BCIC

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COMMERCIAL
FIRE & MINOR PERILS POLICY

BRITISH CARIBBEAN INSURANCE COMPANY LIMITED

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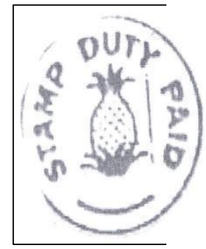

COMMERCIAL FIRE & MINOR PERILS POLICY

This Policy is subject to the Pro Rata Condition of Average

This Policy should be read carefully and its terms noted

Explanation of the Pro Rata Condition of Average

The Pro Rata Condition of Average is applied to the Policy when the sum insured is less than the current cost of replacing or rebuilding the property insured. In this instance, only a proportion of the replacement or rebuilding cost up to a maximum of the sum insured is paid. The cost of replacement or rebuilding the property insured is the cost at the time of loss, destruction or damage.

The proportion that will be paid is calculated using the formula below:

$$\frac{\text{Sum Insured}}{\text{Current rebuilding/ replacement cost of the property insured}} \times \text{The Amount of loss or damage} = \text{The Amount Payable}$$

For example: Assume the loss is $5,000,000

$$\frac{\$7{,}000{,}000}{\$10{,}000{,}000} \times \$5{,}000{,}000 = \$3{,}500{,}000$$

The amount payable is $3,500,000.

The Pro Rata Condition of Average will not apply where the property insured is totally lost or damaged.

The terms of the Policy should be reviewed carefully, including checking the adequacy of the sum insured for which the property is insured or to be insured. This will assist in identifying whether the Pro Rata Condition will be applied at the time of a loss.

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OPERATIVE CLAUSE

The Insurer agrees (subject to the terms, definitions, exclusions, provisions and conditions of this Policy) that in consideration of the Insured named in the Schedule having paid or agreed to pay the first premium if any of the Property Insured described in the Schedule be lost destroyed or damaged by any of the Insured Perils specified in the Policy during the Period of Insurance (or any subsequent period for which the Insurer accepts or agrees to accept a renewal premium) the Insurer will pay to the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Insurer's option repair reinstate or replace such property or any part of it

PROVIDED THAT the liability of the Insurer shall not exceed:

(i) in the whole the Total Sum Insured or in respect of any Item its sum insured at the time of the loss destruction or damage

(ii) the sum insured remaining after deduction for any other loss destruction or damage occurring during the same period of insurance, unless the Insurer shall have agreed to reinstate any such sum insured

The proposal form and any other information submitted to the Insurer by or on behalf of the Insured forms the basis of the contract between the Insurer and the Insured and is deemed to be incorporated herein.

This Policy, the Schedule and the Endorsements shall be read together as one document.

Words and expressions to which a specific meaning is given in this Policy, the Schedule or any Endorsement shall have the same meaning wherever they appear.

For and on behalf of
BRITISH CARIBBEAN INSURANCE COMPANY LIMITED

P. D. Levy
Managing Director

DEFINITIONS

Words and expressions to which a specific meaning is given in this Policy, the Schedule or any Endorsement shall have the same meaning wherever they appear.

DAMAGE

The word "DAMAGE", in capital letters shall mean "loss or destruction of or damage to the Property Insured".

FLOOD

The word Flood shall mean the overflowing or deviation from their normal channels of either natural or artificial water courses, bursting or overflowing of public water mains and any other flow or accumulation of water originating from outside the building insured or containing the property insured, but excluding
gradual operation of the peril.

BUILDINGS

The word Buildings shall mean:

a) All buildings including outbuildings and gate houses;

b) Landlord's fixtures, fittings and equipment therein or thereon;

c) Walls, gates, fences, patios, walkways, foundations and other paved areas;

d) All services and installations including external structures, storage tanks, fixtures, works, services and installations whether situated on the roof or otherwise and inclusive of (but not restricted to) sewage disposal units, underground tanks, piping, wiring and all ancillary equipment;

e) Marine containers for which the Insured is responsible.

