

# **GENERAL TARIFF RULES**

**FOR THE REGULATION OF**

## **FIRE & BUSINESS INTERRUPTION INSURANCE**

**PRICE RATING BY LICENCED GENERAL INSURERS OPERATING  
IN CAMBODIA**

## **Contents**

## **Pages**

Section1	General Rule for the Regulation of Fire Insurance	1-12
Section2	Rule for Construction Classification	13
Section3	Schedule of Rate and Trade Occupation Classification	14-19
Section4	Additional Perils Rate and Perils Endorsements	20-27
Section5	Fire Extinguishing Appliances	28-42
Section6	Fire Insurance Policy	43-54
Section7	Clauses and Endorsements	55-70
Section8	Voluntary Deductible	71
Section9	Statistic Format	72-75
Section10	Enforcement of Fire Tariff	76-80
Section11	Rules for Fire Consequential Loss	81-109

## **SECTION 1**

### **GENERAL RULES FOR THE REGULATION OF FIRE INSURANCE BUSINESS IN CAMBODIA**

#### **1.0 APPLICATION OF TARIFF**

This Tariff applies to all insurances covering Fire with or without other perils up to a sum insured of US10 million (Fire material damage and Fire Consequential Loss sum insured separately or combined) at one location whether issued in the Fire or Miscellaneous department other than Engineering or Cargo insurance except to the extent otherwise provided in these rules.

The general rules apply to all sections of this tariff. Where these general rules are not consistent with the specific rules in other sections of the tariff, the specific rules will prevail. Likewise, members should refer to the specific rules in the relevant sections of the tariff for the use of the specific clauses/ endorsements/ warranties, where applicable.

#### **1.1 POLICIES**

The use of the Policy conditions set out in Section 6 is obligatory and may not be varied.

#### **1.2 DATE OF OPERATION OF TARIFF**

In the absence of any special provision to the contrary all Tariff rates, rules and regulations come into force on the date specified in the official notice, but not before that date, and are to be applied to all new insurances after that date and to all existing insurances on next renewal but not before. They are deemed to be in force and binding until the date on which their repeal or alteration has been officially announced.

#### **1.3 NOTICE TO OFFICIALS, ETC.**

Every Company is bound, on receipt of an official notice of any Tariff measure having been adopted, immediately to give such instructions to its officials and other representatives and shall ensure the application by them of such Tariff measure at and after, but not before, the date at which it comes into operation.

#### **1.4 COMPANY RESPONSIBILITY**

Every Company is responsible for any act relating to Tariff measures of every official, agent or other person authorised to represent it, and any infringement by any such person of a Tariff rate, rule or regulation constitutes a violation by that Company of its Tariff obligations.

In the event of any Company infringing a Tariff rate, rule or regulation, it must, upon such infringement being discovered at once inform the insured of the mistake and indicate what the correct rate and provisions are and immediately. Failure to do so is deemed to be non-compliance to the tariff and disciplinary action will be initiated as per Clause 6 - Procedures for Enforcement of the Revised Fire Tariff of Section 10 of the Tariff.

#### **1.5 REINSURANCE/COINSURANCE**

No company being a member of the Association shall accept facultative reinsurance/coinsurance from a company which is not a member of the Association on a risk situated in the area to which the tariff applies unless such company has insured the risk subject to all the rates and provisions of the said tariff.

As between companies pro rata premium may be charged for broken periods or for mid-term cancellation of reinsurance/coinsurance provided that annual rate has been charged on the original policy, but where short period rate has been charged, the reinsurer/coinsurer shall be paid proportionately.

## **1.6 COMMISSION/BROKERAGE/CO-INSURANCE COST**

The maximum amount payable by way of commissions will be as follows:-

Commission to Agents and Brokers licensed by Ministry of Economy & Finance:15%

Contribution by Co-Insurers to Expenses of the Lead-Coinsurer: Maximum 2.5% on net(after Commission to Agents/Brokers ) on their co-insurance share.

Where the Insurance is taken up by the full time employees of the insurance company or the insurance company itself covering his/her/their property without an agent or broker as intermediary, the Insurer may allow a discount on the premium receivable not exceeding 15%. Any discount allowed shall be specified in the Policy schedule. For any other parties except those stated, discount/rebate is strictly prohibited.

## **1.7 INFORMATION TO BE SHOWN ON POLICY**

Every policy schedule shall show the Tariff rate for basic Fire and Lightning and the total additional perils with rates applicable to selected items to be shown separately for ease of premium computation (or the special rate), trade code, premium charged and the class of construction adopted for determination of the premium rates.

## **1.8 INTERPRETATION OF TARIFF**

Where any doubt exists as to the correct application of any Tariff rate, rule or regulation reference is to be made to the Association for a ruling.

## **1.9 NOTIFICATION OF LOSSES**

Members shall advise the Association of any claim received for loss or damage by any of the perils covered by the Tariff, where the amount or estimated amount of the loss is USD50,000 or over, within fourteen (14) days of notification of the claim.

Where a risk is coinsured, the leading insurer shall advise such claim to the Association.

## **1.10 SUBMISSION OF FIRE STATISTICS**

Statistics in respect of insurances governed by this tariff must be submitted to the Association or its authorised representative(s) in the prescribed forms and manner as specified in Section 9 of this Tariff.

Insurers should report data on all Fire Department business (including Fire Consequential Loss Insurance) on a monthly basis to the Secretariat in the prescribed forms. Such data may be supplied through electronic date by computer using layout and language compatible with the computer used by the Secretariat.

## **1.11 FLOATING POLICIES - SPECIFIED LOCATIONS**

Floating insurance covering material damage of property situated at more than one location under a single sum insured is strictly prohibited but it is permissible to issue a floating cover under the following conditions:-

#### 1.11.1 Specified Locations

To insure stocks at more than one location under a single sum insured provided :-

- a) The insured stocks must be specified as a separate item in the policy schedule .
- b) All the locations concerned must be specifically described in the policy .
- c) The sum insured declared in the policy schedule shall represent the full value of the insured stocks at all the locations concerned.
- d) The rate to be applied shall be the highest among the rates applicable to the various locations concerned.

The use of Clause 32 in Section 7 is obligatory.

### 1.12 BASIS OF INSURANCE

Except otherwise as provided for in Rules 1.15 - Contract Price, 1.16 - Agreed Value Insurance and 1.17 - Self Insurance, the sum insured must represent the full value of the property insured. Insurance on First Loss Basis is strictly prohibited.

The full value of the property insured shall be on market value basis unless otherwise as provided for in Rules 1.21 - Reinstatement Value, 1.22 - Reinstatement to Requirement of Public Authority, and 1.23 - Declaration Policies respectively.

### 1.13 BASIS OF SETTLEMENT

It is not permissible to insert in a policy a provision for loss settlement :-

1.13.1 in which the value of the insured interest is admitted except as provided for in Rules 1.12 - Basis of insurance, 1.15 - Contract Price, and 1.16 - Agreed Value respectively; or

1.13.2 whereby settlement of the loss is to be made on any other basis than the actual market value at the time of the loss or damage except as provided for in Rules 1.21 - Reinstatement Value, 1.22 - Reinstatement to Requirement of Public Authority, and 1.23 - Declaration Policies.

### 1.14 SPECIAL PERILS

It is not permissible to cover in one policy fire and other perils except when the Special Perils are limited to those included in Section 4 and subject to the rates and conditions thereof.

### 1.15 CONTRACT PRICE

An insurance on the basis of Contract Price may only be granted in the case of goods sold but not delivered subject to the provisions of Clause 7 in Section 7.

### 1.16 AGREED VALUE INSURANCE

An insurance on agreed value may only be granted for art objects/paintings, antiques and such like items subject to the provisions of Clause 33 in Section 7.

### **1.17 SELF INSURANCE**

Self insurance may be granted whereby the insured shall be his own insurer for a pre-agreed percentage (%) of the full value of the insured property subject to the provisions of Clause 39 in Section 7.

### **1.18 EXCLUSION OF PORTIONS OF BUILDINGS**

When a building is insured the whole of the building must be insured but it is permissible to:-

- 1.18.1 exclude the part below the level of its lowest floor including those parts of concrete foundations for machinery which extend above such level.
- 1.18.2 the use of Clause 8 in Section 7 is obligatory.
- 1.18.3 when the insured's entire interest consists of a portion only of a building, to insure such portion only.

### **1.19 TERM OF INSURANCE**

It is not permissible to grant any insurance on property for a period longer than twelve months except where in order to secure concurrency with:-

- 1.19.1 the expiry of other policies effected by the same insured, or
- 1.19.2 the insured's financial year, or
- 1.19.3 the terms of charge (mortgage) deeds, leases or tenancy agreements.

It is not, however, permissible to grant any insurance for a period exceeding 18 months from the inception date of the policy and provided also that the premium charged is to be paid in advance by applying the full multiple of the annual rate. No discount in premium shall be allowed for entering into any long term agreement for insurance.

### **1.20 RENT**

An insurance on rent may be granted to:-

- 1.20.1 the landlord (owner-non occupier) :

subject to the number of months insured and the amount of the rent being received for the period insured to be shown in the policy schedule,

- 1.20.2 the landlord (owner-occupier) :

subject to the amount of reasonable expenses to be incurred for renting an alternative premise elsewhere being shown in the policy schedule.

The insertion of Clause 9 in Section 7 into the policy is obligatory.

### **1.21 REINSTATEMENT**

It is permissible to issue a policy covering the Reinstatement Value of buildings and/or contents (other than stock-in-trade and/or merchandise) subject to the provisions of Clause 16 in Section 7.

## **1.22 REINSTATEMENT TO REQUIREMENTS OF PUBLIC AUTHORITIES**

It is permissible to extend a policy to cover the additional cost of reinstatement necessarily incurred in compliance with the requirements of the Public Authorities subject to the provisions of Clause 18 in Section 7.

## **1.23 DECLARATION POLICIES**

It is permissible to issue a Declaration Policy on stock-in-trade where the sum insured on such stock-in-trade is not less than USD100,000 per location subject to the following general principles:-

- 1.23.1 where two or more policies or a policy containing more than one item with separate sums insured on a declaration basis are in force the provisions governing the issue of Declaration Policies apply separately to each policy or item.
- 1.23.2 the sum insured is the Company's maximum liability and must be stated in the policy.
- 1.23.3 a provisional premium calculated on 100% of the sum insured shall be paid in advance and after adjustment in accordance with the provisions applicable the Company shall retain a minimum of 50% of the provisional premium.
- 1.23.4 where there is an increase or reduction in the sums insured prior to the expiry of the insurance subject to a minimum sum insured of USD100,000 per location whether effected by the issue of an endorsement or of a new policy, the minimum premium shall be calculated on a pro-rata basis in respect of each sum insured for the period to which that sum insured relates.
- 1.23.5 the value at risk shall be declared on one of the following bases to be agreed before hand with the insured and specified in the policy:-
  - 1.23.5.1 the average of the values at risk on each day of the month.
  - 1.23.5.2 the highest value at risk during the month.
  - 1.23.5.3 the value at risk on a specified day of the month/period.
- 1.23.6 no Declaration Policy may be issued for any period less than 12 months subject to the provisions of rule 1.28 - Short Period Insurance.
- 1.23.7 the use of the Special Conditions for Declaration Policies of Clause 18 in Section 7 is obligatory.

## **1.24 WARRANTIES**

The appropriate wordings set out in Sections 5 must be inserted in the policy in all cases where an allowance or reduced rate is granted for Automatic Sprinklers, Drenchers or other Fire Extinguishing Appliances, all as provided for in Section 5 the policy must state the nature of the appliances installed.

It is not permissible to alter or qualify, either by letter, endorsement or otherwise, any warranty required to be inserted in the policy.

## **1.25 TARIFF RATES/EXCESS AMOUNTS/DEDUCTIBLES**

The Tariff rates, except where specifically stated to the contrary are annual rates and apply to buildings, contents and rent in respect of all risks rateable under this Tariff wherever the insurance is effected.

The Tariff rates or any excess amount/deductibles applicable on the policy are the minimum to be charged or imposed on any risk.

No discounts or allowances in any other form whatsoever are permitted except such as are authorized by the Tariff Committee of the association.

## **1.26 HIGHEST RATE APPLICABLE**

Where two or more ratings are applicable to any one risk or where two or more risks are covered in one sum insured, the rate to be charged shall be the highest rate applicable to any of the risks.

## **1.27 COMMUNICATING BUILDINGS**

Where two or more buildings or parts of buildings are not separated by a fire break wall/floor or the prescribed separation distance as specified below, they are to be considered as one risk and the rate to be charged shall be highest rate applicable to any of the risks.

### Separation Distance

Class A to Class A - Minimum 10 metres

Class A to Class B - Minimum 15 metres

Class A to Class C - Minimum 30 metres

Class B to Class C - Minimum 30 metres

Class C to Class C - Minimum 30 metres

## **1.28 SHORT PERIOD INSURANCE**

1.28.1 The premium for:-

1.28.1.1 an insurance effected or renewed for a period of less than one year,

1.28.1.2 increases in the sum insured on a policy issued for a period of less than one year,

1.28.1.3 increases in the sum insured under an annual policy for a period less than the unexpired period of that policy except as provided for in Rule 1.31, is to be calculated on the following scale:

### **Period Less than :**

1 month 20% of Annual Rate

1-2 months 30% - do -

2-3 months 35% - do -

3-4 months 45% - do -

4-5 months 55% - do -

5-6 months 65% - do -

6-7 months 75% - do -

7-8 months 80% - do -



8-9	months	85%	- do -
9-10	months	90%	- do -
10-11	months	95%	- do -
11-12	months	100%	- do -

N.B. Extension of Short Period Policy shall not be permitted.

The premium chargeable after application of the above Scale should not be less than the minimum premium of USD70 (for Fire Policy),and USD130 (for Fire Consequential Loss Policy).

1.28.2 When in order to secure concurrency with:-

1.28.2.1 the expiry of other policies effected by the same insured,

1.28.2.2 the insured's financial year, or

1.28.2.3 the terms of charge (mortgage) deeds, leases or tenancy agreements, it is necessary that an insurance shall become renewable at a particular date it is permissible:-

- (a) to grant an insurance for an initial period of less than 12 months at a pro rata proportion of the annual premium provided that a written undertaking be given by the insured or his authorized agent that the insurance will, on the expiry of the short period, be renewed for not less than the next immediately ensuing 12 calendar months.
- (b) to extend the terms of a policy which has been in force for not less than 12 months for a portion of a year at a pro rata proportion of the annual premium.

## **1.29 MINIMUM PREMIUM**

The minimum premium under any Policy, cover note or any other form of acknowledgement of cover after deduction of any allowance or discount permitted by the Tariff other than discount for a commission or brokerage shall not be less than:-

Fire Insurance - USD70.00

Fire Consequential Loss Insurance - USD130

## **1.30 STOCK-IN-TRADE AND MERCHANDISE**

Variations in the sums insured on stock-in-trade and/or merchandise are permissible and an adjustment in premium may be made on a pro-rata basis provided the insurance is an annual one. Such variations shall not be retrospective and shall be made effective by endorsement. Subject to the foregoing it is not permissible to grant annual insurances for amounts varying periodically and instead of calculating the short period premiums on the several amounts insured for each period to charge the annual rate on the average amount insured during the year.

## **1.31 CANCELLATION**

An insurance may be cancelled in whole or in part before the date of expiry at the option of:-

- 1.31.1 the Company upon giving Fourteen (14) days notice by registered letter to the insured at his last known address when a pro rata return of premium may be allowed in respect of the unexpired period.
- 1.31.2 the insured when a return of 90% of the proportionate part of the premium corresponding to the unexpired period of insurance from the date of cancellation.
- 1.31.3 a pro rata premium return may be allowed if a policy is cancelled because the property insured has been sold or if there is no longer an insurable interest on the said property.

No return of premium under this Rule shall be allowed which would reduce the actual premium charged to be less than the minimum premium payable in accordance with Rule 1.29

### **1.32 RETURN OF PREMIUM**

Except as provided in Rules 1.30, and 1.31, no portion of the premium paid for insurance for any period not exceeding one year shall under any circumstances be returned or allowed or in any way refunded in respect of any portion of the term for which such insurance has been effected.

### **1.33 INSTALMENT PREMIUMS**

The acceptance of premiums on policies by instalments is not permitted.

### **1.34 US CURRENCY**

All monetary amounts in policies are to be expressed in US Dollar.

### **1.35 PACKAGE OR COMBINED POLICIES**

Package or Combined Policies may be issued to cover various classes of insurance, including that to which this Tariff applies, provided that the Uniform Fire Policy wordings, Rates and the Rules and Regulations of the tariff are maintained.

An appropriate premium is to be charged accordingly for the non-fire section under such Package or Combined Policies.

### **1.36 REFER TO THE TARIFF COMMITTEE OF THE ASSOCIATION**

For risks where the rates are not specified in Section 3 of the tariff, the member must submit full details including all supporting documents, statistics and past experience on the particular risks to the Tariff Committee of the Association for rating.

### **1.37 NON-TARIFF WARRANTIES, CLAUSES AND ENDORSEMENTS**

It is permissible to incorporate into the fire policy any of the approved warranties, clauses and endorsements as provided for in this Tariff where applicable and subject to the appropriate additional premium as the case may be.

Warranties, clauses and endorsements not provided herein is strictly prohibited. Members may submit any warranty, clause or endorsement to the Tariff Committee of the Association for consideration and approval for specific use. The Tariff Committee of the Association may also consider to incorporate such clause or endorsement into the Tariff if found suitable for the market use.

### **1.38 FIRE CONSEQUENTIAL LOSS POLICIES**

It is not permissible to issue any fire consequential loss policy except in accordance with the rate terms and conditions as set out in Section 11.

### **1.39 ALL RISKS POLICIES**

It is not permissible to cover material property against the risks of fire and the special perils to which this tariff relates except on the forms laid down herein other than for the following :-

- (i) All Risks insurances on office equipment, computer and electronic equipment, personal effects, jewellery, money, art of works and renovation works and/or office partition not forming part of a building.
- (ii) All Risks insurances on equipment, plant or machinery used in industrial or business premises and domestic/household appliances and equipment.
- (iii) Other forms of policies specifically approved by the Tariff Committee of the Association.

The minimum rates after commission to be applied, less where applicable, 15% commission for the above policies shall be as follows :-

- i) at least the minimum fire and lightning rate (either tariff or special rate, whichever applicable) to be charged according to the occupation and construction classification of the risk; and plus
- ii) at least a flat rate of 0.250% to be charged for all other covers not excluded under the All Risks Policies.
- iii) in the event the rating above is not agreeable by the insured, the insured may opt to insure under named perils basis and the rate would be charged according to the selected perils to be insured only.

Members are required to indicate the gross fire tariff rates on the policy schedule for inspection purposes.

Buildings and stocks cannot be covered under All Risks Policies except Industrial/Property All Risks policies with sum insured exceeding US\$10,000,000 (Fire Material Damage and Fire Consequential Loss sum insured separately or combined) at one location.

The above rules shall not be applicable to :-

- 1.39.1 All Risks insurances on equipment, plant or machinery used on site for quarrying, mining, construction, logging or agriculture.
- 1.39.2 All Risks insurances on contract works or machinery under erection.

- 1.39.3 Marine insurances on property in transit.
- 1.39.4 Engineering insurances (excluding Electronic Equipment Insurance)
- 1.39.5 Civil Engineering Completed Risks for roads, runways, bridges, tunnels, weirs, dams of all kinds, canal systems, harbours, dry docks, overhead lines, transmission masts, pipelines, irrigation systems, water reservoirs, sewer systems, storage tanks and the contents thereof.
- 1.39.6 Other forms of policies specifically approved by the Tariff Committee of the Association.

