which it is stated herein to be insured.
- (d) if the interest in the property insured passes from the Insured otherwise than by will or operation of law.

#### 9. CLAIMS PROCEDURE

If any event giving rise to or likely to give rise to a claim under this Policy comes to his knowledge the Insured shall

- (a) immediately
  - (i) take steps to minimise the loss or damage and recover any missing property
  - (ii) give notice in writing to the Company and
  - (iii) give notice to the police if the event be theft or suspected theft or wilful or malicious damage
- (b) within 30 days or such further time as the Company may in writing allow deliver to the Company
  - (i) a claim in writing for the loss or damage containing as particular an account as may be reasonably practical of all the several articles or items of property lost or damaged and the amount of loss or damage thereto respectively having regard to their value at the time of the loss or damage
  - (ii) particulars of all other insurances if any

The Insured shall at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the loss or damage and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

#### 10. INSURERS' RIGHTS

On the happening of any loss or damage to any of the property insured by this Policy the Company may

- (a) enter and take and keep possession of the building or premises where the loss or damage has happened
- (b) take possession of or require to be delivered to it any property of the Insured in the buildings or on the premises at the time of the loss or damage

- (c) keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same
- (d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Conditions shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claim under this Policy or, if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the Conditions of this Policy in answer to any claim.

If the Insured or any person acting on his behalf shall not comply with the requirements of the Company, or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Insurer whether taken possession of by the Company or not.

#### 11. REPAIR AND REPLACEMENT

The Company may at its option, repair or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other company or Insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost to repair such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured thereon.

If the Company so elects to repair or replace any property the Insured shall, at his own expense, furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to repair or replacement shall be deemed an election by the Company to repair or replace.

If in any case the Company shall be unable to repair or replace the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be required to repair or replace such property if the same could lawfully be repaired to its former condition.

#### 12. TIME LIMIT

In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

#### 13. REASONABLE PRECAUTIONS

The Insured shall maintain the property in a proper state of repair and take all reasonable precautions to prevent Damage thereto.

#### 14. DEDUCTIBLES

This policy does not cover the amounts of the deductibles stated in the Schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of the policy including any condition of Average.

Warranted that during the currency of the policy the Insured shall not effect insurance in respect of the amounts of the deductibles stated in the Schedule.

#### 15. UNDER-INSURANCE

If the property hereby insured shall, at the commencement of any Damage, be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference, and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this Condition.

## PREMIUM WARRANTY

1. Notwithstanding anything herein contained to the contrary, and subject only and without prejudice to clause 2 hereinafter set out, it is hereby declared and agreed that it is a condition precedent to liability under this Policy, Renewal Certificate, Endorsement or Cover Note that any premium due must be paid and actually received in full by the Company, the registered broker or registered agent through whom this policy was effected

(a) when the period of insurance is 30 days or more, within THIRTY (30) days from the:-

- (i) INCEPTION date of the coverage under the Policy, Renewal Certificate or Cover Note; or
- (ii) EFFECTIVE date of the coverage stated on each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note when the effective date of coverage stated on the Endorsement is on or after the issuance date of the Endorsement; or
- (iii) ISSUANCE date of each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note where the effective date of coverage under the Endorsement is before the issuance date:-

(b) when the period of insurance is LESS than THIRTY (30) days, within the period of insurance specified in the Policy, Endorsement, Renewal, Certificate or Cover Note.

2. In the event any of the abovementioned premium is not paid in full to the Company, registered broker or registered agent as described above in the manner and within the time stipulated above (the "premium warranty period"), the cover under this Policy, Renewal Certificate, Endorsement or Cover Note shall be deemed to have terminated from the expiry of the premium warranty period and the Company shall be discharged from all liability therefrom but without prejudice to any liability incurred before that date and the Company will be entitled to a pro-rata time on risk premium subject to a minimum of US\$25.

## IMPORTANT NOTICE

**We would remind that you must disclose to us, fully and faithfully, the facts you know or ought to know, otherwise you may not receive any benefit from your Policy.**