CONTENTS

The word Contents shall mean the following whilst contained in the Buildings described in the Schedule:

a) All machinery, plant, equipment, tools and tanks of whatever nature not otherwise insured;

b) All office and other furnishings, fixtures, fittings and office supplies of whatever nature not otherwise insured,

c) Tenants improvements;

d) Customer's goods held in trust or on commission the property of the Insured or for which the Insured is legally responsible.

PERIOD OF INSURANCE shall mean

From the effective date until the expiry date (as specified in the Schedule) or any subsequent period for which the Company shall have accepted payment for renewal of this Policy.

PROPERTY INSURED

The word Property Insured shall mean the list of items specified in the Schedule of the Policy.

STOCK

The word Stock shall mean the following whilst contained in the Buildings described in the Schedule or whilst on the premises in marine containers:

a) All raw materials in trade,

b) All work in progress,

c) All finished goods,

d) All spare parts and stores and items of a similar nature,

e) All labels, packaging and similar materials the property of the Insured or for which the Insured is legally responsible.

LOSS OCCURRENCE

The term "loss occurrence" shall mean all individual losses arising out of and directly occasioned by one event. However, the duration and extent of any "loss occurrence" so defined shall be limited to:

(a) As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief in Jamaica, all individual losses sustained by the Insured, occurring during any period of 72 consecutive hours within the area of one parish or parishes contiguous thereto arising out of and directly occasioned by the same event. The maximum duration of 72 consecutive hours may be extended in respect of individual losses which occur beyond such 72 consecutive hours during the continued occupation of an Insured's premises by strikers, provided such occupation commenced during the aforesaid period.

(b) 72 (seventy-two) consecutive hours as regards any "loss occurrence" which includes individual loss or losses from any of the perils mentioned in Sub-Sections (a) above;

(c) 168 (one hundred and sixty-eight) consecutive hours for any "loss occurrence" of whatsoever nature which does not include individual loss or losses from any of the perils mentioned in Sub-Sections (a) above;

and no individual loss from whatever insured peril, which occurs outside these periods or areas, shall be included in that "loss occurrence".

INSURED PERILS

A) **FIRE** (and smoke from fire)
Excluding DAMAGE occasioned by its own spontaneous combustion, fermentation or natural heating, or its undergoing any process involving the application of heat;

B) **LIGHTNING**

C) **EXPLOSION**
Excluding loss or destruction of or damage to boilers used for non-domestic purposes, economizers, or other vessels, machinery or apparatus in which pressure is used or to their contents resulting from their explosion.

D) **IMPACT BY**
a) Aircraft and other aerial devices and/or articles dropped therefrom.

b) Any road vehicle or animal, excluding damage to Property Insured whilst it is mobile or in the process of being moved.

E) **RIOT, STRIKE, CIVIL COMMOTION, LOCKED-OUT WORKERS, OR MALICIOUS DAMAGE**
DAMAGE directly caused by:

a) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not);

b) The malicious act of any person;

c) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance;

d) The willful act of any strike or locked-out worker done in furtherance of a strike or in resistance to a lock-out;

e) The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act excluding DAMAGE resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

F) **FLOOD AND ESCAPE OF WATER FROM ANY TANK, APPARATUS OR PIPE**
Excluding:

a) DAMAGE to signs, smoke stacks, awnings, satellite dishes and any other external fixtures and fittings

b) DAMAGE by water discharged or leaking from an automatic sprinkler installation.

GENERAL EXCLUSIONS

A. EXCLUDED PERILS

This Policy does not cover:

1. DAMAGE occasioned by or through or in consequence, directly or indirectly of:
   i) Theft (including looting during or after the occurrence of an Insured Peril);
   ii) Subsidence, landslip, or ground heaves.
   iii) Earthquake, Tsunami, Seaquake, Tidal Wave, and/or Volcanic Eruption
   iv) Hurricane, Cyclone, Typhoon, Windstorm, Rainstorm, Hailstorm and/or Tornado

2. Terrorism Exclusion Clause NMA 2930b
   Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is agreed that this Policy excludes loss, damage, cost or expense directly or indirectly caused by, contributing to by, resulting from, or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
   An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) de jure or de factor, and which:

   a) involves violence against one or more persons; or

   b) involves damage to property; or

   c) endangers life other than that of the person committing the action; or

   d) creates a risk to health or safety of the public or a section of the public; or

   e) is designed to interfere with or to disrupt an electronic system.