**1.40 GENERAL DISCOUNTS FOR SPECIAL FEATURES**

In no circumstances may any of the rates prescribed herein be reduced, either on account of the insured being willing to bear a franchise or for any other reason, except in respect of:-

- 1.40.1 Discounts as provided in Section 5
- 1.40.2 Voluntary Deductibles for sums insured up to USD10 million (Fire Material Damage only).

**1.41 Fire Extinguishing Appliances Discounts**

The FEA discounts are only applicable to the basic Fire, Lightning and domestic explosion rate.

**1.42 Minimum Deductibles**

1.42.1 The minimum deductibles for the material damage section only to be applied are as follows:-

Hazard Class	Non-Catastrophe Losses	Catastrophe Losses
Low	USD1,000	5% of loss subject to minimum of USD5,000 for each and every loss
Medium	USD2,000 or 2.5% of loss, whichever is higher	
High	USD3,000 or 5% of loss, whichever is higher	

- 1.42.2 The deductibles are applicable on any risk at any one location.
- 1.42.3 No company is allowed to reduce the minimum deductibles prescribed in the Tariff.
- 1.42.3 Companies are allowed to increase the minimum deductibles based on their own underwriting decision.

## SECTION 2

### RULES FOR THE CONSTRUCTION CLASSIFICATION OF BUILDINGS

1. The construction of Buildings is classified into Three (3) classes:-
  - a. Class A Construction
  - b. Class B Construction
  - c. Class C construction
  
2. Definitions of Construction Class
  - a. **Class A Construction**
    - i) **External Wall:** Brick, stone, concrete, metal or other fire resistant materials
    - ii) **Upper floor:** Concrete, metal or wood less than 20%
    - iii) **Column:** Concrete or metal
    - iv) **Roof and Roof frames:** Concrete, metal, tile, galvanized sheet
  - b. **Class B Construction**
    - i) **External Wall:** Brick, stone, concrete, metal or other fire resistant materials with wood less than 50%
    - ii) **Upper floor:** Concrete, metal or wood between 20% to 50%
    - iii) **Column:** Concrete, metal, partly wood with metal or concrete
    - iv) **Roof and Roof frames:** Concrete, metal, tile, galvanized sheet
  - c. **Class C Construction**

All other construction not confirming to Class A and Class B construction.
  
3. Where two or more buildings are not separated by the prescribed separation distance as specified below, they are considered as one risk and the rate to be charged shall be higher rate applicable to any of the occupancy risk. For the purpose of this rule, separation distance is defined as below:

#### Separation Distance

Class A to Class A: minimum 10 meters

Class A to Class B: minimum 15 meters

Class A to Class C: minimum 30 meters

Class B to Class C: minimum 30 meters

Class C to Class C: minimum 30 meters

## SECTION 3

### SCHEDULES OF RATES AND TRADE/OCCUPATION CLASSIFICATIONS

Note 1 Rates shown below are annual premium rates per cent for basic policy cover( i.e. Fire, Lightning and domestic explosion only) and are applicable to Buildings, Contents and Rent unless otherwise stated.

Note 2 Attention is drawn to all the Rules given in Section 1 which govern these rates

Note 3 Class of Construction of building is described in Section 2.

**Tariff Rate:**

Category	Code	Occupation/Trade	Hazard	Class		
				A	B	C
<b>RESIDENTIAL PROPERTIES</b>	10101	Apartment/Condominium	Low	0.116	0.160	0.239
	10102	Dormitory Or Flat	Low	0.116	0.160	0.239
	10103	Dwelling House	Low	0.123	0.168	0.253
<b>COMMERCIAL SERVICE</b>	11101	Botanic And Zoological Garden	Low	0.118	0.163	0.244
	11102	Church	Low	0.125	0.172	0.258
	11103	Clinic / Dental Clinic	Low	0.130	0.179	0.268
	11104	College / School / University / Educational Facility	Low	0.123	0.168	0.253
	11105	Hospital / Animal Hospital	Low	0.130	0.179	0.268
	11106	Hotel	Low	0.140	0.193	0.289
	11107	Nursing Home	Low	0.130	0.179	0.268
	11108	Office	Low	0.109	0.150	0.225
	11209	Guest House	Medium	0.214	0.294	0.442
	11210	Science Laboratory	Medium	0.236	0.324	0.486
	11211	Temple	Medium	0.228	0.314	0.471
	11212	Crematorium	Medium	0.264	0.363	0.545
<b>RETAIL TRADING</b>	12101	Auction House	Low	0.144	0.198	0.297
	12102	Cellular Telephone Stores	Low	0.160	0.220	0.330
	12103	Flower Shop	Low	0.134	0.184	0.277
	12104	Fresh FISH & SEAFOOD DEALERS	Low	0.130	0.179	0.268
	12105	Jewelry Stores	Low	0.153	0.210	0.315
	12106	Market In Open Air	Low	0.202	0.277	0.416
	12107	Pawn Shop	Low	0.138	0.189	0.284
	12108	Pharmacy Or Drug Store	Low	0.142	0.195	0.292
	12109	Photo Shop	Low	0.140	0.193	0.289
	12110	Shoe Store	Low	0.176	0.242	0.363
	12111	Sporting Goods Store	Low	0.171	0.235	0.352

	12112	Toy And Hobby Stores	Low	0.162	0.222	0.333
	12213	BOOKSTORE Or Stationary Stores	Medium	0.267	0.367	0.550
	12214	Bridal Store	Medium	0.253	0.347	0.521
	12215	Clothing Shop	Medium	0.245	0.337	0.505
	12216	Electrical Selling & Repairing / Electrical Appliance Repair Shop	Medium	0.254	0.349	0.524
	12217	Grocery Store/ Mini Mart	Medium	0.243	0.335	0.502
	12218	Hardware Store	Medium	0.254	0.349	0.524
	12219	Home Furniture Store	Medium	0.283	0.390	0.584
	12220	Laundry Or Dry Cleaning	Medium	0.257	0.353	0.529
	12221	Liquor Store	Medium	0.271	0.372	0.559
	12222	Market	Medium	0.268	0.369	0.553
	12223	Motor Vehicle Parts And/Or TYRE DEALERS	Medium	0.263	0.362	0.543
	12224	Retail Stores Not Other Specified	Medium	0.251	0.345	0.517
	12225	Silk Screen Shop	Medium	0.252	0.346	0.519
	12226	Supermarket / Department Store	Medium	0.253	0.347	0.521
	12227	Tailor	Medium	0.258	0.355	0.533
<b>FOOD AND BEVERAGE</b>	13201	Bakery Shop/Confectionary	Medium	0.253	0.347	0.521
	13202	Coffee Shop	Medium	0.240	0.330	0.495
	13203	Restaurant	Medium	0.263	0.361	0.541
<b>RECREATION SERVICE</b>	14104	Amusement Park (Outdoor)	Low	0.155	0.213	0.319
	14105	Barber Shop/Beauty Saloon	Low	0.153	0.211	0.316
	14106	Billiard Saloon	low	0.155	0.213	0.319
	14107	Bowling Hall	Low	0.155	0.213	0.319
	14108	Gymnasium	Low	0.121	0.166	0.249
	14209	Bath And Massage Parlour	Medium	0.269	0.370	0.555
	14310	Night Club/ Bar/ Karaoke	High	0.340	0.468	0.701
<b>CINEMAS, STUDIOS &amp; EXHIBITION HALLS</b>	15101	TV Broadcasting Station	Low	0.152	0.209	0.313
	15102	Movie Film/Photo Graphic Studio/Sound Recording Studio	Low	0.185	0.254	0.382
	15103	Radio Broadcasting Station	Low	0.152	0.209	0.313
	15204	Cinema/Theatre	Medium	0.278	0.383	0.574
	15205	Exhibition Hall Or Showroom/Wedding Hall	Medium	0.253	0.348	0.523
<b>TRANSPORTATION</b>	16201	Air Transport Premises Including Hangar	Medium	0.258	0.355	0.533
	16202	Bus Terminal/Station	Medium	0.252	0.346	0.519
	16203	Piers, Wharves, Port, Jetty, Water Transport Premises	Medium	0.245	0.337	0.505
	16204	Railway Station	Medium	0.251	0.345	0.517

<b>GENERAL STORAGE</b>	17201	WAREHOUSE KEEPING B) Non-Hazardous GOODS	Medium	0.263	0.361	0.541
	17302	Cold Storage	High	0.355	0.488	0.732
	17303	GOODS IN OPEN AIR A) Non-Hazardous Goods	High	0.355	0.488	0.732
	17304	GOODS IN OPEN AIR B) Hazardous Goods	High	0.543	0.747	1.121
	17305	WAREHOUSE KEEPING A) HAZARDOUS GOODS	High	0.645	0.887	1.330
<b>CONSTRUCTION</b>	18101	Unoccupied/Vacant Risk (Other Section)	low	0.159	0.219	0.328
	18202	Building In Course Of Construction (Full Value)	medium	0.251	0.345	0.517
	18203	Silent Industrial Risk (Remark) (Other Section)	medium	0.258	0.355	0.533
<b>FOOD PROCESSING INDUSTRIES</b>	19101	Egg Product/Preserved Egg	Low	0.139	0.191	0.287
	19102	Slaughter House & Bone Crushing Fty	Low	0.164	0.226	0.339
	19203	Animal Farm Not Otherwise Specified	Medium	0.251	0.345	0.517
	19204	Bakery/Biscuit Fty.	Medium	0.264	0.363	0.545
	19205	Bean Curd Fty	Medium	0.246	0.338	0.507
	19206	Chili/Flavouring Powder Fty Without Heating Process	Medium	0.239	0.329	0.493
	19207	Confectionary/Candy Fty.	Medium	0.264	0.363	0.545
	19208	Dry Fruit Preservation Without Heat Processing	Medium	0.247	0.339	0.509
	19209	Food Processing Not Otherwise Specified	Medium	0.283	0.390	0.584
	19210	Ice Product Fty.	Medium	0.263	0.361	0.541
	19211	Ice-Cream Fty	Medium	0.263	0.361	0.541
	19212	Meat And Seafood Processing	Medium	0.246	0.338	0.507
	19213	Noodle Fty	Medium	0.257	0.353	0.529
	19214	Pig Farm	Medium	0.251	0.345	0.517
	19215	Poultry Farm	Medium	0.251	0.345	0.517
	19216	Sauce And Pickle Fty	Medium	0.252	0.346	0.519
	19317	Animal Feed Meal	High	0.367	0.504	0.756
	19318	Chili/Flavouring Powder Fty With Heating Process	High	0.363	0.498	0.748
19319	Cooking Oil Fty	High	0.385	0.529	0.794	
19320	Dry Fruit Preservation With Heat Processing	High	0.353	0.485	0.727	
19321	Peanut Mill Excluding Peanut Oil Production	High	0.358	0.492	0.737	
<b>BEVERAGES PROCESSING</b>	20101	Non Alcohol Beverage / Drinking Water	Low	0.162	0.222	0.333
	20202	Brewery	Medium	0.268	0.368	0.552
	20303	Alcohol/Liquor/Wine	High	0.421	0.579	0.868



<b>TOBACCO</b>	21301	Tobacco/CIGAR / CIGARETTE / Smoke House Fty.	High	0.495	0.681	1.021
<b>TEXTILES</b>	22301	Cotton Mill	High	0.380	0.523	0.784
	22302	Fabric Printing And Dyeing	High	0.356	0.489	0.734
	22303	Garment Factory	High	0.372	0.511	0.767
	22304	Knitting Mill	High	0.380	0.523	0.784
	22305	Silk Thread Fty	High	0.343	0.472	0.708
	22306	Silk Weaving	High	0.343	0.472	0.708
	22307	Textile Factory/Spinning Mill And Thread Maker	High	0.387	0.532	0.798
<b>LEATHER AND FIBRE PRODUCTS INDUSTRIES</b>	23301	Brush Manufacturing	High	0.290	0.399	0.598
	23302	Carpet Rug And Mat Fty	High	0.450	0.619	0.928
	23303	Leather Or Fiber Product Fty Not Otherwise Specified Excl Plastic	High	0.388	0.534	0.801
	23304	Leather Product Fty Including Boot, Shoes	High	0.413	0.568	0.853
	23305	Net Factory Excluding Plastic	High	0.345	0.474	0.712
	23306	Tannery Fty	High	0.382	0.525	0.787
<b>WOOD WORKING AND TIMBER</b>	24301	Plywood/Laminated Wood And The Likes Manufacturing	High	0.770	1.059	1.588
	24302	Saw Mill	High	0.917	1.260	1.891
	24303	Wood, Bamboo, Rattan Or Similar Natured Product Manufacturing	High	0.595	0.818	1.227
<b>PAPER AND PRINTING</b>	25201	News Paper, Magazine, Book Printing	Medium	0.286	0.393	0.590
	25202	Printing Not Otherwise Specified	Medium	0.297	0.408	0.612
	25303	Carton Paper/Box Manufacturing	High	0.545	0.749	1.124
	25304	Paper / Tissue Mfg With Recycling	High	0.675	0.928	1.392
	25305	Paper/Tissues Manufacturer Without Recycling	High	0.588	0.808	1.212
<b>CHEMICALS</b>	26201	Paint And Varnish Without Alcohol Or Oil	Medium	0.278	0.382	0.572
	26202	Toothpaste Fty.	Medium	0.251	0.345	0.517
	26303	Poly Foam Fty.	High	0.525	0.722	1.083
	26304	Candle Works	High	0.607	0.834	1.251
	26305	Chalk Fty.	High	0.355	0.488	0.732
	26306	Costmetic Factory	High	0.371	0.510	0.765
	26307	Detergent Factory	High	0.370	0.509	0.763
	26308	Dry Ice Fty.	High	0.359	0.493	0.740
	26309	Fertilizer Fty.	High	0.445	0.612	0.918
	26310	Glue Fty.	High	0.520	0.715	1.073
	26311	Ink And Color Fty.	High	0.373	0.512	0.768

	26312	Joss Stick Work	High	0.617	0.848	1.272
	26313	Match Fty.	High	0.620	0.853	1.279
	26314	Mosquito Coil Fty.	High	0.470	0.646	0.969
	26315	Manufacturing Of Chemical Product Not Otherwise Specified	high	0.470	0.646	0.969
	26316	Paint And Varnish Otherwise	High	0.692	0.951	1.427
	26317	Pharmaceutical Fty.	High	0.367	0.504	0.756
	26318	Soap Fty.	High	0.380	0.523	0.784
<b>GAS, OIL AND PETROLEUM</b>	27301	Bio Energy Product	High	0.448	0.615	0.923
	27302	Lubricate Fyt	High	0.432	0.594	0.890
	27303	Oil And Gas Refinery On Shore	High	0.670	0.921	1.382
	27304	Oil And Oil Refinery Off Shore	High	0.917	1.260	1.891
	27305	Oil Storage Without Process	High	0.492	0.676	1.014
	27306	Palm Oil	High	0.425	0.584	0.877
	27307	Petro Station	High	0.500	0.688	1.031
<b>RUBBER</b>	28201	RUBBER SMOKE HOUSE (Without Heating And Drying)	Medium	0.284	0.391	0.586
	28302	Rubber Goods Mfg Not Otherwise Specified	High	0.450	0.619	0.928
	28303	RUBBER SMOKE HOUSE With Heating And Drying	High	0.620	0.853	1.279
	28304	Tyre Manufacturing Fty.	High	0.546	0.751	1.126
	28305	Tyre Retreading Fty.	High	0.650	0.894	1.341
<b>PLASTICS</b>	29201	Assembly Or Manufacture Of Plastic Goods From Ready Made Plastic Not Involving Plastic Resins Or Compounds Of Extrusion, Blowing Or Injection Moulding	Medium	0.292	0.401	0.602
	29302	Plastic Goods Manufacture Involving The Process Of Resins Or Compounds Of Extrusion, Blowing Or Injection Moulding	High	0.508	0.699	1.048
	29303	Plastic Recycling Plants	High	0.502	0.690	1.035
<b>NON-METALLIC MINERALS</b>	30101	Cement Plant	Low	0.188	0.258	0.387
	30102	Marble Workshop	Low	0.170	0.234	0.351
	30103	Precious And Semi-Precious Stones Work Shop	Low	0.185	0.254	0.382
	30104	Quarry	Low	0.165	0.227	0.340
	30105	Stone Workshop	Low	0.170	0.234	0.351
	30206	Brick And Baked Clay	Medium	0.260	0.358	0.536
	30207	Enamel Ware And Ceramic Manufacturing	Medium	0.263	0.362	0.543
	30208	Glass Cutting Workshop	Medium	0.231	0.317	0.476
	30209	Glass Product Manufacturing	Medium	0.275	0.378	0.567

	30210	Manufacturing Of Non-Metallic Product Not Otherwise Specified	Medium	0.252	0.346	0.519
	30211	Mirror Fty	Medium	0.247	0.339	0.509
<b>METAL WORKING ;ENGINEERING</b>	31201	Aluminum Product Fty.	Medium	0.257	0.353	0.529
	31202	BATTERY OR DRYCELL Fty./Workshop	Medium	0.258	0.354	0.531
	31203	Bicycle Assembly Plants	Medium	0.230	0.316	0.474
	31204	Blacksmith Work	Medium	0.280	0.385	0.578
	31205	Cable And Wire Fty.	Medium	0.268	0.368	0.552
	31206	Electrical Product Manufacturing	Medium	0.271	0.372	0.559
	31207	Foundry And Smelting Work	Medium	0.280	0.385	0.578
	31208	Metal Product Mfg Not Otherwise Specified	Medium	0.268	0.368	0.552
	31209	Motor Vehicle Assembly	Medium	0.240	0.330	0.495
	31210	Motor Vehicle Manufacturing	Medium	0.298	0.410	0.615
	31211	Plant And Machinery Manufacturing	Medium	0.272	0.374	0.560
	31212	Ship Builder	Medium	0.300	0.413	0.619
		31313	Electronic Component And Semi-Conductor Manufacturing	High	0.349	0.480
<b>MOTOR TRADE AND RELATED RISKS</b>	32101	Vehicle Garage (Servicing And Car Washing)	Low	0.177	0.243	0.364
	32202	Vehicle Garage With Panel Repair Shop With Spraying	Medium	0.287	0.394	0.591
	32203	Vehicle Garage With Panel Repair Shop Without Spraying	Medium	0.244	0.336	0.504
	32204	Vehicle Showroom	Medium	0.248	0.341	0.512
<b>UTILITIES</b>	33101	Water Treatment Plants	low	0.141	0.194	0.290
	33302	Coal Power plant	High	0.504	0.693	1.040
	33303	Diesel Power plants	High	0.475	0.653	0.980
	33304	Electricity Or Tele-Communication Substation	High	0.428	0.589	0.883
	33305	Hydro Power	High	0.455	0.626	0.938
	33306	Power Plant Not Otherwise Specified	High	0.470	0.646	0.969
	33307	Waste And Garbage Disposal	High	0.478	0.658	0.987
<b>RICE AND FLOUR MILLS</b>	34201	RICE And Grain Mill Without Drying Process	Medium	0.280	0.385	0.578
	34302	Flour Mill	High	0.411	0.565	0.847
	34303	RICE And Grain Mill With Drying Process	High	0.446	0.613	0.920
<b>SUGAR AND SALT FACTORY</b>	35101	Salt Factory	Low	0.165	0.227	0.340
	35302	Sugar Factory	High	0.433	0.596	0.894
<b>COCOA, COFFEE &amp; TEA FACTORIES</b>	36303	Coffee, Cocoa Bean And Tea Factory	High	0.385	0.529	0.794

## SECTION 4

### ADDITIONAL PERILS RATES AND ADDITIONAL PERILS ENDORSEMENTS

The minimum rates for the additional perils are as follows:-

Peril	Minimum Rate
Aircraft	0.001%
Earthquake and Volcanic Eruption	0.005%
Explosion	0.015%
Flood	0.050%
Hail	0.001%
Hurricane, Cyclone, Typhoon, Windstorm	0.010%
Impact Damage	0.002%
Riot & Strike	0.030%
Smoke	0.010%
Spontaneous Combustion	0.010%
Subsidence and Landslip	0.050%
Vandalism & Malicious Damage	0.015%
Water Damage	0.010%

#### ADDITIONAL PERILS ENDORSEMENTS

The following endorsement(s) to be incorporated into the Policy which is extended to cover the additional peril(s).

##### 1. AIRCRAFT DAMAGE

a) Rate: 0.001%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under the Policy shall, subject to the Special Conditions hereinafter contained, extend to include loss or damage (by fire or otherwise) to the property insured directly caused by aircraft and other aerial devices and/or articles dropped therefrom.

Provided always that all the conditions of the Policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

##### SPECIAL CONDITIONS

(1) This insurance does not cover any loss or damage caused by any aircraft for which permission to land has been extended by the Insured.

Subject otherwise to the terms and conditions of the policy.

## **2. EARTHQUAKE AND VOLCANIC ERUPTION**

a) Rate : 0.005%

b) Endorsement Wording

In consideration of an additional premium, this insurance extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of earthquake and volcanic eruption.

Provided always that all the Conditions of this Policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

Subject otherwise to the terms and conditions of the policy.

## **3. HURRICANE, CYCLONE, TYPHOON AND WINDSTORM**

a) Rate : 0.010%

b) Endorsement Wording

In consideration of an additional premium, this insurance extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of Hurricane, Cyclone, Typhoon and Windstorm, subject to Special Conditions attached hereto.

Provided always that all the Conditions of this Policy shall apply (except insofar as they may be hereby expressly varied) and that any reference therein to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

It is further agreed that this Endorsement shall apply separately to:-

- (i) each property, for which purpose all insured properties at the same address will be regarded as one property,
- (ii) each incident giving rise to such loss or damage and that for the purposes hereof an incident shall not be considered to have terminated until there have been seven (7) consecutive days' freedom from the peril concerned and that only thereafter shall the Clause apply afresh.

### **SPECIAL CONDITIONS**

1. We shall not be liable for any loss or damage caused by

- (a) water or rain, whether driven by wind or not unless the building insured or containing the property insured shall first sustain actual damage to the roof or walls of same by the direct force of Hurricane, Cyclone, Typhoon and Windstorm and shall then be liable only for such damage to the interior of the building or the insured property therein as may be caused by water or rain entering the building through openings in the roof or walls made by the direct force of the said perils.

(b) hail whether driven by wind or not.

4. Unless specifically and separately insured this endorsement does not cover:-

- (a) Metal smoke stacks, awnings, blinds, signs or other outdoor fixtures or fittings of any description.

- (b) Premises in course of construction, reconstruction or repair unless all outside doors, windows and other openings are complete and protected against hurricane, cyclone, typhoon and windstorm when such perils are insured against by this Policy.

Subject otherwise to the terms and conditions of the policy.

#### **4. FLOOD**

a) Rate : 0.05%

b) Endorsement Wording

In consideration of an additional premium, this insurance extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of Flood (including overflow of the sea) subject to the following Excess Clause and Special Conditions attached hereto.

Note: Flood, for the purpose of this extension, 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 loss or damage caused by subsidence or landslip.

Provided always that all the Conditions of this Policy shall apply (except insofar as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

It is further agreed that this Endorsement shall apply separately to:-

- (i) each property, for which purpose all insured properties at the same address will be regarded as one property,
- (ii) each incident giving rise to such loss or damage and that for the purposes hereof an incident shall not be considered to have terminated until there have been seven (7) consecutive days' freedom from the peril concerned and that only thereafter shall the Clause apply afresh.

Subject otherwise to the terms and conditions of the policy.

#### **5. EXPLOSION**

a) Rate : 0.015%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under (Item(s) .....of) this Policy shall, subject to the Special Conditions hereinafter contained, extend to include:-

Loss of or damage to the property insured by fire or otherwise directly caused by explosion, but excluding loss of or damage to boilers, economizers, or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion.

Provided always that all the conditions of the Policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage by explosion as aforesaid shall be deemed to be loss or damage by fire within the meaning of this Policy.

## SPECIAL CONDITIONS

1) We shall not be liable, under this extension, for loss or damage occasioned by or through or in consequence, directly or indirectly, of any acts of terrorism.

For the purpose of this Condition, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

In any action, suit or other proceeding, where We allege that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such a loss or damage is covered shall be upon You.

Subject otherwise to the terms and conditions of the policy.

## 6. IMPACT DAMAGE

a) Rate : 0.002%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under this Policy shall extend to include loss or damage to the property described in the Schedule and/or to walls, gates and fences around and pertaining thereto directly resulting from impact by any road vehicles, animals including any road vehicles, animals belonging to or under your control, or any member of your family, or any person in and upon your service.

Provided always that all the conditions of the Policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

Subject otherwise to the terms and conditions of the policy.

## 7. WATER DAMAGE

a) Rates : 0.010%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under this Policy shall extend to include loss or damage to the property insured caused by water:-

- (1) consequent upon the bursting or overflowing of water tanks, apparatus or pipes ; or
- (2) accidentally discharged or leaking from the automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus,

installed in or on the buildings insured or containing the property insured.

Provided always that all the conditions of the Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

## SPECIAL CONDITIONS

1. You shall use all reasonable diligence and care to keep the premises in a proper state of repair and if any defect therein be discovered shall cause such defect to be made good as soon as possible and shall in the meantime cause such additional precautions to be taken for the prevention of loss or damage as the circumstances may require and We shall not be liable for any loss or damage caused by a defect which the Insured has failed to remedy after having received notice of such defect either from Us or any person or public body.
2. No liability shall attach if the building insured or containing the insured property becomes unoccupied and so remains for a period of more than thirty (30) days unless You have obtained Our consent which is signified by endorsement upon the Policy.

Subject otherwise to the terms and conditions of the policy.

## **8. SUBSIDENCE AND LANDSLIP**

- a) Rate : 0.050%
- b) Endorsement Wording

In consideration of an additional premium, the We hereby agree and declare that the insurance under this Policy shall extend to cover loss or damage to the property insured caused by subsidence and/or heave of the site on which the buildings stand or land belonging thereto, or landslip excluding:-

- a) loss or damage to swimming pools, terraces, patios, drives, footpaths, walls, gates or fences unless the building, its outbuildings or garages are damaged by the same cause and at the same time.
- b) loss or damage to or resulting from movement of solid floor slabs unless the foundation beneath the external walls of the Buildings are damaged by the same cause and at the same time.
- c) loss or damage occasioned by happening through, or in consequence of:
  - coastal or river erosion.
  - demolition, structural alteration or structural repair.
  - defective design or inadequate construction of foundations.

Provided always that all the conditions of the Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

Subject otherwise to the terms and conditions of the policy.

## **9. SPONTANEOUS COMBUSTION**

- a) Rate : 0.010%
- b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under (item(s) ..... ) of the Policy shall extend to include loss or damage to the property insured caused by its own spontaneous fermentation, heating or combustion.

Provided always that all the conditions of the policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.



Subject otherwise to the terms and conditions of the policy.

## **10. RIOT AND STRIKE**

a) Rate: 0.03%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under this Policy shall extend to cover Riot and Strike Damage which for the purpose of this Endorsement shall mean (subject to the Special Conditions hereinafter contained):-

1. 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).
2. 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.
3. The willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
4. 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.

### **SPECIAL CONDITIONS**

This insurance does not cover:-

- a) loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- d) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

PROVIDED nevertheless that We are not relieved under (c) or (d) above of any liability to the You in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

- e) any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-
  - i) War, invasion, act of foreign enemy, hostilities, or warlike operations (whether war be declared or not), civil war.
  - ii) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.

iii) any act terrorism

For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

In any action, suit or other proceeding, where We allege that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon You .

PROVIDED that it is hereby further expressly agreed and declared that:-

- 1) All the Conditions of this Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the above Special Conditions and any reference to fire in the Conditions of the Policy shall be deemed to include the perils hereby insured against.
- 2) The Special Conditions herein shall apply only to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon.

## 11. VANDALISM AND MALICIOUS DAMAGE

a) Rate: 0.015%

b) Endorsement Wording

It is hereby declared that notwithstanding anything in the within written Policy contained to the contrary, the insurance under this Policy shall extend to cover Vandalism and Malicious Damage which for the purpose of this extension shall mean:-

Loss of or damage to the property insured directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Special Condition of the Endorsement but We shall not be liable under this extension for any loss or damage by fire or explosion nor for any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or any attempt thereat or caused by any person taking part therein.

### SPECIAL CONDITIONS

- (1) This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, 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) any act terrorism

For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on

behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

In any action, suit or other proceeding, where We alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon You .

## **12. DAMAGE BY HAIL**

a) Rate : 0.001%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under this Policy shall extend to include loss or damage to the property described in the Schedule directly resulting from damage by hail.

Provided always that all the conditions of the Policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

Subject otherwise to the terms and conditions of the Policy.

## **13. DAMAGE BY SMOKE**

a) Rate : 0.010%

b) Endorsement Wording

In consideration of an additional premium, We hereby agree and declare that the insurance under this Policy shall extend to include loss or damage to the property described in the Schedule directly resulting from damage by smoke caused by fire happening on or in the immediate vicinity of the insured risk premises.

Provided always that all the conditions of the Policy shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage as aforesaid shall be deemed to be loss or damage by fire.

Subject otherwise to the terms and conditions of the Policy.

**SECTION 5**  
**FIRE EXTINGUISHING APPLIANCES**

**A. SCALE OF ALLOWANCES FOR FIRE EXTINGUISHING APPLIANCES**

**1. Internal Appliances Allowances**

A.	Portable Extinguishers	2.5%
B.	Hydraulic Hose Reels or Internal Hydrants with small bore hose	5%
C.	Internal Hydrants with independent water supply	5%
D.	Dry Riser	2.5%
E.	Wet Riser	7.5%
F.	Automatic Fire Alarm and Detection Systems	3%

**Note:**

- i) The allowance for internal appliances are cumulative and are subject to a maximum of 15%.

**2. External Appliances Allowances**

A.	Mobile Power Driven Fire Pump	7.5%
B.	Hydrants	
-	with independent water supply and manual stationary pumps	10%
-	with independent water supply and automatic pumps	12.5%

**Note:**

- i) The allowance for external appliances are cumulative and are subject to a maximum of 15%.
- ii) No greater accumulated allowances than 25% may be made for any combination of the above mentioned internal and external appliances

**3. Trained Private Fire Brigade**

Trained private fire brigade (provided no allowance has been given for either Wet Riser, Mobile Pumps or Internal/External Hydrants)	2.5%
--	------

**4. Automatic Sprinkler Installation**

Classification of Occupation	Sprinkler System		
	Grade 1	Grade II	Grade III
Extra Light Hazard (ELH)	35%	30%	25%
Ordinary Hazard (OH)	50%	42.5%	35%
Extra High Hazard (EHH)	50%	42.5%	35%

**Note:**

No greater accumulated allowances than 60% may be made for any combination of appliances including trained private fire brigade, and sprinkler allowance.

**B. Warranties for the respective Appliances**

- 1. Warranty for Portable Fire Extinguishers** (To be attached to each policy under which an discount for portable fire extinguishers is allowed).

You hereby warrant that during the currency of this policy, the provisions laid out under General and Maintenance Requirements as stated below are complied with:-

**General Requirements**

- (1) Portable fire extinguishers to be installed complying with the local Building By-Laws/Building Codes or any other relevant Standards/Rules for the installation of Portable Fire Extinguishers.
- (2) One unit of portable extinguisher must be provided for every 210 square metres (2250 square feet) of open floor or part thereof.
- (3) Portable fire extinguishers should be suitably selected for the type of fire in accordance to the classification and sited in suitable locations in close proximity to the potential fire hazards.
- (4) Portable fire extinguishers must be maintained in a fully charged and operating condition, and kept at their designated locations at all times when they are not being used.
- (5) Portable fire extinguishers must be located in such a way that they are readily accessible in the event of a fire. They should preferably be located along normal paths of travel including exits from an area.
- (6) Portable fire extinguishers must not be obstructed or obscured from view. Where visual obstruction cannot be completely avoided, means must be provided to indicate the location of the extinguishers.

- (7) Portable fire extinguishers may installed on hangers/brackets, mounted in cabinets, or set on shelves unless the extinguishers are of the wheeled type. Cabinets housing extinguishers must not be locked. Where extinguishers are subjected to malicious use, locked cabinets with emergency access may be used.
- (8) Each portable fire extinguisher must be securely attached with a valid certificate from the Regulatory authority.

#### **Maintenance Requirements**

- (1) Portable fire extinguishers must be inspected weekly to ensure that they comply with General Requirements for portable fire extinguishers.
- (2) The portable fire extinguishers must be serviced at least once a year.
- (3) Records must be kept of all tests and inspections carried out, any faults discovered and details of all replacement fitted.

In consideration of which, a discount of 2.5% on the basic fire premium is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

2. **Warranty for Hydraulic Hose Reels and Internal Hydrants with small bore hose** (To be attached to each policy under which a discount for hose reels and/or internal hydrants with small bore hose is allowed)

You hereby warrants that during the currency of this policy the provisions laid out under General and Maintenance requirements as stated below are complied with;-

#### **General requirements**

- (1) The hydraulic hose reels and/or internal hydrants must be sited in prominent and easily accessible positions at each floor level in such a way that no part of the floor is more than 6 metres (20 feet) from a hose nozzle when the hose is fully extended.
- (2) The flow rate at the most hydraulically remote hose reel or internal hydrant must not be less than 24 litres (5 gallons) of water per minute through a nozzle and capable of achieving a water throw of not less than 6 metres (20 feet).
- (3) The hoses for hydraulic hose reels must be of reinforced rubber and that for internal hydrants must be rubber lined. The hoses must not be less than 19.05 mm (0.75 inch) nor more than 31.75 mm (1.25 inch) internal diameter.
- (4) The hoses must not exceed 45 metres (148 feet) in length.
- (5) The hydraulic hose reels and/or internal hydrants must be permanently connected to a constant water supply.

- (6) Where the hydraulic hose reel and/or internal hydrant system is connected to a suction tank, the tank must be constantly filled with water. The minimum capacity of the tank must be 3,600 litres (800 gallons).
- (7) Where stationary pumps are provided the pumps must be capable of discharging at a rate of not less than 90.92 litres per minute (20 gallons per minute).
- (8) Each pump must be housed in an easily accessible position where it will not be liable to be damaged by fire or otherwise.
- (9) Each pump must be so arranged that it will start automatically in the case of automatic pumps; or can be readily started by one person.
- (10) There must be kept on hand at all times sufficient fuel to run the pumps at full load for not less than four (4) hours and power must always be available for each stationary pump.

### **Maintenance requirements**

#### **Weekly**

- (1) The hose reels and/or internal hydrants must be inspected to ensure that they are not obstructed, remain usable and readily accessible at all times.
- (2) The pumps must be tested for automatic and manual starting. They must be run for the recommended period to reach maximum operating temperature. In the case of diesel engine driven pumps, they must be run for not less than 5 minutes when tested.
- (3) Power supplies, batteries and battery chargers must be inspected to ensure these are in good condition and the battery water level topped up if necessary.
- (4) Fuel, oil and coolant levels must be inspected and topped up if necessary.

#### **Every six months**

- (1) The hose reels and/or internal hydrants must be inspected to ensure that the inlet valves, hoses and shut-off nozzles are free from leaks and in good condition and also to ensure that the outlet of the nozzles are not choked.
- (2) The water storage tank must be inspected to ensure that there is no debris inside the tank and that the tank and the water level indicator(s) are in good condition.
- (3) The water in the storage tank must be inspected to ensure it is clean.
- (4) The pumps and their associated mechanical equipment must be thoroughly checked to ensure that they are in good operating condition.

#### **Annually**

- (1) The hose must be completely run out and subjected to operational water pressure to ensure that the hose is in good condition.
- (2) A flow test must be carried out to ensure that a discharge of at least 24 litres per minute (5 gallons per minute) is achieved. If it is not possible to test every hose reel and/or internal hydrant, at least the hose reel and/or internal hydrant at the hydraulically most remote point in the system must be tested.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire premium is allowed to you. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

**3. Warranty for Internal Hydrants** (To be attached to each policy under which a discount for internal hydrants is made) :-

You hereby warrant that during the currency of this policy, the provisions laid out under General and Maintenance requirements as stated below are complied with;-

**General requirements**

Internal hydrants constitute hydrants installed inside buildings of not more than 30.5 metres (100 feet) above fire appliance access level (usually ground level).

- (1) The internal hydrants must be positioned in such a way that no portion of the building floor is more than 15 metres (50 feet) from a hose nozzle when the hose is fully extended.
- (2) The internal hydrant system can be fed from an independent water supply having a minimum capacity of 54,552 litres (12,000 gallons) of water with manual or automatic pumps or permanently connected to an adequate constant supply of water.
- (3) The internal hydrant mains and hose for use in connection therewith must have a clear waterway of at least 63.5 mm (2½ inch) diameter.
- (4) Every internal hydrant must be provided with a canvas / rubberised hose of at least 30 metres (100 feet) length and a nozzle permanently connected to the internal hydrant or kept under cover in a convenient place nearby the internal hydrant.
- (5) The internal hydrants must be protected against mechanical impact damage.
- (6) A trained private fire brigade must be available at all times in the premises to operate the system.

**Maintenance requirements**

**Weekly**

- (1) The internal hydrants must be inspected to ensure that they are not obstructed, remain usable and readily accessible at all times.
- (2) All pumps must be tested for manual starting. In case of automatic pumps, these must be tested for automatic starting. They must be run for the recommended period to reach maximum operating



temperature. In the case of diesel engine driven pumps, they must be run for not less than 5 minutes when tested.

- (3) Power supplies, batteries and battery chargers must be inspected to ensure these are in good condition and the battery water level topped up if necessary.
- (4) Fuel, oil and coolant levels must be inspected and topped up if necessary.

#### **Every six months**

- (1) The hydrant valves, isolation valves and fire boxes must be inspected to ensure that these are in good condition.
- (2) The water storage tank must be inspected to ensure that there is no debris inside the tank and that the tank and the water level indicator(s) are in good condition.
- (3) The water in the storage tank must be inspected to ensure that it is clean.

#### **Annually**

- (1) Flow and pressure tests at the most remote internal hydrant must be carried out and test results recorded. Any significant deterioration in the flow and pressure of the internal hydrant system must be promptly rectified.
- (2) The hydrant valve, hand wheels, glands, washers and indicator plates must be checked to ensure that these are in good condition.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire premium is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

#### **4. Warranty for Dry Risers** (To be attached to each policy under which a discount for dry risers is allowed)

You hereby warrant that during the currency of this policy the provisions laid out under General and Maintenance requirements as stated below are complied with:-

#### **General requirements**

- (1) The dry riser must not be less than 100 mm (4 inch) in diameter in buildings in which the highest outlet is 23 metres (75 feet) or less above the fire brigade pumping inlet and not less than 150 mm (6 inch) diameter where the highest outlet is higher than 23 metres (75 feet) above the pumping inlet.
- (2) 100 mm (4 inch) diameter dry risers shall be equipped with a two way pumping inlet and 150 mm (6 inch) dry risers shall be equipped with a four way pumping inlet.
- (3) The dry riser landing valves must be provided inside the building at each level above the ground level.
- (4) The dry riser landing valves outlets must be at least 63.5 mm (2½ inch) diameter.

- (5) Each dry riser landing valve shall comprise at least 30 metres (100 feet) of canvas hose, 1 nozzle and 1 coupling kept under cover in a convenient place.

### **Maintenance requirements**

#### **Weekly**

The dry riser landing valves and breeching inlets must be inspected to ensure that they are not obstructed and remain accessible at all times.