   This Policy also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

   Notwithstanding the above and subject otherwise to the terms, conditions, and limitations of this Policy in respect only of personal lines, this Policy will pay actual loss or damage (but not related cost or expense) caused by any act of terrorism provided such act is not directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear pollution or contamination.

3. Industries, Seepage, Pollution and Contamination Exclusion Clause - Sudden and Accidental (NMA 1685)

This Policy does not cover any liability for:

a) Personal injury or bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exclusion shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.

b) The cost of removing, nullifying or cleaning-up, seeping polluting or contaminating substances unless the seepage, pollution or contamination is caused by sudden, unintended and unexpected happening during the period of this insurance

c) Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Policy to cover any liability which would not have been covered under this Policy had this Clause not been attached.

4. Radioactive Exclusion Clause
Unless specially agreed for an insured loss involving nuclear material under determined circumstances, this insurance does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

c) any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

5. Cyber Risks, As Per The Following Cyber Loss Limited Exclusion Clause No. 1 (LMA5410)

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this Policy, this Policy will cover physical damage to property insured under the Policy and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils: Fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

6. Absolute Mould, Fungus, Mildew and Spore Exclusion Clause

This insurance excludes absolutely any loss, damage, claim, cost, expense, sum or other obligation of any kind or description directly or indirectly caused by, contributing to, or resulting from mould, fungus, mildew or spores. This exclusion will apply regardless of whether or not the mould, fungus, mildew or spores is/are caused by, contributed to, or results from an insured peril.

7. War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
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8. Limited Communicable Disease Exclusion Clause No. 2 (LMA5503)

1. Notwithstanding any provision to the contrary within this Policy, this Policy excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to the other terms, conditions and exclusions contained in this Policy, this Policy will cover physical damage to property insured under the Policy and any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils:

fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

Definitions

3. Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

3.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

3.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

3.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

4. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

9. Nuclear Energy Risks Exclusion Clause NMA 1975(a)(01/04/94)

This Policy shall exclude Nuclear Energy Risk.

For the purposes of this Policy, Nuclear Energy Risks shall mean:

(a) All Property on the site of a nuclear power station.

Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.

(b) All Property, on any site (including but not limited to the sites referred to in (a) above) used or having been used for:

(i) The generation of nuclear energy; or
(ii) The production, use or storage of Nuclear Material.

(c) The supply of goods and services to any of the sites, described in (a) and (b) above, unless such insurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as under noted, Nuclear Energy Risks shall not include:

a) Any insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (a) and (b) above (including contractors' plant and equipment).

b) Any Machinery Breakdown or other Engineering insurance not coming within the scope of (a) above.

provided always that such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

(a) The provision of any insurance or reinsurance whatsoever in respect of:
(i) Nuclear Material,
(ii) Any Property in the High Radioactivity Zone or Area of any Nuclear installation as from the introduction of Nuclear Material or – for installations - as from fuel loading or first criticality where so agreed.

(b) The provision of any insurance for the under noted perils:
(i) Fire, lightning, explosion;
(ii) Earthquake;
(iii) Aircraft and other aerial devices or articles dropped therefrom;
(iv) Irradiation and radioactive contamination;

in respect of any other Property not specified in (a) above which directly involves the

Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

"Nuclear Material" means:

(a) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and

(b) Radioactive Products or Waste.

"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:

(a) Any Nuclear Reactor;
(b) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
(c) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

"Nuclear Reactor'' means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons

"Production, Use or Storage of Nuclear Material" means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

"Property" means all land, Buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

"High Radioactivity Zone or Area" means:

(a) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and

(b) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

10. Sanction Limitation and Exclusion Clause

The Insurer shall not provide cover, nor be liable to pay any claim nor provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer or any of its reinsurers to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

11. Consequential Losses, Indirect Losses and Unlawful Occupation

DAMAGE occasioned through or in consequence, directly or indirectly, of loss of earnings, loss by delay, loss of market or any other consequential or indirect loss or damage of any kind or description whatsoever, except as otherwise specifically included.