#### **Every six months**

The dry riser breeching inlets, landing valves, canvas hoses, nozzles, couplings and drain valves including the glands and washers, landing valve boxes, locking arrangement to the inlet must be inspected to ensure that they are in good condition.

#### **Annually**

A wet test must be carried out using the top most landing valve of the dry riser. Any leak in the dry riser system must be promptly rectified.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire is allowed to You . No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

- 5. Warranty for Wet Risers** (To be attached to each policy under which a discount for wet risers is allowed)

You hereby warrant that during the currency of this policy, the provisions laid out under General and Maintenance requirements as stated below are complied with:-

### **General requirements**

- (1) The wet riser landing valves must be provided inside the building at each level above the ground level.
- (2) The number and disposition of the wet riser landing valves must be such that one is provided for every 900 square metre (9,700 square feet), or any part thereof, of the floor area at each level other than the ground floor.
- (3) Wet risers must have a clear waterway of at least 150 mm (6 inch) diameter and the outlet must be at least 63.5 mm (2½ inch) in diameter.
- (4) Each wet riser landing valve shall comprise at least 30 metres (100 feet) of canvas hose, 1 nozzle and 1 coupling kept under cover in a convenient place.
- (5) The wet riser system must be provided with supply of water from tank having a minimum capacity of 54,552 litres (12,000 gallons).
- (6) A trained private fire brigade must be available at all times in the premises to operate the system.

- (7) Each pump connected to the wet riser system must be capable of discharging at a rate of not less than 1,500 litres per minute (330 gallons per minute) of water.
- (8) Each pump must be housed in an easily accessible position where it will not be liable to be damaged by fire or otherwise.
- (9) Each pump must be so arranged that it will start automatically in the case of automatic pumps; or can be readily started by one person.
- (10) There must be kept on hand at all times sufficient fuel to run all the pumps at full load for not less than 4 hours and power must always be available for each pump.

### **Maintenance requirements**

#### **Weekly**

- (1) The wet riser landing valves, drain valves and breeching inlets must be inspected to ensure that they are not obstructed and remain accessible at all times.
- (2) The wet riser pumps must be tested for automatic and manual starting. They must be run for the recommended period to reach maximum operating temperature. In the case of diesel engine driven pumps, they must be run for not less than 5 minutes when tested.
- (3) Power supplies, batteries and battery chargers must be inspected to ensure these are in good condition and the battery water level topped up if necessary.
- (4) Fuel, oil and coolant levels must be inspected and topped up if necessary.

#### **Every six months**

- (1) The wet riser landing valves, drain valves, canvas hoses, nozzles, couplings and isolation valves including the glands and washers, breeching inlets, locking arrangements to the inlet and landing valve boxes must be inspected to ensure that they are in good condition.
- (2) The water storage tank must be inspected to ensure that there is no debris inside the tank and that the tank and the water level indicator(s) are in good condition.
- (3) The water in the storage tank must be inspected to ensure that it is clean.
- (4) The booster pumps and their associated mechanical and electrical equipment must be thoroughly checked to ensure that they are in good operating condition.

#### **Annually**

A wet test to determine the static and running pressure of the top most landing valve of the wet riser must be carried out and test result recorded. Any significant deterioration in the pressure of the wet riser system must be promptly rectified. During the test, the system must be inspected for leaks.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire premium of is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

**6. Warranty got Automatic Fire Alarm and Detection Systems** (To be attached to each policy under which a discount for Automatic Fire Alarm and Detection Systems is allowe)

You hereby warrant that there is an automatic fire alarm installation for the detection of fires in the premises and that during the currency of this policy, such installation shall comply with all the General and Maintenance requirements as stated below:-

**General requirements**

- (1) The spacing of the detectors shall be as follows:
  - a. For open areas, the horizontal distance from any point in the area to the detector nearest to that point should not exceed 5.3 metres (17 feet) for heat detectors or 7.5 metres (25 feet) for smoke detectors. For line or beam detectors, the distance should be taken as the distance to the nearest point on the line or beam.
  - b. In corridors less than 5 metres (16 feet) wide, the horizontal distance given in (1)a above may be increased by half the difference between 5 metres (16 feet) and the width of the corridor, e.g. in a corridor of 3 metres (10 feet) wide the distance may be increased by 1 metre (3 feet). A corridor wider than 5 metres (16 feet) should be treated as an open area as in (1)a above.
  - c. The detectors must be connected to a central fire control.
  - d. The central fire control panel must be manned 24 hours a day.
  - e. The detectors and central fire control panel must be maintained in proper working order.

**Maintenance requirements**

- (1) Inspections must be carried out by a competent person weekly to ensure that :
  - a. the detectors are not obstructed or painted over so as to prevent normal operation ;
  - b. no obstruction is placed within 0.3 metre (1 foot) horizontally or 0.6 metre (2 feet) below a detector head; and
  - c. the detectors are protected against mechanical impact damage.
- (2) The central fire control panel must be inspected to ensure maintenance in good condition and all bulbs tested weekly to be in proper working order.
- (3) Selected heat and smoke detectors must be tested monthly to ensure they are in proper working order.
- (4) Records must be kept of all tests and inspections carried out, any faults discovered and details of all replacement fitted.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire premium is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are fully complied with by You.

**7. Warranty for Mobile Power-Driven Fire Pumps** (To be attached to each policy under which a discount for mobile power driven fire pump is allowed)

You hereby warrant that during the currency of this policy. the provision laid out under General and Maintenance requirements as stated below are complied with:-

**General requirements**

- (1) The mobile pumps and associated equipment must always be available on the premises.
- (2) Mobile pumps must be capable of discharging water at a rate of not less than 900 litres per minute (200 gallons per minute) in aggregate.
- (3) Each mobile pump must be capable of discharging water at a rate of not less than 450 litres per minute (100 gallons per minute) to the highest point of the protected premises and must be provided with a full complement of hoses and nozzles, and adequate constant supply of water.
- (4) A trained private fire brigade must be available at all times in the premises to operate the appliances.
- (5) Each pump must be housed in an easily accessible position where it will not be liable to be damaged by fire or otherwise.
- (6) There must be kept on hand at all times sufficient fuel to run the pumps at full load for not less than 4 hours.
- (7) The use of the mobile pumps must be restricted to fire extinguishment and fire fighting training only.

**Maintenance requirements**

**Weekly**

- (1) All pumps must be tested for manual starting. They must be run for the recommended period to reach maximum operating temperatures, in any case, not less than 5 minutes when tested.
- (2) Power supplies, batteries and battery charges must be inspected to ensure these are in good condition and the battery water level topped up if necessary.
- (3) Fuel, oil and coolant must be inspected and topped up if necessary.

**Every six months**

- (1) Where water is obtained from a water storage tank, the tank must be inspected to ensure that there is no debris inside the tank and that the tank and the water level indicator(s) are in good condition.
- (2) The water in the storage tank must be inspected to ensure that it is clean.

In consideration of which a discount of \_\_\_\_\_% on the basic fire premium is allowed to You. No liability shall attach to Us under this Policy unless the terms of this warranty are complied with by You.

**8. Warranty for External Hydrants** (To be attached to each policy under which a discount for external hydrant is allowed)

You hereby warrant that during the currency of this policy the provisions laid out under General and Maintenance requirements as stated below are complied with:-

**General requirements**

- (1) External hydrants must be positioned not more than 23 metres (75 feet) away from the external wall of the building.
- (2) There must be at least one hydrant for every 76 metres (250 feet) of external wall measurement of the building.
- (3) There must be at least one opening for every 76 metres (250 feet) of external wall measurement of the building for purpose of fire fighting.
- (4) The external hydrant system can be fed from an independent water supply having a minimum capacity of 54,552 litres (12,000 gallons) of water with manual or automatic pumps.
- (5) The hydrant mains and hose for use in connection therewith must have a clear waterway of at least 63.5 mm (2½ inch) diameter.
- (6) Every hydrant must be provided with at least 1 canvas/rubberized hose of at least 30 metres (100 feet) length, 1 nozzle and 1 coupling kept under cover in a convenient place. However, there must be a minimum of 4 hoses of 30 metres (100 feet) length each, 2 nozzles and 2 couplings for each protected premises.
- (7) The hydrants must be protected against mechanical impact damage.
- (8) A trained private fire brigade must be available at all times in the premises to operate the system.
- (9) Requirements for hydrant pumps
  - a. Each pump connected to the hydrant system must be capable of discharging at a rate of not less than 900 litres per minute (200 gallons per minute) of water.
  - b. Each pump must be housed in an easily accessible position where it will not be liable to be damaged by fire or otherwise.
  - c. Each pump must be so arranged that it will start automatically in the case of automatic pumps; or can be readily started by one person.
  - d. There must be kept on hand at all times sufficient fuel to run all the pumps at full load for not less than 4 hours and power must always be available for each pump.

**Maintenance requirements**

### **Weekly**

- (1) The hydrants must be inspected to ensure that they are not obstructed by parking of vehicles, loading, unloading or storage of goods and remain accessible at all times.
- (2) All pumps must be tested for manual starting. In the case of automatic pumps, these must be tested for automatic starting. They must be run for the recommended period to reach maximum operating temperature. In the case of diesel engine driven pumps, they must be run for not less than 5 minutes when tested.
- (3) Power supplies, batteries and battery chargers must be inspected to ensure these are in good condition and the battery water level topped up if necessary.
- (4) Fuel, oil and coolant levels must be inspected and topped up if necessary.

### **Every six months**

- (1) The hydrant valves, isolation valves, fire boxes and associated equipment must be inspected to ensure that these are in good condition.
- (2) The water storage tank must be inspected to ensure that there is no debris inside the tank and that the tank and the water level indicator(s) are in good condition.
- (3) The water in the storage tank must be inspected to ensure that it is clean.

### **Annually**

- (1) Flow and pressure tests of all the external hydrants must be carried out and test results recorded. Any significant deterioration in the flow and pressure of the hydrant system must be promptly rectified.
- (2) The hydrant valve hand wheels, glands, washers, pits, frames, covers and indicator plates must be checked to ensure that these are in good condition. On completion pits must be left empty and clean.

In consideration of which, a discount of \_\_\_\_\_% on the basic fire premium is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

### **9. Warranty for Trained Private Fire Brigade (To be attached to each policy under which a discount for private fire brigade is allowed)**

You hereby warrant that during the currency of this policy, the provisions laid out under General requirements as below are fully complied with:-

#### **General requirements**

- (1) A trained Private Fire Brigade must comprise not less than six (6) persons available in every shift.
- (2) "Trained" is defined as having undergone a fire fighting course which provides training in the usage of the fire fighting facilities provided in the premises.

- (3) The Private Fire Brigade must carry out fire fighting drills at least once in 6 months utilising the fire fighting facilities provided in the premises.

In consideration of which, a discount of 2.5% on the basic fire premium is allowed to You. No liability shall attach to Us under this policy unless the terms of this warranty are complied with by You.

## 10. SPRINKLER INSTALLATIONS

Applicable only to Approved Sprinkler Installations which comply with any one of the following design rules:

- A. the Rules of the Fire Offices' Committee for Automatic Sprinkler Installations;
- B. the Rules of the Loss Prevention Council for Automatic Sprinkler Installations;
- C. other Rules for Automatic Sprinkler Installations which are of equivalent or superior standard.

Risks provided with approved Sprinkler Installations must have in addition Internal Appliances according to General requirements (Portable Extinguishers) and are subject to the following percentage allowances which are inclusive of allowances for the internal appliances mentioned above :-

Classification of Occupation	SPRINKLER SYSTEM		
	Grade I	Grade II	Grade III
Extra Light Hazard (ELH)	35%	30%	25%
Ordinary Hazard (OH)	50%	42.5%	35%
Extra High Hazard (EHH)	50%	42.5%	35%

## DEFINITIONS

1. An Approved Sprinkler Installation is one that is erected in conformity with any one of the following rules :
  - a. the Rules for Automatic Sprinkler Installations of the Fire Offices' Committee;
  - b. the Rules of the Loss Prevention Council for Automatic Sprinkler Installations;
  - c. other Rules for Automatic Sprinkler Installations which are of equivalent or superior standard.
2. Classification of Occupancies and Grading of Sprinkler Systems referred to in the above rules is that appearing in :
  - a. the Rules for Automatic Sprinkler Installations of the Fire Offices' Committee, or



- b. the Rules of the Loss Prevention Council for Automatic Sprinkler Installations, or
- c. the relevant paragraphs of the other Rules for Automatic Sprinkler Installations which are of equivalent or superior standard.

## **REGULATIONS**

1. No allowance may be made unless the installation is fitted up in strict accordance with the Sprinkler Rules in force at the date of installation.
2. For Sprinkler System Discount, the Insured must be submitted to Insurance Company a copy of Sprinkler Completion Certificate (Appendix 1) attached.

**Note:** Immediate notice must be given to the Company should the water supply(ies) be turned off or the sprinkler installation(s) be rendered inoperative from any cause.

**WARRANTY FOR AUTOMATIC SPRINKLER SYSTEM** (To be attached to each policy under which a discount for Automatic Sprinkler System is allowed) :-

You hereby warrant that during the currency of this policy the provisions laid out under Maintenance requirements as stated below are complied with:-

### **Maintenance requirements**

#### **Weekly**

The sprinkler system must be maintained and tested as outlined below:-

- (1) Inspection must be carried out by a designated personnel to ensure that:
  - the sprinkler heads are free from paint, white wash or other coating.
  - the sprinkler heads are not obstructed by storage of goods etc. and sufficient clearance must be maintained below sprinkler heads.
  - the sprinkler water storage tank is clean without debris inside, the water level indicators and ball valve are in good condition and the water level is adequate.
  - all the control valves in the sprinkler system are secured in their appropriate position.
  - power supplies, batteries and battery chargers are in good condition and the battery water level topped up if necessary.
  - fuel, oil and coolant levels topped up if necessary.
- (2) The pumps must be tested for manual starting and automatic starting. The pumps must be run for the recommended period to reach maximum operating temperature.
- (3) The turbine alarm (alarm gong) and electric alarm (transmitted direct to Fire Station) must be tested to ensure that these are in good working condition.

## **Monthly**

- (1) A flow test must be carried out on a monthly basis to ensure that the sprinkler system is capable of providing sufficient flow and pressure at the highest and most remote parts of the protected premises.

It is further warranted that:-

- (1) during the currency of this policy, such installation shall be kept in proper working order and the pumpsets are put on automatic mode at all times.
- (2) You will give immediate notice to Us should the water supply(ies) be turned off or the sprinkler installation(s) be rendered inoperative from any cause.

No liability shall attach to Us under this policy unless the terms of this warranty are complied with by you.

In consideration of the above, a discount of \_\_\_\_\_% on the basic fire premium is allowed to You.

## **SECTION 6**

### **FIRE INSURANCE POLICY**

In this policy booklet, you will find all the information you need to know about the type of cover(s) available, our terms and conditions, and making a claim.

Please read this booklet and make sure that you are satisfied with what we offer.

Unless we have already agreed to issue a cover note, insurance protection only begins when we receive and accept your completed application form and you have paid or agree to pay us the premium.

This booklet and the insurance schedule we send you form your legal contract with us, so please keep them together in a safe place.

Please do not hesitate to contact us if you have any questions about this policy booklet or your insurance cover.

#### **IMPORTANT INFORMATION**

##### **Information about Your Policy**

This is the Policy wording. It tells You:

- what the Policy covers,
- what the Policy does not cover,
- how to make a claim, and
- other conditions.

Details of the insurance which are particular to You are shown on the Schedule which We send to You with the Policy wording. The date when Your insurance cover ends is particularly important. Please read this Policy carefully and retain it in a safe place.

## **Your Duty of Disclosure**

The law requires You to tell Us everything You know (or could reasonably be expected to know in the circumstances) which is relevant to Our decision to insure You and the terms on which We insure You.

This duty applies before You enter into a contract with Us, that is, before We accept Your application and also before each time You alter or renew the Policy. Each person named as the Insured has the same duty.

## **Penalty for Non-disclosure**

If You do not tell Us everything that is relevant, We may:

- reduce or refuse to pay a claim,
- cancel Your Policy, or
- invalidate the Policy from its beginning and not be bound by it if You act fraudulently.

## **You don't need to tell us anything which:**

- reduces the risk,
- is common knowledge,
- We already know, or ought to know in the ordinary course of Our business, or
- We indicate We do not want to know.

If You are not sure that something is relevant, it is best to disclose it anyway. Also, be sure to notify us of any changes which affect Your Policy.

## **Evidence of Value**

Please retain receipts of purchase or proof of the value of all property insured by this Policy so that You can prove the amount of any loss if You have to claim under this Policy.

### **Full Insurance - protect Your assets**

It is Your responsibility to ensure adequacy of sums insured and You should re-assess these sums insured during the currency of the Policy and prior to renewal each year. If this is not done losses may not be paid in full.

### **Preventing Our Right of Recovery**

If You have agreed not to seek compensation from another person who is liable to compensate You for any Loss or damage which is covered by this Policy We will not cover You under this Policy for that loss or damage.

### **Third Party Interests**

You must inform Us of the interests of all third parties (eg financiers, lessors) to be covered by this insurance. We will protect their interests only if You have informed Us of them and We have noted them on the Schedule.

---

## **DEFINITIONS**

1. **We/Us/Our** refer to the \_\_\_\_\_ (Insurance Company).
2. **You/Your/Yourself** refer to the Policyholder and/or the Insured.
3. **Property Insured** refers to the interests insured as described in the Policy Schedule.

**4. Period of Insurance** refers to the duration of this Policy for the period specified in the Schedule, or any renewal period for which the appropriate premiums are paid in each case.

**5. Policy** refers to this Policy together with any Schedule and endorsement.

**6. Deductible/Excess** refers to the amount specified in the Schedule, payable by You on each and every claim arising out of one event or occurrence under the Policy. Should more than one Deductible/Excess be payable under this Policy for any claim or series of claims arising from one event, such deductibles/excesses shall not be aggregated and the higher single level of Deductible/Excess only shall apply.

**7. Flood** refers to 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 loss or damage caused by subsidence or landslip.

**8. Building(s)**, if insured and described in the policy Schedule refers to all Buildings which shall also include the following:-

(a) Lessors fixtures and fittings;

(b) All services to the Buildings;

(c) All other structural improvements at the Location including walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase, fuel installations, steel and iron framework and tanks, paths and roadways.

**9. Contents**, if insured and described in the policy Schedule refers to:-

(a) household goods and personal effect of every description ;

(b) all stock in trade and merchandise, including raw materials, semi finished and finished goods, and trading stock in the course of production ;

(c) customers goods held in trust and on commission ;

(d) business furniture, machinery, plant and equipment; and

(e) patterns, models, moulds, dies and casts,

belonging to You or for destruction or damage for which You are responsible or for which You have assumed responsibility to insure prior to the occurrence of any destruction or damage.

Contents also include improvements, alterations, decorations, fittings and additions to leased buildings which have been made by You and for which You are not entitled to be reimbursed by the lessor in the event of destruction

or damage.

Contents do not include money, security, documents, stamps or explosives unless otherwise expressly stated in the Policy as insured items.

## **OUR AGREEMENT**

In consideration of the You having applied to Us to insure Your Property by a proposal and declaration which shall be the basis of this contract and having paid or agreed to pay to Us the Premium stated in the Policy Schedule, We will indemnify You against loss or damage as described in the Policy occurring during the Period of Insurance subject to the terms, conditions, endorsements, clauses or warranties forming part of this Policy.

## **LOSS OR DAMAGE TO YOUR PROPERTY**

We will indemnify You if the Property Insured described in the said Schedule or any part of such property be destroyed or damaged by

- 1) Fire,
- 2) Lightning,
- 3) Explosion, in a building in which gas is not generated and which does not form part of any gasworks, of gas used therein for illuminating or domestic purpose,

during the Period of Insurance stated in the Schedule or of any subsequent period in respect of which You shall have paid and We shall have accepted the premium required for the renewal of this Policy.

## **BASIS OF SETTLEMENT**

### **(a) Basis of Compensation**

In the event of a loss to the property insured, We will pay the insured value or the market value of the insured property, whichever is the lower, subject to the deduction of any excess and amounts which the You are required to bear under the policy.

For the purpose of this condition, the term market value shall mean the value of the property insured herein at the time of damage or loss less due allowance for wear and tear and/or depreciation.

The Market Value of the insured property shall for the purpose of this condition be determined by a valuation obtained by the Us from the manufacturer, authorised sole agent or agent, authorised broker, authorised distributor or building contractor of the cost of replacement or reinstatement, subject to the application of appropriate depreciation, of the insured property damaged or lost as it was at the time of the occurrence of such damage or loss.

In the event that there is, at the time of damage or loss no manufacturer, authorised sole agent or agent, authorised broker, authorised distributor or building contractor for the insured property, the valuation shall be obtained from a Loss Adjuster or Registered Valuer and to be mutually appointed by both parties. The valuation of the insured property by the manufacturer, authorised sole agent or agent, authorised broker, authorised distributor, building contractor, Loss Adjuster or Registered Valuer shall be conclusive evidence in respect of the market value of the insured property in any legal proceedings against Us.

**(b) Repair and Replacement**

We may at its option reinstate 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 We shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall We be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured thereon.

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

If in any case We shall be unable to reinstate or repair 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, We shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

**(c) Extinguishing Expenses and Fire Brigade Charges**

The Insurance under this policy extends to include:

- (a) wages of the Your employees other than full-time members of a Works Fire Brigade.
- (b) the cost of replacement of fire fighting appliances and destruction of or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured.
- (c) Fire Brigade charges up to a maximum sum of USD100.

Provided always that the Our liability in respect of such wages, costs and charges shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property insured by this policy or immediately threatening to involve such property.

(d) Provided that Our liability shall in no case exceed in respect of each item the sum expressed in the Schedule to be insured thereon or in the whole the Total Sum Insured hereby or such other sum or sums as may be substituted therefor by endorsement hereon or attached hereto signed by or on behalf of Us.

(e) Provided always that the due observance and fulfillment of the terms and conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the You shall be conditions precedent to any liability of Us to make any payment under this Policy.

**EXCLUSIONS**

We will not cover loss or damage:-

1. (a) by theft during or after the occurrence of a fire.



- (b) Consequential loss of any kind.
- (c) to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.
- (d) occasioned by or through or in consequence of:-
  - (i) the burning of property by order of any public authority
  - (ii) Subterranean Fire
  - (iii) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (e) directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this Exclusion 1(e) only combustion shall include any self-sustaining process of nuclear fission.
- (f) occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:
  - (i) Earthquake, volcanic eruption, landslip, landslide, subsidence or other convulsion of nature.
  - (ii) Hail, windstorm, typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
  - (iii) Explosion **except** loss or damage by explosion of domestic boilers and gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works
  - (iv) Flood
  - (v) Bursting or overflowing of water tanks apparatus or pipes, or accidentally discharged or leaking of water from the automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus
  - (vi) Impact by any road vehicle or animals
  - (vii) Aircraft or other aerial devices and/or articles dropped therefrom
  - (viii) Vandalism and Malicious Damage
  - (ix) Smoke other than smoke originating from a fire occurring in the location insured
  - (x) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war.
  - (xi) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
  - (xii) Any act of terrorism. For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the You shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where We alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of providing that such loss or damage is covered shall be upon You.

2. any liability for loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:-
  - a. pollution or contamination which itself results from a contingency hereby insured against.
  - b. any contingency hereby Insured against which itself results from pollution or contamination.
  
3. Unless otherwise expressly stated in the Policy, this Insurance does not cover:
  - (a) Bullion or unset precious stones.
  - (b) Any curiosity or work of art for an amount exceeding USD200-00.
  - (c) Manuscripts, plans, drawings, or designs
  - (d) Securities, obligations, or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, or computer systems records.
  - (e) Explosives.
  - (f) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, lalang, prairie, pampas or jungle, and the clearing of lands by fire.

## **GENERAL CONDITIONS**

### **1. Misdescription**

If there be any material misdescription of any of the property hereby insured, or of any building or place in which such property is contained, or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, We shall not be liable upon this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.

### **2. Premium Payment**

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

### **3. Other Insurance**

You shall give notice to the Us of any Insurance or Insurances already effected, or which may subsequently be effected, covering any of the property hereby insured, and unless such notice be given and the particulars of such Insurance or Insurances be stated in or endorsed on this Policy by or on behalf of the Company before the occurrence of any loss or damage, all benefits under this Policy shall be forfeited.

### **4. Displacement**

All Insurance under this Policy

- (a) on any building or part of any building,
- (b) on any property contained in any building,
- (c) 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 of 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 building or impairs the usefulness of such building or any part thereof or leave such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire, loss or damage by which is covered by this Policy or would be covered if such building, range of buildings or structure were insured under this Policy.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon You.

## **5. Cession of Risk**

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

- (a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by fire.
- (b) If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than thirty (30) days.
- (c) If property insured be removed to any building or place other than that in which it is herein stated to be insured.
- (d) If the interest in the property insured pass from You otherwise than by will or operation of law.
- (e) If a notice to quit by any order by the local Authorities for the requisition or acquisition of the land on which the Insured's property is situated has been issued.

## **6. Marine Policy**

This Insurance does not cover any loss or damage to property which, at the time of the happening of such loss 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.

## **7. Cancellation**

This Insurance may be terminated at Your request by giving notice in writing, in which case We will return to the Insured 90% of the proportionate part of the premium corresponding to the unexpired period of insurance from the date of cancellation provided that no claims have been made during the current policy year

This Insurance may also be terminated at Our option by sending fourteen (14) days' notice by registered letter to the You at Your last known address, in which case the shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

## **8. Claims Procedure**

On the happening of any loss or damage, You shall:-

- (a) Immediately

- (i) take steps to minimize the loss or damage
  - (ii) give notice in writing to Us.
- (b) within 15 days after the loss or damage, or such further time as We may in writing allow deliver to Us :
- (i) A claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.
  - (ii) Particulars of all other Insurances, if any.

You shall also at all times at Your own expense produce, procure and give to Us 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 Our liability as may be reasonably required by or on behalf of Us together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this Condition have been complied with.

## **9. Our Rights After A Loss**

On the happening of any loss or damage to any of the property insured by his Policy, We 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 building 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 Condition shall be exercisable by Us at any time until notice in writing is given by you that he makes no claim under the Policy or, if any claim is made, until such claim is finally determined or withdrawn, and We shall not by any act done in the exercise of purported exercise of its powers hereunder, incur any liability to You or diminish its right to rely upon any of the conditions of this Policy in answer to any claim.

If You or any person on Your behalf shall not comply with the Our requirements or shall hinder or obstruct US in the exercise of Our powers hereunder, all benefits under this Policy shall be forfeited.

You shall not in any case be entitled to abandon any property to Us whether we have taken possession or not.

## **10. Fraud**

If the claim 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 You or any one acting on Your behalf to obtain any benefit under this Policy; or, if the loss or damage be occasioned by the Your wilful act, or with Your connivance; or, If the claim be made and rejected and an action or suit be not commenced within three (3) months after such rejection, or (in the case of an Arbitration taking place in pursuance of Condition 18 of this Policy) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefits under this Policy shall be forfeited.

**11. Deductible/Excess**

This policy does not cover the amount of Deductible/Excess 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.

It is further warranted that during the currency of the Policy, You shall not effect insurance in respect of the amount of Deductible/Excess stated in the Schedule.

**12. Subrogation**

You shall, at Our expense, do, and concur in doing, and permit to be or done, all such acts and things as may be necessary or reasonably required by Us for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which We 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 Your indemnification by Us .

**13. 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 You or by any other person or persons, covering the same property, We shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

**14. Average**

If the property hereby insured shall, at the breaking out of any fire, be collectively of greater value than the sum insured thereon, then You shall be considered as being Your 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.

**15. Automatic Reinstatement of Sum Insured**

In the event of a loss, the insurance hereunder shall be maintained in force for the full sum insured and You shall be liable to pay an additional premium at the rate stated on the policy calculated on the amount of loss on a pro rata basis from the date of such loss to the expiry of the current period of insurance.

**16. Arbitration**

Any difference arising out of this Policy shall be referred to an Arbitrator who shall be appointed in writing by You and Us. In the event that You and We are unable to agree on who is to be the Arbitrator within one month of being required in writing to do so, then You and We shall be entitled to appoint an Arbitrator each who shall proceed to hear the differences together with an Umpire to be appointed by both Arbitrators. However this is provided that any disclaimer of liability by Us for any claim hereunder must be referred to an Arbitrator within twelve months from date of Our Disclaimer to You.

**17. Time Limitation**

In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve (12) months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

**18. Notice**

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

## **19. Meaning**

This Policy and the Schedule herein shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the said Schedule shall bear such meaning wherever it may appear.

## **CLAUSES APPLICABLE TO THIS POLICY**

### **PREMIUM WARRANTY**

It is fundamental and absolute special condition of this contract of Insurance that the premium due must be paid and received by Us within thirty (30) days from the inception date of this Policy / Endorsement / Renewal Certificate.

If this condition is not complied with then this contract is automatically cancelled and We shall be entitled to the pro-rata premium for the period they have been on risk.

Where the premium payable pursuant to this warranty is received by our authorised agent, the payment shall be deemed to be received by Us for the purposes of this warranty and the onus of proving that the premium payable was received by a person, including an insurance agent, who was not authorised to receive such premium shall lie on Us.

Subject otherwise to the terms and conditions of this Policy.

### **IT CLARIFICATION CLAUSE**

Property damage covered under this insurance shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this insurance:

- (A) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of Insured physical damage to the substance of property shall be covered.
- (B) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

**SECTION 7**  
**CLAUSES AND ENDORSEMENTS**

**1. TEMPORARY REMOVAL CLAUSE (Excluding Stock-in Trade and Merchandise)**

The property insured under item(s) ..... of this Policy is covered (limited to 10% of the sum insured ) whilst temporarily removed including whilst in transit for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail, or inland waterway, all in Cambodia.

The amount recoverable under this extension in respect of the property so removed shall not exceed the amount which would have been recoverable had the loss occurred in that part of the premises from which the property is temporarily removed.

This extension does not apply to:-

- (a) property if and so far as it is otherwise insured.
- (b) items covering stock and merchandise of every description.

**2. REMOVAL OF DEBRIS**

(i) General Rule :

Specified cover may be granted to insure the cost necessarily incurred in the removal of debris and/or dismantling, demolishing, shoring up or propping of the property insured following loss or damage by way of the perils insured by means of a separate item or be included as part of the sum insured of the items insured.

(ii) Endorsement Wording :

**a) Removal of Debris (with separate sum insured)**

The insurance by this item is in respect of costs and expenses necessarily incurred by You with Our consent in the :-

- (a) removal of debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion or portions of the property insured by this policy destroyed or damaged by fire or by any other peril hereby insured against. (Items (b) and (c) above are deemed to be deleted when neither Buildings nor machinery are insured).

We will not pay any costs or expenses :

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

(ii) arising from pollution or contamination of property not insured by this policy.

**b) Removal of Debris (without separate sum insured)**

The insurance on Item(s) No(s) ..... hereby insured includes costs and expenses necessarily incurred by the You with our consent in the :-

(a) removal of debris

(b) dismantling and/or demolishing

(c) shoring up or propping

of the portion or portions of the property insured by the said Item(s) above of this policy destroyed or damaged by fire or by any other peril hereby insured against. (Items (b) and (c) above are deemed to be deleted when neither Buildings nor machinery are insured).

The amount payable for such costs and expenses shall not exceed 10% of the Sum Insured of each Item or USD100,000 in aggregate any one loss, whichever is lower.

We will not pay any costs or expenses :

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

(ii) arising from pollution or contamination of property not insured by this policy.

Provided always Our maximum liability shall not exceed the sum stated in the Schedule for which the Item(s) is/are insured.

**3. ARCHITECT'S, SURVEYOR'S AND CONSULTANT'S FEES**

(i) General Rule :

Architect's, Surveyor's and Consulting Engineer's Fees may be covered by means of a separate item or be included as part of the sum insured of the items insured.

(ii) Endorsement Wording :

**a) Architect's, Surveyor's, Engineer's and Consultant's Fees (with separate sum insured)** applicable to item(s) no(s): .....

The insurance by this item(s) is in respect of Architect's, Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage by fire or other peril hereby insured against, but not such fees for preparing any claim hereunder.

The amount payable for such fees shall not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to the limit of the sum insured on this item(s).



**b) Architect's Surveyor's, Engineer's and Consultant's Fees (without separate sum insured)**

The insurance on buildings, plant and machinery hereby insured includes Architect's Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage by fire or any other peril hereby insured against, but not such fees for preparing any claim hereunder. The amount payable for such fees shall not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to Our maximum liability for any loss damage and fees not exceeding 10% of the Sum Insured or USD100,000 in any one loss, whichever is lower.

**4. OTHER CONTENTS CLAUSE**

(i) General Rule :

An insurance on contents may be extended to include the "other Contents" up to a maximum limit of USD250 without additional premium.

This extension is not applicable to insurance on stock-in-trade and or merchandise.

The monetary limit of USD250 maximum for items (a) to (e) are obligatory. Paragraph (e) may be omitted entirely if it is not desired to insure such property

(ii) Endorsement Wording :

It is agreed that the term "Other Contents" in so far as they are not otherwise insured is understood to include:-

- a) Money and stamps not otherwise specifically insured for an amount not exceeding USD250.
- 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 and for an amount not exceeding USDD250.
- c) Computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (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 for an amount not exceeding USD250.
- d) Patterns, models, plans and designs, for an amount not exceeding USD250.

**5. CAPITAL ADDITIONS CLAUSE**

(i) General Rule :

It is permissible for an insurance on buildings, machinery, plant, fixtures and fittings to be extended to cover alterations, improvements and additions for an amount not exceeding 10% by each item or USD250,000 per location whichever is the less.

In the event that there is more than one location, the limit may be increased to USD500,000, this amount being the aggregate limit for all the locations.

This extension may only be granted where the total sum insured is USD1,500,000 or above but is not to be applied to insurance on Stock-in-trade and/or merchandise.

(ii) Endorsement Wording :

The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to property specified in (Item(s) No(s) ..... of) this policy for an amount not exceeding in respect of each item 10% of the sum insured by each item or USD250,000 per location whichever is the less.

You undertake to advise Us every three months of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

The Clause is inoperative if the declaration of such alterations, additions and improvements is not received by Us within 30 days from the date of such alterations, additions and improvements.

Note : In the event that there is more than one location, then the limit may be increased to USD500,000, this amount being the aggregate limit for all the locations.

## **6. MORTGAGEE (CHARGE) CLAUSE**

(i) General Rule :

Where the property insured is the subject of a charge (mortgage), the policy may be endorsed and be subjected to this clause.

(ii) Endorsement Wording :

Loss, if any, payable to ..... as Mortgagee (Chargee) as interest may appear in this insurance, as to the interest of the Mortgagee (Chargee) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Chargor) or the Owner of the within described property nor any foreclosure or other proceedings or notice of sale relating to the property or by the occupation of the premises for purposes more hazardous than are permitted by this Policy, or by the non-occupation thereof, or by any other increase of risk taking place in the property insured hereunder, Provided that in case the Mortgagor (Chargor) or Owner shall neglect to pay any premium due under this Policy the Mortgagee (Chargee) shall on demand pay the same. Provided also that the Mortgagee (Chargee) shall notify Us of any non-occupancy or any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the said Mortgagee (Chargee) and unless permitted by this Policy it shall be noted thereon and the Mortgagee (Chargee) shall on demand pay the premium for such increased hazard for the term thereof otherwise this Policy shall be null and void.

And it is further agreed that whenever We shall pay the said Mortgagee (Chargee) any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor (Chargor) or Owner no liability therefor existed, We shall become legally subrogated to all the rights of the Mortgagee (Chargee) to the extent of such payment but not so as to impair the right of the said Mortgagee (Chargee) to recover the full amount of any claim it may have on such Mortgagor (Chargor) or Owner or on any other party or parties insured hereunder of from any securities or funds available.

Non-Cancellation Clause

And it is further agreed that cancellation of this Policy shall not be effected by You except upon prior notification to the Mortgagee (Chargee) in writing giving fourteen (14) days notice to the last known address of the Mortgagee (Chargee).

Note : When the interest is that of Chargee and Chargor the words in brackets are deemed to be inserted in place of Mortgagee and Mortgagor.

## **7. CONTRACT PRICE**

Notwithstanding anything to the contrary contained in the Policy, it is hereby declared and agreed that in respect only of goods sold but not delivered for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of the fire or any other peril hereby insured against, either wholly or to the extent of the loss or damage, Our liability shall be based on the contract price, and for the purpose of calculating the value of all goods to which this clause would in the event of destruction or damage be applicable the same basis shall be used.

## **8. FOUNDATION EXCLUSION**

The Insurance on Building(s) excludes that part of any building below the under\* surface of its lowest floor (and those parts of the concrete foundations for machinery which extend above such level).

Note 1 : \* "upper" may be substituted for "under".

Note 2 : The words in brackets may be omitted.

## **9. RENT**

### **(a) Rent (applicable to owner non-occupier of the premises)**

On..... months rent insured. Sum Insured :USD .....

This insurance on Rent applies only if (any of) the said buildings(s) or any part thereof is unfit for occupation in consequence of fire or any other peril hereby insured against and the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement or repairs bears to the total number of months of Rent insured.

### **(b) Rent (applicable to owner-occupier of the premises)**

On..... months expenses insured. Sum Insured : USD .....

This insurance on Rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of fire or any other peril hereby insured against and the amount payable shall be the reasonable additional expenses necessarily incurred by You in renting an alternative premise elsewhere. Provided that the total amount payable shall not exceed such proportion of the expenses insured as the period necessary for reinstatement or repairs bears to the total number of months expenses insured.

**10. COMPUTER SYSTEMS RECORDS**

(ii) Endorsement Wording :

Computer systems records are insured only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value of the information contained therein.

**11. DESIGNATION CLAUSE**

For the purpose of determining where necessary the item (column heading) under which any property is insured, We agree to accept the designation under which such property is entered in the Your books.

**12. PAWNBROKERS**

In the event of destruction or damage to pledged goods by fire or any other peril hereby insured against the amount payable shall not exceed the amount advanced by You on such goods plus 30% and the value of all goods which this clause applies shall be calculated on the same basis.

**13. ESCALATION CLAUSE**

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s), the sum(s) insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Item Number	Specified percentage increase per annum
_____	_____
_____	_____
_____	_____

Unless specifically agreed to the contrary the provisions of this Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each renewal date, You shall notify Us:-

- i) the sums to be insured under each item above, but in the absence of such instructions the sums insured by the above items shall be those stated on the Policy (as amended by any endorsements effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this clause during the period of insurance up to that renewal date, and
- ii) the specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

**14. COINSURANCE AND LEADER CLAUSE**

It is hereby declared and agreed notwithstanding anything contained in the within policy, or on any endorsement hereon to the contrary that any reference to "the Company" shall be deemed to mean the following Companies each of which agrees for its individual proportion set against its name subject to the terms, exceptions and conditions herein or attached hereto or endorsed hereon, that if during the period of insurance stated in the Schedule the Insured shall sustain loss or damage in the circumstances provided for by this Policy indemnify the Insured in the manner herein described:

Company	Proportion
_____	_____
_____	_____

It is further declared and agreed notwithstanding anything contained to the contrary that the lead co-insurer, is authorised to sign the Policy/Endorsement/Renewal Receipt.