DAMAGE occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
DAMAGE occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building

PROVIDED nevertheless that the Insurer is not relieved under (b) or (c) above of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession.

B. EXCLUDED PROPERTY

This Policy does not cover:

a) Bullion, works of art or unset precious stones, explosives, money (wined or paper), stamps, and cheques.

b) Securities, contracts, documents. manuscripts, business books, records, patterns, models, models, plans, drawings or designs, computer systems records, videotapes, videodisks and other electronic recording media.

c) Property which, at the time of the happening of such loss, destruction or 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.

d) Property which, at the time of the happening of such loss, destruction or damage, is insured by, or would, but for the existence of this Policy, be insured by any more specific policy or policies, except in respect of any excess beyond the amount which have been payable under such policy or policies had this insurance not been effected.

ADDITIONAL COVER

1. ALL OTHER CONTENTS

Notwithstanding General Exclusions B a) and b) "All Other Contents" is deemed to include:

a) Money and stamps not otherwise specifically insured excluding stamp collections.

b) Documents, manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up, and not for the value to the Insured of the information contained therein.

c) Computer systems records, videotapes, videodisks and other electronic recording media for the value of the physical materials together with the cost of clerical labour and the cost of reproducing such records or electronic media (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein.

d) Patterns, models, moulds, plans and designs excluding the value to the Insured of the information contained therein.

e) Employees' pedal cycles, clothing, tools and other personal effects as far as they are not otherwise insured.

PROVIDED that the liability of the Insurer shall not exceed the Limit(s) stated in the Schedule.

2. REMOVAL OF DEBRIS

The Sums Insured by each Item of this Policy are deemed to include an amount not exceeding 10% (ten percent) of the sum insured by each Item in respect of costs and expenses necessarily incurred by the Insured with the consent of the Insurer in:

a) Removing debris from

b) Dismantling and/or demolishing of

c) Shoring or propping up

d) Security charges to protect the portion or portions of the Property insured by this Policy destroyed or damaged by the Insured Peril.

The Insurer will not pay for any costs or expenses:

i) Incurred in removing debris except from the site or such property destroyed or damaged and the area immediately adjacent to such site.

ii) Arising from pollution or contamination of property.

3. PROFESSIONAL FEES

The Sums Insured on Buildings and Contents are deemed to include an amount not exceeding 10% (ten percent) of the sum insured by each Item in respect of Architects', Surveyors', Engineers' fees for estimates, plans, specification, quantities, tenders and supervision and Legal and Municipal Plan Scrutiny fees necessarily incurred in the reinstatement or replacement of the Property Insured following DAMAGE by any Insured Peril except insofar as the Insurer elects to reinstate replace wholly or in part any property so damage or destroyed. It is understood and agreed that the amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

4. CAPITAL ADDITIONS (not applicable to stock items)

The insurance hereby extends to include alterations, additions and improvements (but not appreciation in values in excess of the sum insured) to the Property Insured (other than stock in trade or merchandise) for an amount not exceeding in the aggregate 10% (ten percent) of the sum insured by such Items.
The Insured undertakes as a continuing Warranty to advise the Insurer each quarter of any such alterations, additions and improvements and to pay the appropriate additional premium thereon.

5. LANDLORD/TENANTS CLAUSE

The insurance hereby shall not be prejudiced by any act or omission unknown to or beyond the control of the Insured on the part of any landlord or tenant occupying or using the premises, provided that the Insured, immediately they become aware thereof, shall give notice in writing to the Insurer and pay an additional premium if required.

6. CONTRACT PRICE

In respect only of goods sold but not delivered for which the Insured is responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any of the Insured Perils either wholly or to the extent of the loss or damage, the liability of the Insurers shall be on the contract price, and for the purpose of Average the value of goods to which this clause would in the event of loss or damage, be applicable shall be ascertained on the same basis. This Extension does not apply if a Business Interruption Policy exists.