For all intents and purposes this policy shall have effect as though each of the above-mentioned insurance companies had issued a separate policy for its individual proportion of the sum insured.

**15. AUTOMATIC RENEWAL CLAUSE**

(i) General Rule :

The Automatic Renewal Clause may be used in conjunction with the Mortgagee/Chargee Clause or Leasing Endorsement or Hire Purchase Endorsement.

(ii) Endorsement Wording :

This Policy is deemed to be automatically renewed and the appropriate premium charged upon expiry unless otherwise instructed.

**16. REINSTATEMENT VALUE CLAUSE**

Notwithstanding anything to the Contrary contained in the Policy, it is hereby declared and agreed that in the event of the property insured under (items Nos ..... of) the within Policy being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the Policy is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, subject to the following Special Provisions and subject also to the terms and conditions of the Policy except insofar as the same may be varied hereby.

SPECIAL PROVISIONS

1. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to Our liability not being thereby increase) must be commenced and carried out with reasonable despatch and in any case must be completed within 12 months after the destruction or damage, or within such further time as the Company may (during the said 12 months) in writing allow otherwise no payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made.
2. Until expenditure has been incurred by You in replacing or reinstating the property destroyed or damaged, We shall not be liable for any payment in excess of the amount which would have been payable under the Policy if this memorandum had not been incorporated therein.
3. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered has been destroyed exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril insured against by this Policy, then You shall be considered as being Your own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the Policy (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.
4. This Clause shall be without force or effect if:-
  - a) You fail to intimate to Us within six (6) months from the date of destruction or damage, or such further times as We may in writing allow, Your intention to replace or reinstate the property destroyed or damaged.
  - b) You are unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.
5. No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth therein.

#### **17. REINSTATEMENT IN COMPLIANCE WITH THE REQUIREMENT OF PUBLIC AUTHORITIES**

Notwithstanding anything to the contrary contained in the Policy, it is hereby declared and agreed that the insurance by (Item No.....of) this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Government Act or Bye-Laws of any Municipal or Local Authority provided that:-

- 1) The amount recoverable under this Extension shall not include:-
  - a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws :-
    - i) in respect of destruction or damage occurring prior to the granting of this extension,
    - ii) in respect of destruction or damage not insured by the Policy,

- iii) under which notice has been served upon You prior to the happening of the destruction or damage.
  - iv) in respect of undamaged property or undamaged portions of property.
  - b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen;
  - c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
- 2) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after the destruction or within such further time as We may (during the said 12 months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to Our liability under this extension not being thereby increased.
  - 3) If the liability of the Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then Our liability under this extension (in respect of any such item) shall be reduced in like proportion.
  - 4) The total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.
  - 5) All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

## 18. DECLARATION POLICIES

### Special Conditions For Declaration Policies

- 1) In consideration of the premium by this Policy being provisional in that it is calculated on 100% of the sum insured hereby and is subject to adjustment on expiry of each period of insurance:-

You agree to declare to US in writing the value of his stocks, less any amount insured by Policies other than Declaration Policies, on the following basis namely .....(insert the appropriate wording in accordance with Rule \_\_\_\_ of Section 1) and to make such declaration within thirty days of the .....(insert the appropriate day or date) of each calendar month, such declaration to be signed by the Insured or by a responsible person authorised to sign on his behalf.

If other Policies on a declaration basis cover the stock hereby insured the declarations shall be made so as to apportion to each Policy a share of the value of the stocks insured under such Declaration Policies, pro-rata to the respective amounts named in the Policies.

In the event of a declaration not being made within the thirty days mentioned above, then You shall be deemed to have declared the sum insured hereby as the value at risk.

On the expiry of each period of insurance, the premium shall be calculated at the rate applicable on the average sum insured, namely, the total of the values declared or deemed to have been declared divided by the number of declarations due to have been made. If the resultant premium is less than the provisional premium, We shall refund the difference to You but such refund shall not exceed 50% of the provisional premium.

- 2) The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.
- 3) If at the time of any loss, there be any other subsisting insurance or insurances on other than a declaration basis, whether effected by You or by any other person or persons, covering the stocks hereby insured, this Policy shall apply only to the excess of the value of such stocks at the time of the loss over the sum insured by such insurance or insurances, and We shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess), but not exceeding the sum insured hereby, bears to the total value of the stocks.
- 4) If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by You shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.
- 5) In the event of a loss occurring the Insured undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
- 6) In the event of this Policy being cancelled by You during its currency (whether stock exists or not) the premium to be retained by Us shall be the appropriate short period premium calculated on the average amount insured up to the date of cancelment, or 50% of the provisional premium whichever is the greater; but if the Policy is cancelled by You after a loss has occurred, the premium to be retained by Us shall be the pro-rata proportion of the premium calculated on the average amount insured up to the cancelment plus the pro-rata proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of the loss paid, or 50% of the provisional premium whichever is the greater.
- 7) It is warranted that every other Policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
- 8) This insurance is subject in all respects to the printed conditions of the Policy except in so far as they may be varied by these Special Conditions.

## **19. TEMPORARY STORAGE CLAUSE**

### **(i) General Rule :**

It is permissible to cover property (excluding Buildings) insured under a policy whilst temporarily stored anywhere in Cambodia.



No additional premium for the temporary storage need be charged for periods of storage not exceeding thirty (30) days. However, if the period of storage exceeds thirty (30) days, the normal rates at the premises of storage are applicable on a pro rate basis for that period exceeding the thirty (30) days limit.

(ii) Endorsement Wording :

The property (excluding buildings) insured under this Policy is covered whilst temporarily stored anywhere in Cambodia PROVIDED that:-

- a) the period of temporary storage shall not exceed thirty (30) days.
- b) Our liability is limited to 10% of the total sum insured or USD100,000, whichever is the lower, for property covered under this clause.
- c) We shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit).
- d) this insurance does not apply to:-
  - (i) property in so far as it is otherwise insured.
  - (ii) motor vehicles and motor chassis licensed for road use or being used on a road.

## **20. LEASING ENDORSEMENT**

(i) General Rule :

It is permissible to attach the Leasing Endorsement to the policy where the property insured is the subject of leasing arrangement.

(ii) Endorsement Wording :

It is hereby understood and agreed that .....(hereinafter referred to as the lessors) are the owners of the property insured by item ..... and that such property is the subject of a Leasing Agreement made between the lessors of the one part and You of the other part and it is further understood and agreed that the lessors are interested in any monies which but for this endorsement could be payable to the insured under this policy in respect of loss of or damage to the property (which loss or damage is not made good by repair reinstatement or replacement under the terms of the policy) and such monies shall be paid to the lessors as long as they are the owners of the property and their receipt shall be a full and final discharge to the company in respect of such loss or damage. Save as by this endorsement expressly agreed nothing herein shall modify or affect Your and Our rights and liabilities respectively under or in connection with this policy.

Non-Cancellation Clause

And it is further agreed that cancellation of the Policy shall not be effected by You except upon prior notification to the Lessor in writing giving Fourteen (14) days notice to the last known address of the Lessor.

## **21. BRAND, LABEL AND TRADEMARK CLAUSE**

(i) General Rule :

It is permissible to attach the Brand, Label and Trademark Clause to the policy for property bearing a brand, label or trademark at the request of the Insured.

(ii) Endorsement Wording :

In the case of damage to property bearing a brand, label or trademark, the sale of which in any way carries Your guarantee, the salvage value of such damaged property shall be determined after the removal in the customary manner of all brands, labels and any trademarks which might be taken to indicate that the guarantee of the manufacturer or Your guarantee attaches to the said property.

## **22. HIRE PURCHASE ENDORSEMENT**

(i) General Rule :

It is permissible to attach the Hire Purchase Endorsement to the policy where the property insured is the subject of hire purchase.

(ii) Endorsement Wording :

It is hereby understood and agreed that .....(hereinafter referred to as the Owners) are the owners of the property insured by item(s) ..... and that such property is the subject of a Hire Purchase Agreement made between the Owners of the one part and You of the other part. It is further understood and agreed that any payment made in respect of loss or damage (which loss or damage is not made good by repair, reinstatement or replacement) under the terms of this Policy shall be made to the Owners as long as they are the owners of the property and their receipt shall be full and final discharge to Us in respect of such loss or damage.

It is understood and agreed that notwithstanding any provision in the Hire Purchase Agreement to the contrary this Policy is issued to the You namely: ..... as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting You , as agent or trustee for the Owners or as an assignment (whether legal or equitable) by You to the Owners of his rights, benefits and claims under this Policy.

### **Non-Cancellation Clause**

And it is further agreed that cancellation of the Policy shall not be effected by You except upon prior notification to the Owner in writing giving Fourteen (14) days notice to the last known address of the Owner .

## **23. INTERNAL REMOVAL CLAUSE**

(i) General Rule :

It is permissible to apply the above Clause to the policy where appropriate.

(ii) Endorsement Wording :

It is understood and agreed that in the event of removal of property from one building to another at any of the aforesaid situations being inadvertently not advised to US, the insurance on such property shall follow removal, the necessary adjustments in sum insured and premium being made as from the date of removal as soon as the oversight is discovered.

#### **24. APPRAISEMENT CLAUSE**

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

If the aggregate claim for any one loss does not exceed USD5,000 or 5% of the sum insured, whichever is the lesser amount, of the item or items affected, no special inventory or appraisal of the undamaged property shall be required.

If two or more buildings be included in a single item, this provision shall apply to the range of buildings and/or contents by the item or items affected.

#### **25. VEHICLE LOAD CLAUSE**

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

In the event of any of the Your vehicles being left loaded overnight whilst in or on the premises described in the Schedule hereto, We will indemnify You in respect of such load in the event of loss or damage by any of the perils insured against by this Policy.

#### **26. ALTERATIONS AND REPAIRS CLAUSE**

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

Notwithstanding anything contained in the Policy, workmen are allowed on or about your premises to carry out alterations and repairs provided the trade, manufacture, nature of occupation and/or construction of the building remains unchanged.

#### **27. AGREED VALUE ENDORSEMENT FOR ART OBJECTS/PAINTINGS, ANTIQUES AND SUCH LIKE ITEMS**

It is hereby declared and agreed that in the event of the undernoted item(s) of property insured being totally lost, destroyed or damaged by any peril insured against, Our liability shall not exceed the corresponding agreed value stated in the schedule below :-

Property Insured

Agreed Value

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Notwithstanding anything contained in this policy to the contrary, where any insured items consist of articles in a pair or set, We shall not be liable to pay more than the proportionate value of any particular parts which may be lost, without reference to any special value which such article or articles may have as part of such pair or set.

Subject otherwise to the terms exceptions and conditions of the policy.

#### **28. OTHER INSURANCE CLAUSE**

It is understood and agreed that You shall be deemed to have complied with the Other Insurance condition of this policy provided that You have declared to Us the total amount of insurance effected with other Insurance Companies on the property hereby insured.

#### **29. PAIRS AND SETS CLAUSE**

It is hereby declared and agreed that notwithstanding anything contained in this policy to the contrary, where any insured item consists of articles in a pair or set, We shall not be liable to pay more than the proportionate value of any particular part or parts which may be lost, without reference to any special value which such article may have as part of such pair or set.

Subject otherwise to the terms exceptions and conditions of the policy.

#### **30. FLOATING INSURANCE – SPECIFICIED LOCATIONS**

(i) General Rule :

(a) For insuring stocks at more than one location under a single sum insured and with all the locations specifically described in the policy.

(b) The premium charged thereon shall be calculated based on the highest amongst the rates applicable to the said locations concerned

(ii) Endorsement Wording :

The stocks insured under (item..... of) this Policy is subject to a floating sum insured declared hereon against all the locations as specifically described in the schedule.

Provided always Our maximum liability shall not exceed the floating sum insured stated in the schedule for which the item is insured.

#### **31. SELF-INSURANCE CLAUSE**

It is hereby declared and agreed that You agree to self-insure and that the sum(s) insured nominated under [item(s) no(s) .....of] this Policy represent(s) only ...% of the actual Market Value (or reinstatement value in the event that this Policy is on reinstatement value basis) of the property insured herein.

In consequence of the foregoing, You agree to be Your own insurer for ....% and undertakes to bear that rateable proportion of :-

(a) each and every loss or damage (including any amounts in respect of fees charges costs and expenses) payable under this Policy; and

(b) any expenditure payable in the exercise of Condition 18 of this Policy.

It is further declared and agreed that in the event the sum(s) insured under [item(s) no(s)..... of] this Policy is less than ....% of the actual value of the insured property at the time of loss, the Average Condition of the Policy shall apply accordingly.

### **32. AUTOMATIC HOLD COVER (PROPERTIES IN NEW LOCATIONS) CLAUSE**

It is understood and agreed that any additional properties situated in locations within Cambodia not insured by the Policy which may be acquired by You during the currency of this Policy is automatically held covered up to 10% of the Policy limit or USD50,000 whichever is the lower, provided that You shall advise Us within 30 days of any acquisition of any such properties and shall pay the additional premium from effective date of acquisition.

Subject otherwise to the terms, exceptions and conditions of the Policy.

### **33. DEDUCTIBLES AND EXCESS CLAUSE**

(i) General Rule :

The above Clause is applicable to insurance which have been arranged on co-insurance basis and where the individual co-insurer is to issue their own policy for their respective share.

(ii) Endorsement Wording :

It is hereby declared and agreed that the deductibles and/or excess as specified in the schedule and/or endorsement and/or clauses attaching to this policy shall be applied in the following manner and as ascertained after the application of any condition of average :-

a) only one deductible and/or excess, as may be applicable, will be applied for each and every arising out of one event, irrespective of the number of co-insurers;

b) the deductible and/or excess shall be apportioned amongst the co-insurers;

c) the deductible and/or excess apportioned above, shall be applied to the respective rateable liability of each co-insurer;

d) in no event shall You be liable to bear more than one policy deductible and/or excess as the case may be.

Subject otherwise to the terms, conditions and exceptions of this policy.

### **34. VOLUNTARY DEDUCTIBLES**

This Policy does not cover the amounts of the deductibles stated in the Schedule in respect of each and every loss or series of losses arising out of any one event as ascertained after the application of all other terms and conditions of the policy including any other deductibles and condition of average.

The duration and extent of any loss occurrence arising out of any one event so defined shall be limited to :-

72 consecutive hours as regards cyclone, hurricane, typhoon and/or windstorm.

72 consecutive hours as regards earthquake, and/or flood (including overflow of the sea).

72 consecutive hours and within the limits of one City or Town as regards civil commotions, riot and strike and/or malicious damage.

168 consecutive hours for any other catastrophe of whatsoever nature.

Warranted that during the currency of the Policy, You shall not effect insurance in respect of the amounts of the deductibles stated in the schedule.

### **35. RADIOACTIVE/NUCLEAR ENERGY RISKS EXCLUSION CLAUSE**

This insurance does not cover loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless or any other cause or event contributing concurrently or in any other sequence to the loss :-

- 1) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 2) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 3) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

### **36. UNVALUED POLICY CLAUSE**

This is an unvalued policy. The onus is on You to prove the actual value of the Property insured at the time of the happening of its destruction or the actual amount of such damage.

## Section 8

### Voluntary Deductible Discount

#### RULES FOR THE APPLICATION OF VOLUNTARY DEDUCTIBLES

- 1) The application of voluntary deductibles is confined to the **material damage section only**. Discount for deductible is not applicable to the accompanying consequential loss insurance, if any.
- 2) Discounts for voluntary deductibles is to apply to premium net of all other discounts.
- 3) The voluntary deductible is applicable to each loss and does not distinguish between fire and allied perils loss.
- 4) Computation of premium in the policy must reflect the deductible discount.
- 5) The application of voluntary deductibles is based on flat amount of deductible prescribed by the Tariff.
- 6) Where the deductible falls within any two deductibles as indicated in Table 1 of the tariff, the lower of the discount is to be applied. For example, if the deductible is USD7,500, the discount to be applied is 2.5%.
- 7) Upon the application of voluntary deductible, it shall be warranted that the insured shall bear the deductible amount. It is not permitted to insure the deductible.
- 8) The discount for deductibles in Table 1 of the Fire Tariff is applicable for risks with material damage sums insured up to USD10 million.
- 9) Companies are allowed to reduce the discount allowed based on their own underwriting decision.

Table 1 - DISCOUNT FOR VOLUNTARY DEDUCTIBLES

<b>Deductible (USD)</b>	<b>Maximum Discount Allowed</b>
5,000	2.5%
10,000	5%
25,000	7.5%
50,000	10.5%
100,000	15%

## SECTION 9 – STATISTICS

### 1. FIRE DIRECT INSURANCE BUSINESS - PREMIUM BORDEREAU/POLICIES STATEMENT FOR THE MONTH OF .....

Name of Company:

---

1	2	3	4	5	6	7	8	9	10	11	12
Policy No.	Policy Period		Location of Risk	Construction Class	Risk Code	MD/ LOP	Sum Insured	Add Perils Covered	FEA Disc %	Premium Charged	Voluntary Deductible
	From	To									

**Notes :**

1. Every direct policy should be reported. In case of a coinsurance policy signed by or on behalf of all coinsurers, the leading insurer should report 100% figures. Where policies are individually issued, each insurer should report his share.
2. Column 4: Please enter the code for Sangkat where the risk is located. When one policy covers several locations, please enter the location with the highest sum insured.
3. Column 5: Please enter "1" for Class A; " 2" for Class B; and"3" for Class C.
4. Column 6: Please enter the five digit risk code of the item of the tariff under which the risk will be classified for rating. Where a policy includes more than one independently rated risk, please enter data in columns 6 to 12 separately for each risk.
5. Column 7: please enter “1” for policy covering material damage and “2” for Loss of Profits.
6. Column 8: Ignore cents
7. Column 9: Please use the following codes to indicate the additional perils covered:
  - "\_\_ " - Riot Strike &Malicious Damage;
  - "\_\_ "- Explosion;
  - "\_\_ "- Flood
  - “\_\_ “ Windstorm;
  - "\_\_ "- Aircraft;
  - "\_\_ "- Earthquake ;
  - "\_\_ "- Impact Damage;
  - "\_\_ "- Hail
  - "\_\_ "- Smoke
  - "\_\_ "- Water Damage
  - "\_\_ "- Vandalism & Malicious Damage
  - "\_\_ "- Spontaneous Combustion



The numbers indicating the perils should appear in increasing order.

8. Column 10: Please indicate the percentage of discount allowed in the rate for FEA. Where the risk does not have FEA discount, this Column may be left blank.
9. Where the policy is subject to the Voluntary deductible, please indicate the amount of deductible in column 12. Otherwise, please leave it blank.

**2. FIRE DIRECT INSURANCE BUSINESS - PREMIUM BORDEREAU - ENDORSEMENTS STATEMENT FOR THE MONTH OF .....**

NAME OF COMPANY

1	2	3	4	5	6	7	8	9	10	11	12	13
Endt No.	Year of Attachment of Policy	Endt Period		Location of Risk	Const'n Class	Risk Code	MD/ LOP	Increase (+) or Decrease (-) of Sum Insured	Add Perils Covered now	FEA Disc %	Premium Charged	Voluntary Deductible
		From	To									

**Notes :**

1. Every endorsement on direct policies having an extra or refund premium should be reported. Where there is no change in premium, it need not be reported.
2. Column 2 - the year of commencement of risk under the original policy should be given.
3. Column 5 - the post-code for Sangkat where the insured premises is located should be given.
4. Column 7 - the five digit risk code of the item of tariff under which the risk will be classified for rating should be given.
5. Column 10 - where the endorsement is issued to cover additional perils, please indicate the codes for such additional perils. Please do not show the additional perils already covered.
6. Column 12 - please show the amount of increase or decrease in premium.
7. Column 13 - where a deductible is introduced or existing deductible is charged by this endorsement please give the amount of deductible applicable after the endorsement under this column. Where the deductible is not altered, please leave this column blank.

**3. FIRE DIRECT INSURANCE BUSINESS – CLAIMS PAID BORDEREAU**

**STATEMENT FOR THE MONTH OF .....**

**NAME OF COMPANY :**

1	2	3	4	5	6	7	8	9	10
Claim No.	Year of Attachment of Policy	Date of Loss	Location of Risk	Const'n Class	Risk Code	MD/ LOP	Cause of Loss	Amount of Loss Paid	Voluntary Deductible borne by Insured

**Notes :**

1. Every payment in respect of a claim including survey fees and other claims expenses should be reported.
2. Information in the various columns should be provided in the light of the explanatory notes given on the premium bordereau forms.
3. Amount of loss paid in column 9 should be net of any deductible under the policy.
4. Column 8 : Cause of loss - here please indicate the numerical code for the peril concerned under which the loss occurred as follows :

Loss caused by

- "\_\_" – Fire ;
- "\_\_" - Riot Strike & Malicious Damage;
- "\_\_" - Explosion;
- "\_\_" - Flood
- “\_\_” - Windstorm;
- "\_\_" - Aircraft;
- "\_\_" - Earthquake ;
- "\_\_" - Impact Damage;
- "\_\_" - Hail
- "\_\_" - Smoke
- "\_\_" - Water Damage
- "\_\_" - Vandalism & Malicious Damage
- "\_\_" - Spontaneous Combustion
- “ ” - Landslip

**4. FIRE DIRECT INSURANCE BUSINESS – CLAIMS OUTSTANDING BORDEREAU**

**STATEMENT AS AT 31<sup>ST</sup> DECEMBER.....**

**NAME OF COMPANY :**

1	2	3	4	5	6	7	8	9	12
Claim No.	Year of Attachment of Policy	Date of Loss	Location of Risk	Const'n Class	Risk Code	MD/ LOP	Cause of Loss	Amount of outstanding Loss	Voluntary Deductible borne by Insured

**Notes :**

1. Every outstanding payment in respect of a claim including survey fees and other claims expenses should be reported.
2. Information in the various columns should be provided in the light of the explanatory notes given on the premium bordereau forms.
3. Amount of loss outstanding in column 9 should be net of any deductible under the policy.
4. Column 8 : Cause of loss - here please indicate the numerical code for the peril concerned under which the loss occurred as follows:

Loss caused by

- "\_\_" - Fire ;
- "\_\_" - Riot Strike & Malicious Damage;
- "\_\_" - Explosion;
- "\_\_" - Flood
- "\_\_" - Windstorm;
- "\_\_" - Aircraft;
- "\_\_" - Earthquake ;
- "\_\_" - Impact Damage;
- "\_\_" - Hail
- "\_\_" - Smoke
- "\_\_" - Water Damage
- "\_\_" - Vandalism & Malicious Damage
- "\_\_" - Spontaneous Combustion

## SECTION 10

### ENFORCEMENT OF THE REVISED FIRE TARIFF

#### Definitions

In this Section, the following words and expression shall have the following meaning:-

- a) "Association": The Insurance Association of Cambodia
- b) "Cambodia Re": Cambodian Reinsurance Company
- c) "Implementation Date": The implementation date of the Revised Fire Tariff which is determined by the Association and confirmed by Prakas
- d) "Member Company": Member of the Association
- e) "Risk": For the purpose of determining whether a risk has the sum insured (Fire material damage and Fire Consequential Loss sum insured separately or combined) of USD10 million or below any one risk shall be defined as all the property of the insured situated within the compound/perimeter of one location/address.
- f) "Tariff Committee": A committee appointed by the Management Committee of the Insurance Association of Cambodia to formulate rules, regulations and/or tariffs for the control of fire, motor or any other classes of insurance business.
- g) "Independent Audit Team": A team of Auditors appointed by the Management Committee of the Insurance Association of Cambodia to carry out audits on member companies relating to compliance with the Rules and Regulations of the Tariff.
- h) "Disciplinary Committee": Disciplinary Committee of the Insurance Association of Cambodia
- i) "Non Compliance": Non Compliance consists of the following:-
  - "Technical Breaches" – Breaches which are unintentional in nature and can be satisfactorily explained
  - "Intentional Breaches" - Breaches which are intentionally carried out in violation of the tariff.

### **Clause 1 - General**

The Revised Fire Tariff shall be governed and enforced by the relevant provisions of the Prakas on Fire Insurance Tariff with effect from the implementation date of the Revised Fire Tariff. Insurances issued under the Revised Fire Tariff shall be subject to the rules/provisions as contained therein for risks commencing attaching extending or renewing on or after the implementation date.

### **Clause 2 – Enforcement**

The Insurance Association of Cambodia shall be responsible for the implementation and enforcement of the Revised Fire Tariff.

### **Clause 3 - Rules/Formula for Rating of Risks**

The rate applicable in respect of risks in which the policies issued or to be issued is governed by and/or subject to the rules and/or rateable under this Tariff, shall be determined in accordance with its prescribed rating computation formula and rating factors. The use of the prescribed Premium Calculation sheet by the member company is mandatory for audit purpose.

Risks of sum insured (material damage and fire consequential loss sums insured separately or combined) of USD10 million or below at any one location shall be rated by applying the Tariff rates as available and appropriate. Discounts due to the installation of fire extinguishing appliance and/or voluntary deductible may be given subject to the rules/provisions/requirements under Section 5 and Section 8 respectively of the Revised Fire Tariff.

In respect of a risk where the nature of trade and/or occupation is such that the trade classification is not available, such risk must be submitted to the Tariff Committee of the Insurance Association of Cambodia for rate and/or trade classification determination.

### **Clause 4 - Compliance**

Failure to comply with any of the foregoing provisions where appropriate, shall constitute a breach of the Tariff rules.

### **Clause 5 - Change to Rules**

The Association, on the recommendations by the Tariff Committee, reserves the absolute right to amend/alter/change any of the abovementioned Rules as it deemed fit.

### **Clause 6 - Procedures for Enforcement of the Revised Fire Tariff**

#### **Modus Operandi of Enforcement**

#### **1 (a) Checking by Cambodia Re**

- (i) Cambodia Re shall conduct checking on monthly risks bordereaux submitted by the Company to ascertain any discrepancy.

- (ii) If discrepancy is detected, Cambodia Re will seek clarifications from the member company concerned. Cambodia Re will report discrepancies within 14 days.
- (iii) All companies will have to respond on the discrepancy within 7 days.
- (iv) If Cambodia Re finds that the clarifications given by the said member company are not satisfactory, then Cambodia Re may request the Independent Audit Team of the Association to visit the company concerned and conduct an on-site investigation relating to the particular case.
- (v) After the on-site inspection, the Independent Audit Team will submit their audit findings to the Cambodia Re for review.
- (vi) Cambodia Re will discuss the audit findings with the company concerned.
- (vii) After the discussion between Cambodia Re and the Company concerned, Cambodia Re may submit the issues to the Tariff Committee for review and further action.

**1 (b) Inspection carried out by the Independent Audit Team**

- (i) The Independent Audit Team from Insurance Association of Cambodia will conduct periodical audits on member companies.
- (ii) After the on-site inspection, the Independent Audit Team will submit their audit findings to the Tariff Committee for review.
- (iii) The Independent Audit Team will send their audit findings to the member company concerned for their responses.
- (iv) Upon receipt of the member company's responses, the Independent Audit Team will submit the audit findings and the company's responses together with their recommendations to the Tariff Committee for review and further action.
- (v) In the event that the Tariff Committee conclude that the breaches are unintentional breaches, the Tariff Committee will discuss the issues with the company concerned and request them to take immediate actions to rectify such breaches.

**1. (c) Complaints by other member companies**

- (ii) Complaints of breaching tariff shall be in writing and with documentary proof.
- (iii) The Insurance Association of Cambodia shall treat complaints from member companies on non-compliance with strict confidentiality and shall not disclose the name of the complainant to any party except the Independent Audit Team and the Tariff Committee . The identity of the complainant should be kept anonymous.

- (iv) Upon receipt of any complaint or information of not complying with the Revised Fire Tariff, the Independent Audit Team of the Association with the co-operation of Cambodia Re shall conduct check and verify the information of the alleged non-compliance against the risks bordereaux submitted by the company concerned to Cambodia Re to determine as to whether or not the existence of non-compliance.
- (v) If the complaint is found to be true following verification as mentioned in (iv) above, then the Independent Audit Team of the Association should visit the company concerned and conduct an on-site investigation relating to the particular case.
- (vi) After the on-site inspection, the Independent Audit Team will submit their audit findings to the Tariff Committee for review.
- (vii) The Independent Audit Team will send their audit findings to the member company concerned for their responses.
- (viii) Upon receipt of the member company's responses, the Independent Audit Team will submit the audit findings and the company's responses together with their recommendations to the Tariff Committee for review and further action.
- (ix) In the event that the Tariff Committee conclude that the breaches are unintentional breaches, the Tariff Committee will discuss the issues with the company concerned and request them to take immediate actions to rectify such breaches.

2. When the Tariff Committee of the Association conclude by majority vote that a non-compliance has occurred, the case will be referred to the Management Committee for appropriate action.

#### **Clause 7 – Rectification of Non Compliance**

In the event of any non-compliance has been concluded positively by Cambodia Re or the Tariff Committee, the member company who commits the non-compliance shall:-

- (i) take immediate steps to correct the non-compliance; and
- (ii) submit documentary proof to Cambodia Re or the Tariff Committee of the Association, as the case may be, that the non-compliance has been rectified within 7 days from the date of notification of the non-compliance by Cambodia Re or the Tariff Committee.

#### **Clause 8 – Co-operation of Member Companies**

All member companies shall render the fullest co-operation to the Association in enforcing the Revised Fire Tariff.

## SECTION 11

### RULES FOR FIRE CONSEQUENTIAL LOSS INSURANCE

- 1.0** This section applies to all fire consequential loss insurances, loss of profits and any other insurances providing similar cover other than loss of profits insurance under the Engineering Class, Marine Insurance and Property All Risks or Industrial All Risks insurance with sum insured more than USD10,000,000 (Fire Material Damage and Fire Consequential Loss separately or combined) at one location.
- 2.0** The rates under the rules for fire consequential loss insurance are minimum rates and excess to be applied. Members may apply higher rates/excess subject to individual company's underwriting.

#### 2.1 Average Base Rate

The rate for fire consequential loss insurance shall not be less than the basic fire and/or perils for material damage insurance on the property concerned before any form of discounts other than discounts for fire extinguishing appliances when actually allowed.

In the event that more than one location are insured under the applicable fire material damage insurance, and that different rates are applicable to one or more of these locations, the rates for the fire consequential loss insurance shall be the average base rate for material damage insurance for all the locations concerned.

The average base rate should be arrived at by taking the total of all material damage premiums (as defined above) and dividing by the corresponding total of sums insured for material damage.

For the purpose of this section, the material damage premium shall be computed by ignoring the loading or discount factors associated with the following clauses.

- escalation clause
- voluntary deductibles for material damage insurance

The average base rate shall be determined as at policy inception and thereafter at every renewal or extension of period of cover. The rate shall also be reviewed when there are changes to the material damage policy that cumulatively will result in a reduction or increase of 20% or more of the last determined consequential loss rate.

All existing fire consequential loss rates which do not conform to this section shall be discontinued.

### 3. MULTIPLIERS

The premium charged for fire consequential loss insurance shall not be less than the sum produced by applying the basic fire and/or perils for material damage insurance on the property concerned or the average base rate (as the case may be) to the multiplier value as shown hereinafter and the sum insured for each item.

#### 3.1 MULTIPLIERS FOR GROSS PROFITS, GROSS REVENUE , GROSS RENTAL OR NET TAKINGS ONLY



The following multipliers shall apply in respect of gross revenue, gross rental, gross profit items with or without payroll, or Net Takings :-

<b>Indemnity Period</b>	<b>Multiplier</b>
6 months or less	75%
12 months	100%
18 months	90%
24 months	85%
36 months	80%
48 months	75%

If the indemnity period falls between any two periods as indicated above, the higher multiplier shall be used.

### 3.2 **MULTIPLIERS FOR WAGES ON DUAL BASIS**

Where the wages are insured on the dual basis, the multipliers and the alternative period shall be based on the Wages Dual Basis - Rating and Alternatives Period Tables attached under Appendix 1.

### 3.3 **MULTIPLIERS FOR INCREASE COST OF WORKING**

A minimum multiplier of 100% must be applied in respect of Increase Cost of Working and Additional Increase Cost of Working.

### 3.4 **MULTIPLIERS FOR AUDITORS' FEES**

A minimum multiplier of 100% must be applied in respect of Auditors fees.

## 4.0 **MINIMUM DEDUCTIBLE AND DISCOUNT FOR IMPOSING HIGHER DEDUCTIBLE**

4.1 The minimum deductible for Fire Consequential Loss Insurance to be applied is 5 working days.

4.2 No company is allowed to reduce the minimum deductible prescribed in the Tariff.

4.3 The following Discount may be allowed at the discretion of the company for imposing higher deductible.

Deductible	Maximum Discount Allowed
10 working days	5% discount on the policy premium

15 working days	7.5% discount on the policy premium
30 working days	15% discount on the policy premium
60 working days	30% discount on the policy premium

4.4 Where the deductible falls within any two deductibles as indicated in the above table, the lower of the discount is to be applied. For example, if the deductible is 21 days, the discount to be applied is 7.5%.

4.5 Computation of premium in the policy must reflect the deductible discount.

## **5.0 EXTENSIONS**

It is not permissible to extend a fire consequential loss policy to cover any other contingencies except when the contingencies are limited to those included in this section and subject to the rates and wordings hereof.

### **5.1 SUPPLIERS'/CUSTOMERS' EXTENSIONS**

#### **5.1.1 Specified Supplier Extension**

A consequential loss policy may be extended to cover loss arising from damage to specified suppliers' premises located in Cambodia only.

The profits rate for one specified supplier is calculated by applying the percentage limit to the appropriate rate for Standard and Special Perils.

When the extension relates to more than one specified supplier, rating is the cumulative and the following method should be adopted:-

- (i) Each supplier is rated individually under the base rate and then listed in descending order of rates.
- (ii) The profits rate charged is :

100% of the highest rate brought out by

the calculation in (i)

Plus 50% of the second highest rate

Plus 25% of the third highest rate

Plus 10% of each of the remaining individual rates

An example (together with a worksheet) to calculate the Consequential Loss insurance premium is attached in Appendix II.

It is not permissible to provide cover for loss arising from damage at unspecified Suppliers' premises.

The minimum Deductible for this extension is 5 working days.

### **5.1.2 Specified Customer Extension**

A consequential loss policy may be extended to cover loss arising from damage to specified customers' premises located in Cambodia only.

The specified customer extension shall be rated in the same way as the specified supplier extension.

It is not permissible to provide cover for loss arising from damage at unspecified customers' premises.

The minimum Deductible for this extension is 5 working days.

### **5.2 Prevention of Access Extension**

A consequential loss policy may be extended to provide cover for loss resulting from damage elsewhere than at the Insured's premises which shall prevent or hinder the use of, or access to, the Insured's premises notwithstanding that the Insured's premises or property therein be not damaged.

The maximum allowable Limit for this extension is 10% of the sum insured of Fire Consequential Loss Policy.

It is not permissible to provide a limit higher than 10% but the Insurer can at their discretion allow to grant a lower limit than 10%.

The minimum Deductible for this extension is 5 working days.

### **5.3 Public Utilities Extension**

A consequential loss policy may be extended to provide cover for loss resulting from failure of public supply of electricity/water arising from damage by an insured peril at the terminal point of the supply undertaking feed to the Insured's premises.

The minimum Deductible for this extension is 5 working days.

### **5.4 INFECTIONS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS**

A consequential loss policy may be extended to provide cover for loss resulting from infections or contagious diseases, murder, suicide, pest, food or drink poisoning; or defective sanitary arrangements which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

The maximum allowable Limit for this extension is 10% of the sum insured of Fire Consequential Loss Policy.

It is not permissible to provide a limit higher than 10% but the Insurer can at their discretion allow to grant a lower limit than 10%.

The minimum Deductible for this extension is 5 working days.

**6.0 RATING TABLE FOR EXTENSIONS**

		<b>Additional Rate</b>
1	SPECIFIED SUPPLIERS	<b>0.15%</b>
2	SPECIFIED CUSTOMERS	<b>0.15%</b>
3	PREVENTION OF ACCESS	<b>0.015%</b>
4	PUBLIC UTILITIES	<b>0.025%</b>
5	INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST,FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS	<b>0.010%</b>

N.B

- 1) Where the maximum indemnity period exceed 12 months, the rates for PREVENTION OF ACCESS, PUBLIC UTILITIES and INFECTIONS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST,FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS may be reduced to that proportion of the rates indicated above which 12 months bear to the maximum indemnity period.

**7.0 STANDARD EXTENSION WORDINGS**

**7.1 SPECIFIED SUPPLIERS' PREMISES**

In consideration of the payment of an additional premium which is included in the premium hereon, it is hereby agreed and declared that, subject to the conditions of the policy, loss as insured by Items(s) No.(s)..... of this policy resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by You at the premises in Cambodia.

Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) No(s)..... shall not exceed the percentage of the sum insured thereunder shown against each situation.

Name of Supplier	Location	Our Limit of Liability
_____	_____	_____
_____	_____	_____

We will only be liable for any loss indemnifiable under this extension once the period of the loss has exceeded Five (5) working days from the time that You are first impacted by a shortage in supplies and shall continue until such time that supplies have been restored in sufficient quantities to enable You to maintain the pre loss level of production.

**7.2 SPECIFIED CUSTOMERS' PREMISES**

In consideration of the payment of an additional premium which is included in the premium hereon, it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by Item(s) No(s) ..... of this policy resulting from interruption or interference with the business in consequence of damage (as within defined) to property at any premises in Cambodia of the undernoted customer(s) shall be deemed to be loss resulting from damage to property used by You at the premises.

Provided that if the percentage shown below against the name of the Customer at whose premises damage has occurred shall be less than the percentage of the annual turnover derived by You from that customer, the amount otherwise payable under the terms of this memorandum in respect of that customer shall be proportionately reduced.

Name of Customer	Location	Our Limit of Liability
_____	_____	_____
_____	_____	_____

PROVIDED that We shall not be liable for any loss insured by this extension unless interruption of or interference with Your Business exceeds a period of Five (5) working days and Our liability under this extension shall apply only to such period in excess of Five (5) working days.

**7.3 PREVENTION OF ACCESS**

In consideration of the payment of an additional premium which is the premium hereon, it is hereby agreed and declared that subject to the conditions of the Policy, loss as insured by Item(s) No(s) ..... of this Policy resulting from interruption of or interference with the business in consequence of damage by insured peril (as within defined) to property in the vicinity of Your premises which shall prevent or hinder the use thereof or access thereto, whether Your premises or property therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by You at the premises. Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the accident, beginning with the date of the occurrence and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean \_\_\_\_ months. Our liability under this memorandum shall not exceed **10% of the Sum Insured or US\_\_\_\_\_ million**, whichever is lower, in any one period of insurance, after the application of all other terms and conditions of the policy.

PROVIDED that We shall not be liable for any loss insured by this extension unless interruption of or interference with Your Business exceeds a period of Five (5) working days and Our liability under this extension shall apply only to such period in excess of Five (5) working days.

**7.4 PUBLIC UTILITIES**

In consideration of the payment of additional premium, it is hereby declared that subject to the conditions of the Policy loss as insured by this Policy resulting from interruption of or interference with the business consequent upon failure of public supplies of electricity and/or water resulting from a damage as defined in the Policy at any :

- generating station or substation of the public electricity supply undertaking,

- water works or pumping station of the public water supply undertaking, from which the Insured obtains water,

shall be deemed to be loss resulting from damage to property used by You at the premises. Any transmission lines or pipes feeding to Your premises are not included.