7. INTERIM PAYMENTS

It is hereby declared and agreed that following any request by the Insured for an Interim Payment in the event of DAMAGE, the Insurer may, at its discretion, make such Interim Payments but subject always to the following conditions:-

i) Any such Interim Payment or Payments made will not exceed either singly or collectively 50% of the total anticipated claim.

ii) Any such Interim Payment or Payments will be made only after the appointed loss adjuster recommended such payment or payments.

iii) Any such Interim Payment or Payments made shall in no circumstances be treated as evidence of any indication or offer to make further payments. In the event that any claim in respect of which any Interim Payment or Payments have been made and such claim is subsequently proved to be invalid, the Insured will repay such Interim payment or payments to the Insurer.

8. TEMPORARY REMOVAL

The Property Insured, (other than Stock-in-trade or merchandise), is covered whilst temporarily removed for cleaning, renovating, repair or other similar purposes to any premises not in the Insured's occupation and in transit thereto and therefrom by road, rail, air or inland waterway all in Jamaica. The amount recovered under this Extension in respect of each Item shall not exceed:

a) 10% (ten percent) of the amount of the Item after deducting from the sum insured the value of any stock-in-trade or merchandise insured by the said Item, nor

b) The amount which would have been recoverable had the DAMAGE occurred at the premises from which the property is temporarily removed.

This Extension does not apply to:

a) Motor Vehicles and Motor Chassis,
b) Property held by the Insured in trust, other than Machinery and Plant,
c) Property if and in so far it is otherwise insured.

9. WORKMEN

Workmen are allowed to work in the Buildings for the purposes of carrying out any repairs and/or minor additions and alterations and/or decorations without prejudice to this insurance.

10. FINANCIAL INTEREST

If the financial interest of any Mortgagee or other party in the Property Insured, or any part of it, is noted on the Schedule, claims will be paid to such Mortgagee or other party to the extent of their interest and their signature will be a valid release of any such claim payment. Provided premiums are paid up to date, the Insurer undertakes not to cancel this Policy without providing 30 days written notice to the party having the financial interest nor to invalidate this Policy in respect of such party for a change of risk.

The party having the financial interest undertakes to notify the Insurer immediately they become aware of a change of risk and to pay any additional premium required.

11. CONTRACTING PURCHASER'S INTEREST (BUILDINGS)

If at the time of DAMAGE the Insured shall have contracted to sell the interest of the Insured in any building hereby insured and the purchase shall not have been but shall be thereafter completed, the purchaser on completion of the purchase (if and in so far as the property is not otherwise insured against such DAMAGE by the purchaser or on behalf of the purchaser) shall be entitled to benefit under this Policy without prejudice to the rights and liabilities of the Insured or the Insurer until completion.

GENERAL CONDITIONS

1. PREMIUM RECEIPT

No payment in respect of any premium shall be deemed to be payment to the Insurer unless a printed form of receipt for the same signed by an Official or duly appointed Agent of the Insurer shall have been given to the Insured.

2. IDENTIFICATION

It is understood that the description given is sufficient to identify the property to be covered and that it is the only property so described in which the Insured has an interest. Notice is to be given to the Insurer of any changes affecting the description.

3. DESIGNATION

For the purpose of determining, where necessary, the heading under which any property is insured the Insurer agrees to accept the designation under which such property has been entered in the Insured's books.

4. MISDESCRIPTION

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular. However, this Policy shall not be prejudiced by any innocent misdescription of occupancy and/or of the Property Insured.

The Insured shall give notice to the Insurer immediately they become aware of such misrepresentation, misdescription or non-disclosure and shall pay the additional premium if required from the date of the inception of the increased hazard.

5. FALLEN BUILDINGS

All Insurance under this Policy:

1) on any Building or part of any building

2) on any property contained in any building

3) on rent or other subject matter of insurance in respect of or in connection with any building or any property contained in any building shall cease immediately upon any fall or displacement

    a) of such building or any part thereof

    b) of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED that such fall or displacement is of the whole or a substantial or important part of such buildings or impairs the usefulness of such building or any part thereof or leaves such building or part thereof or any property contained therein subject to increased risk of loss, destruction or damage by an Insured Peril or is otherwise material

AND PROVIDED that such fall or displacement is not caused by an Insured Peril or peril that would be covered if such building, range of buildings or structure were insured under this Policy.

6. ALTERATIONS AND CHANGES

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any DAMAGE, has obtained the sanction of the Insurer signified by Endorsement upon the Policy and paid an additional premium if required:

a) If the trade or manufacture carried on is altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the Property Insured is changed in such a way as to increase the risk of DAMAGE by any of the Perils Insured;

b) If the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.

7. UNOCCUPANCY

It is understood and agreed that when the premises become(s) unoccupied or the business becomes silent (i.e. no trading, process, works or occupation) for a period of more than thirty (30) days, this insurance ceases on the thirtieth (30th) day after the day the risk became vacant or silent.

8. CANCELLATION

a) This insurance may be cancelled at any time at the request of the Insured, in which case the Insurer will retain the customary short period rate for the time the Policy has been in force.

b) This insurance may also be cancelled at the option of the Insurer by issuing thirty (30) days notice to that effect to the Insured’s last known email address or by registered letter to the last known mailing address, in which case the Insurer shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

c) Notwithstanding General Condition 8b), the insurance may be cancelled by the Insurer giving seven (7) days notice in writing for non-payment of premium.

9. WARRANTIES

Every Warranty to which the Property Insured or any Item thereof is, or may be, made subject shall from the time the Warranty attaches apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such Warranty shall be a bar to any claim in respect of such property or Item.

10. REASONABLE PRECAUTIONS

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

11. COMMUNICATIONS IN WRITING

Every notice and other communication to the Insurer required by these Conditions must be written or printed.

CLAIMS CONDITIONS

1. ACTION BY THE INSURED

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 minimize the loss or damage and recover any missing property.

ii) Give notice in writing to the Insurer and

iii) Give notice to the police in the event of deliberate or malicious damage.

b) Within 30 days (or such further time as the Insurer may in writing allow) deliver to the Insurer

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 Insurer 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 occurred, and any matter touching the liability or the amount of liability of the Insurer as may be reasonably required by or on behalf of the Insurer together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

2. INSURER'S RIGHTS FOLLOWING A LOSS

On the happening of DAMAGE the Insurer or any person(s) authorized by the Insurer may without hereby incurring any liability or diminishing any of the Insurer's rights under this Policy

a) Enter to take or keep possession of the premises where such DAMAGE has occurred

b) Take possession of or required to be delivered to the Insurer any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner.

No property may be abandoned to the Insurer whether taken possession of by the Insurer or not.

3. FORFEITURE

a) All benefit under this Policy shall be forfeited if any claim made is in any respect fraudulent or any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain benefit under this Policy or if any DAMAGE is caused by the willful act or with the connivance of the Insured.

b) Benefit under this Policy shall also be forfeited in respect of any claim
i) made and rejected if an action or suit be not commenced within twelve months after such rejection, or

ii) where arbitration takes place in pursuance of Claims Condition 9 of this Policy and an action or suit be not commenced within twelve months after the arbitrator or arbitrators or umpire shall have made their award.

4. DEDUCTIBLE CLAUSE

It is hereby declared and agreed that the Insurer shall not be liable for the first part (the Deductible, as stated below) of each claim otherwise payable under the terms of this Policy. If the Deductible so calculated is greater than the amount otherwise payable under this Policy, then no amount shall be payable by the Insurer.

For the purposes of this Deductible Clause:

Location shall mean the premises at the address specified in the Schedule and shall be deemed to include all other land adjoining thereto which is owned and/or occupied by the Insured.

Items are defined as being one of the following:

1. Buildings as defined in this Policy provided that each building at the same Location that is separated from each other by at least 30 feet will be treated as a separate item for the purpose of the calculation of this Deductible;
2. Contents as defined in this Policy;
3. Stock as defined in this Policy;
4. Plant and/or Machinery as defined in this Policy;

Any item not specified as Buildings, Contents, Stock or Plant and/or Machinery will be deemed to be Contents for the purposes of this Deductible Clause and subject to the Deductible.
Contents, Stock and Plant and/or Machinery contained in Buildings at least 30 feet apart at the same Location will also be treated as separate Items for the purposes of the Deductible calculation.
Each Loss Occurrence shall be adjusted separately, and from the amount of each adjusted loss occurrence, the applicable deductible stated in the Policy shall be deducted.

The Deductible:
Any Perils (other than Fire or Lightning) a sum equivalent to 1% (one percent) of the amount of loss, subject to a minimum Deductible of $50,000 (fifty thousand dollars) and a maximum Deductible of $750,000 (seven hundred and fifty thousand dollars) or the United States Dollar equivalent. This shall apply to each Location as defined above.

5. BASIS OF CLAIMS SETTLEMENT

The Insurer may at its option, repair reinstate or replace the property damaged or destroyed or any part thereof, instead of paying the amount of the DAMAGE, or may join with any other Insured or Insurers in so doing, but the Insurer shall not be bound to repair exactly or completely only as circumstances permit and in reasonably sufficient manner, and in no case shall the Insurer be bound to expend more in repair than it would have cost to restore 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 Insurer so elects to repair or replace any property the Insured shall, at his own expense furnish the Insurer with such plans, and no acts done, or caused to be done by the Insurer with a view to repair or replacement shall be deemed an election by the Insurer to repair or replace.

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

6. AVERAGE (UNDERINSURANCE)

If the Property Insured, at the time of any DAMAGE, be collectively of greater value than the sum insured thereon, the Insured shall bear a share of the loss corresponding directly to the proportion of underinsurance. Every Item, if more than one, of the Schedule shall be separately subject to this Condition.

7. CONTRIBUTION

If at the time of any DAMAGE there be any other insurance effected by or on behalf of the Insured covering any of the property lost, destroyed or damaged, the liability of the Insurer hereunder shall be limited to its ratable proportion of such DAMAGE.

If any such other insurance is expressed to cover any of the Property Insured, but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing ratably to the destruction or damage, the liability of the Insurer hereunder shall be limited to such proportion of the destruction or damage as the sum insured hereby bears to the value of the property.

8. SUBROGATION

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

9. ARBITRATION

If any difference shall arise as to the amount to be paid under this Policy such difference shall 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 so to do 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 difference 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 costs of the reference and of the award shall be at 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, arbitrators or umpire of the amount of the loss or damage if disputed shall be first obtained.

10. TIME LIMIT

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

11. PROOF OF LOSS

In any action, suit or other proceedings where the Insurer alleges that any DAMAGE is not covered by this insurance, the burden of proving that such DAMAGE is covered shall be upon the Insured.

12. PHYSICAL DAMAGE PROVISION CLAUSE

1. The Insurer's obligation to indemnify under this policy shall be restricted to claims payments resulting from:

    - This property insurance, insofar as it covers financial losses arising from the physical loss of or physical damage to the tangible insured property caused by an insured peril; and

    - property business interruption insurance, if applicable, insofar as it covers interruption directly caused by physical loss of or physical damage to the tangible insured property caused by an insured peril.

The indemnity trigger for Contingent Business Interruption extensions is subject to physical loss of or physical damage to:

(i) the tangible property at the premises of a customer or supplier for customers' and/or suppliers' extensions;

(ii) the tangible property belonging to or being under the control of any company or authority producing necessary utilities used by the insured for public utilities failure coverages;

(iii) a tangible property in the vicinity of the insured's property for denial of access coverages; caused by an insured peril.

2. "Physical damage" is understood to mean a detrimental change in tangible property substance through physical or chemical impact.

3. For the avoidance of doubt, a pure loss of use, such as the inability to use or restrictions in the use of a building or an object, as well as the simple non-functioning of an object shall not constitute a physical loss or damage.