A deliberate act of the supply undertaking not performed for the purpose of safeguarding life or protecting the system and rationing not necessitated solely by accidental damage to the supply undertaking's equipment are excluded.

PROVIDED that We shall not be liable for any loss insured by this extension unless failure of the public supplies of electricity/water\* exceeds a period of Five (5) working days and Our liability under this extension shall apply only to such period in excess of Five (5) working days .

## **7.5 INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS**

It is hereby agreed and declared that the insurance of this Policy is extended to cover contingencies hereunder specified :-

- (i) Human infectious or contagious disease manifested within any person whilst in the Premises
- (ii) Murder or suicide occurring at the Premises
- (iii) Injury or illness sustained by any person arising from or traceable to foreign injurious matter in the food or drink provided on the Premises
- (iv) Vermin or pests at the Premises
- (v) Defects in the drains and other sanitary arrangements at the Premises

which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

Any interruption of or interference with Your Business in accordance with the provisions herein contained in the Schedule shall be deemed to be DAMAGE as defined under the Policy.

### **SPECIAL CONDITIONS**

1. Notifiable Disease or illness shall mean illness sustained by any person resulting from :
  - a) food or drink poisoning, or
  - b) any human infectious or human contagious disease[excluding Acquired Immune Deficiency Syndrome (AIDS)] an outbreak of which the competent local authority has stipulated shall be notified to them.
2. For the purpose of this memorandum, Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning:-
  - a) in the case of (i),(iv) and (v) above, with the date of the occurrence or discovery

- b) in the case of (ii) and (iii) above, with the date from which the restrictions on the Premises are applied and ending not later than when restrictions are lifted or the Maximum Indemnity Period thereafter, whichever is the shorter period.

Maximum Indemnity Period shall mean \_\_\_\_\_ **months**

Premises shall mean only those locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.

3. We shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
4. We shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.
5. Our liability under this memorandum shall not exceed **10% of Sum Insured or USD\_\_\_\_\_ million**, whichever is lower, in any one period of insurance, after the application of all other terms and conditions of the policy.

PROVIDED that We shall not be liable for any loss insured by this extension unless interruption of or interference with Your Business exceeds a period of Five (5) working days and Our liability under this extension shall apply only to such period in excess of Five (5) working days.

## **8.0 CLAUSES**

### **8.1 ACCOUNTANTS' CLAUSE**

Any particulars or details contained in Your books or documents which may be required by Us under Condition No. 8 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for You and their report shall be prima facie evidence of the particulars and details to which such report relates.

### **8.2 PAYMENT ON ACCOUNT CLAUSE**

Payment on account will be made to You if desired provided that it is established that the loss is indemnifiable under this policy.

### **8.3 DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses (a) and (b) of Item 1 of the specifications attached shall apply separately to each Department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the Sums produced by applying the rate of Gross Profit for each department of the business (whether affected by the damage or not) to the relative annual output thereof the amount payable shall be proportionately reduced.

### **8.4 ALTERNATIVE BASIS CLAUSE**

It is agreed and declared that in the event of a claim, adjustment may be based on 'Turnover or Output' whichever affords the most equitable result, and except in the definition of turnover the word 'Turnover' wherever used in this Policy shall read as 'Turnover or Output'. 'Output' shall mean sale value of goods manufactured by, or sold by, You in the course of the Business at the Premises, provided that:

- (a) only one such meaning shall be operative in connection with any one occurrence involving damage as within defined.
- (b) if the meaning set out in this Clause be used, the Alternative Trading Clause shall be held to be altered to read as follows:

#### Alternative Trading Clause

If during the Indemnity Period goods shall be manufactured elsewhere than at the Premises affected by the damage for the benefit of the Business either by You or by others on the Your behalf the sale value of the goods so manufactured shall be brought into account in arriving at the output during the Indemnity Period.

### **8.5 SALVAGE SALES CLAUSE**

If, following damage giving rise to a claim under this Policy, You shall hold a salvage sale during the Indemnity Period, Clause (a) of Item No.1 of the specifications attached shall for the purpose of such claim read as follows:-

- a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the damage, fall short of the Standard Turnover from which sum shall be deducted from the Gross Profit actually earned during the period of the salvage sale.

### **8.6 MATERIAL DAMAGE PROVISIO WAIVER CLAUSE**

It shall not be a condition precedent to liability in respect of interruption or interference in consequence of destruction or damage that the payment shall have been made or liability admitted under the Insurance covering Your interest in the property at the premises against such destruction or damage if no such payment shall have been made nor liability admitted solely owing to the operation of a proviso in such insurance excluding liability for losses below a specified amount.

### **8.7. INTERDEPENDENCY CLAUSE**

It is hereby expressly declared and agreed that if damage to any of joint Insured's premises/property should result in another of the Insured suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Policy notwithstanding that no material damage was sustained by the latter premises/property.

Note : The Interdependency Clause may only be used for joint insureds who stand in the relationship as parent and subsidiary companies.

### **8.8 ACCUMULATION OF STOCK CLAUSE**



In adjusting any loss account shall be taken and an equitable allowance made if any shortage of turnover due to the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods in warehouses and/or depots.

## 8.9 NEW BUSINESS CLAUSE

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises, the terms, 'Rate of Gross Profit', 'Annual Turnover' and 'Standard Turnover' shall bear the following meanings and not as within stated:-

### Rate of Gross Profit

The rate of gross profit earned on the turnover during the Period between the commencement of the business and the date of the damage ) to which such adjustment ) shall be made as may be ) necessary to provide ) for the trend of the ) business and the ) variations in or special

### Annual Turnover

The proportional equivalent for the period of twelve months of the turnover realised during the period between the commencement of the business and the date of the damage ) before or after the ) damage or which would ) have affected the ) business had the damage ) not occurred, so that the ) figures thus adjusted ) shall represent as nearly ) as may be reasonably ) practicable the results

### Standard Turnover

The proportional equivalent for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the business and the date of the damage ) which but for the damage ) would have been obtained ) during the relative ) period after the damage )

After twelve months of trading have been completed the normal specification wording operates.

**N.B. : The gross profit specification wordings is shown as an example only. Member companies are required to substitute other wordings used other than gross profit.**

## 8.10 Self-Insurance Clause

It is hereby declared and agreed that You agree to self-insure and that the sum(s) insured nominated under [Item(s) no(s)\_\_\_\_\_ of] this Policy represent(s) only \_\_\_\_\_ % of the actual amount on the interest insured herein.

In consequence of the foregoing, You agree to be his own insurer for the difference of \_\_\_\_\_% and undertakes to bear that rateable proportion of :-

- (a) each and every loss or damage (including any amounts in respect of fees charges costs and expenses) payable under this Policy.

- (b) any expenditure payable in the exercise of Condition 11 of this Policy; and
- (c) any refund premium due in accordance to the terms and provisions of the Premium Adjustment Clause where such a Clause is provided for and form part of this Policy.

It is further declared and agreed that in the event the sum(s) insured under [Item(s) no(s)\_\_\_\_\_ of] this Policy is less than \_\_\_\_\_% of the actual amount of the interest insured herein at the time of loss, the Condition of Average expressed in the specification of this Policy shall apply accordingly.

(N.B. This Clause can be used only in conjunction with The specifications)

## 9.0 CONSEQUENTIAL LOSS POLICY WORDINGS

### Uniform Fire Consequential Loss Insurance Policy

#### Definitions

**We/Us/Our** refer to the \_\_\_\_\_ (Insurance Company).

**You/Your/Yourself** refer to the Insured.

**Period of Insurance** refers to the duration of this Policy for the period specified in the Schedule, or any renewal period for which the appropriate premiums are paid in each case.

**Policy** refers to this Policy together with any Schedule, Specification and Endorsement.

#### Our Agreement

In consideration of the You having applied to Us to for insurance by a proposal and declaration which shall be the basis of this contract and having paid or agreed to pay to Us the Premium stated in the Policy Schedule, We will indemnify You against loss or damage as described in the Policy occurring during the Period of Insurance subject to the terms, conditions, endorsements, clauses or warranties forming part of this Policy.

#### Loss or Damage to Your Property

We agree (subject to the Conditions contained herein or endorsed or otherwise expressed thereon) that if any building or other property or any part thereof used by You at the Premises for the purpose of the Business be destroyed or damaged by:-

- 1) Fire,
- 2) Lightning,
- 3) Explosion, in a building in which gas is not generated and which does not form part of any gasworks, of gas used therein for illuminating or domestic purposes,

(destruction or damage so caused being hereinafter termed Damage) at any time during the Period of Insurance or any subsequent period in respect of which We agree to accept the premium required for the renewal of this Policy and the Business carried on by You at the premises be in consequence thereof interrupted or interfered with.

### **BASIS OF COMPENSATION**

We will pay You in respect of each item in the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

Provided that at the time of the happening of the Damage there shall be in force an insurance covering Your interest in the property at the premises against such Damage and that payment shall have been made or liability admitted therefor under such insurance.

And that Our liability shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may hereafter be substituted therefor by memorandum signed by or on behalf of Us.

### **Exclusions**

- (1) We shall not be liable in so far as the interruption loss is increased :-
  - (a) by extraordinary events taking place during the interruption,
  - (b) by restrictions imposed by the authorities on the reconstruction or operation of the business,
  - (c) due to the insured's lack of sufficient capital for timely restoration or replacement of property destroyed, damaged or lost.
  
- (2) We will not cover loss or damage:-
  - (i) to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.
  - (ii) occasioned by or through or in consequence of:-
    - (iv) the burning of property by order of any public authority
    - (v) Subterranean Fire
    - (vi) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
  - (iii) directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this Exclusion 2 (iii) only combustion shall include any self-sustaining process of nuclear fission.
  - (iv) occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

- (xiii) Earthquake, volcanic eruption, landslip, landslide, subsidence or other convulsion of nature.
- (xiv) Hail, windstorm, typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
- (xv) Explosion **except** loss or damage by explosion of domestic boilers and gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works
- (xvi) Flood
- (xvii) Bursting or overflowing of water tanks apparatus or pipes, or accidentally discharged or leaking of water from the automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus
- (xviii) Impact by any road vehicle or animals
- (xix) Aircraft or other aerial devices and/or articles dropped therefrom
- (xx) Vandalism and Malicious Damage
- (xxi) Smoke other than smoke originating from a fire occurring in the location insured
- (xxii) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war.
- (xxiii) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- (xxiv) Any act of terrorism. For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the You shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where We alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of providing that such loss or damage is covered shall be upon You.

## CONDITIONS

## **1. MISDESCRIPTION**

If there be any material misdescription 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, We shall not be liable upon this Policy.

## **2. PREMIUM PAYMENT**

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

## **3. OTHER INSURANCE**

You shall give notice to Us of any insurance or insurances already effected, or which may subsequently be effected, covering any of the loss hereby insured against and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this Policy by or on behalf of Us before the occurrence of any Damage, all benefits under this Policy shall be forfeited.

## **4. DISPLACEMENT**

Immediately upon any fall or displacement :-

- (a) of any building Damage to which might give rise to a claim under this Policy;
- (b) of any part of such building;
- (c) of the whole or any part of any range of buildings or of any structure of which such building forms part.

The insurance under this Policy shall cease in respect of loss resulting from Damage to such building or property therein.

### **PROVIDED THAT –**

- (i) Such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of Damage or is otherwise material;
- (ii) Such fall or displacement is not caused by Damage, loss resulting from which is covered by this Policy or would be covered if such building or range of buildings or structure were included in the Premises to which this Policy refers.

If any claim be made upon this Policy in consequence of Damage whether occurring before, during or after such fall or displacement You shall produce such proof as may reasonably be required that the loss was not, either in origin or in extent, directly or indirectly, proximately or remotely; occasioned by or contributed to by any such fall or displacement and did not either in origin or extent, directly or indirectly, proximately or remotely, arise out at or in connection with any such fall or displacement.

## **5. CHANGE IN RISK**

The insurance by this Policy shall cease if:-

- (a) the Business be wound up or carried on by a Liquidator or Receiver or permanently discontinued  
  
or
- (b) Your interest cease otherwise than by death  
  
or
- (c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased, at any time after the commencement of this insurance, unless its continuance be admitted by memorandum signed by or on behalf of Us.

## **6. INCREASE IN RISK**

Notice shall be given to Us and, if required, an additional premium paid, if the rate of premium payable in respect of the insurance covering Your interest in the property at the Premises against Damage shall be increased.

## **7. CANCELLATION**

This Insurance may be terminated at Your request by giving notice in writing, in which case We will return to the You 90% of the proportionate part of the premium corresponding to the unexpired period of insurance from the date of cancellation provided that no claims have been made during the current policy year. This Insurance may also be terminated at Our option by sending fourteen (14) days' notice by registered letter to You at Your last known address, in which case We shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

## **8. CLAIM PROCEDURE**

On the happening of any Damage in consequence of which a claim is or may be made under this Policy, You shall forthwith give notice thereof to Us and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Policy shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as We may in writing allow, at his own expense deliver to Us in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the Damage or any part of it or consequential loss or any kind resulting therefrom.

You shall at his own expense produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of Us for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

## **9. FRAUD**

If the claim 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 You or any one acting on Your behalf to obtain any benefit under this Policy; or if the Damage be occasioned by Your wilful act, or with Your connivance; or, if the 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 the 12th Condition of this Policy) within three months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.

## **10. CONTRIBUTION**

If at the time of any loss under this Policy there be any other subsisting insurance, whether effected by You or by any other person or persons covering such loss or any part of it, We shall not be liable to pay or contribute hereunder more than its rateable portion of such loss.

## **11. SUBROGATION**

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

## **12. ARBITRATION**

Any difference arising out of this Policy shall be referred to an Arbitrator who shall be appointed in writing by You and Us. In the event that You and We are unable to agree on who is to be the Arbitrator within one month of being required in writing to do so, then You and We shall be entitled to appoint an Arbitrator each who shall proceed to hear the differences together with an Umpire to be appointed by both Arbitrators. However this is provided that any disclaimer of liability by Us for any claim hereunder must be referred to an Arbitrator within twelve months from date of Our Disclaimer to You.

## **13. TIME LIMITATION**

In no case whatever shall We be liable in respect of any claim under this Policy after the expiration of :-

- (a) one year from the end of the Indemnity Period, or if later,
- (b) three months from the date on which payment shall have been made or liability admitted by Us covering the Damage giving rise to the said claim,

unless the claim is the subject of pending action or arbitration.

## **14. MEANING**

This Policy and the Schedule annexed (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 the Policy or of the Schedule shall bear such specific meanings wherever they may appear.

## **15. NOTICE**

Every notice and other communication to Us required by these conditions must be written or printed.

## **WARRANTY APPLICABLE TO THIS POLICY**

### **PREMIUM WARRANTY**

It is fundamental and absolute special condition of this contract of Insurance that the premium due must be paid and received by Us within thirty (30) days from the inception date of this Policy / Endorsement / Renewal Certificate.

If this condition is not complied with then this contract is automatically cancelled and We shall be entitled to the pro-rata premium for the period they have been on risk.

Where the premium payable pursuant to this warranty is received by an authorised agent of Us , the payment shall be deemed to be received by Us for the purposes of this warranty and the onus of proving that the premium payable was received by a person, including an insurance agent, who was not authorised to receive such premium shall lie on Us.

Subject otherwise to the terms and conditions of this Policy.

## **10. SPECIFICATIONS WORDINGS**

The use of the following specification wordings is mandatory. However, where a combination of cover is desired (for example, gross profit with wages on dual basis), the specification wordings may be suitably combined.

The use of any other specification wordings other than those specified in this section are prohibited.

### **10.1 GROSS PROFIT (DIFFERENCE BASIS) WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
-----------------	--------------------

1. On Gross Profit	
--------------------	--

THE INSURANCE UNDER ITEM NO. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be :

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.



(b) **IN RESPECT OF INCREASE IN COST OF WORKING** : The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided :

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the damage :

provided that if the Sum Insured by this Item be less than the sum produced by applying the rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS PROFIT**            The amount by which the sum of the Turnover, Closing Stock and Work-in-Progress shall exceed the sum of the Opening Stock, Work-in- Progress and the Specified Working Expenses.

N.B. 1

The amount of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

N.B. 2

The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured unless otherwise defined in this specification.

**SPECIFIED WORKING EXPENSES**            \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**TURNOVER**                    The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY PERIOD**            The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD**            \_\_\_\_\_ months

**RATE OF GROSS PROFIT**  
 The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage.            ) to which such adjustment ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) special circumstances

**ANNUAL TURNOVER**  
 The Turnover during the twelve months immediately before the date of            ) ) ) affecting the business ) either before or after the ) damage or which would have

the damage ) affected the business had  
) the damage not occurred  
) )  
**STANDARD TURNOVER**  
The Turnover ) so that the figures thus  
during that period in the ) adjusted shall represent  
twelve months immediately ) as nearly as may be  
before the date of the damage ) reasonably practicable the  
which corresponds with the ) results which but for the  
Indemnity Period. ) damage would have been  
) obtained during the  
) relative period after the  
) damage.

**Alternative Trading Clause**

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

**Uninsured Standing Charges Clause**

If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

**Premium Adjustment Clause**

In the event of the Gross profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**10.2 DUAL BASIS WAGES WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
-----------------	--------------------

1. On Wages

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of Wages and the amount payable as indemnity thereunder shall be :

(a) IN RESPECT OF REDUCTION IN TURNOVER :

- (i) during the Initial Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during such period through reduction in consequence of the damage in the amount of Wages paid.
- (ii) during the remaining portion of the Indemnity Period : the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying the remainder percentage of the Rate of Wages to the shortage in Turnover during the said remainder portion of the Indemnity Period increased by such amount as is deducted for savings under the terms of Clause (i).

Note : At the option of the Insured the Alternative Period may be substituted for the Initial Period provided that the amount arrived at under the provisions of Clause (a) (ii) shall not exceed such amount as is deducted under Clause (a) (i) for savings effected during the Alternative Period.

**b) IN RESPECT OF INCREASE IN COST OF WORKING :**

so much of the additional expenditure described in Clause (b) of the relative gross profit item as exceeds the amount payable thereunder :

but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of Clause (a) (i) and (ii) of this Item had such expenditure not been incurred :

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable under this Item shall be proportionately reduced.

**DEFINITIONS**

**INDEMNITY PERIOD**

The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD**

\_\_\_\_\_ months

**INITIAL PERIOD**

The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

**REMAINDER PERCENTAGE**

\_\_\_\_\_ per cent.

**ALTERNATIVE PERIOD**

The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

**WAGES**

The remuneration (including contribution to Social Security Scheme, bonuses, holiday pay or other payments pertaining to Wages) of all employees.

**RATE OF WAGES**

The Rate of Wages to Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or after

the damage or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

**TURNOVER**

The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**ANNUAL  
TURNOVER**

The Turnover during the twelve months immediately before the date of the damage.

**STANDARD  
TURNOVER**

The Turnover during that period in the twelve Months immediately before the date of the damage which corresponds with the Indemnity Period.

**SHORTAGE  
IN  
TURNOVER**

The amount by which the Turnover during a period shall in consequence of the damage fall short of the part of the Standard Turnover which relates to that period.

**Alternative Trading Clause**

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

**Uninsured Standing Charges Clause**

If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

**Premium Adjustment Clause**

In the event of the Wages (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**10.3 GROSS REVENUE WORDING**

SPECIFICATION referred to in Policy No : \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that Policy.



**Alternative Trading Clause.**

If during the Indemnity Period work shall be done or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the money paid or payable in respect of such work or services shall be brought into account in arriving at the Revenue during the Indemnity Period.

**Premium Adjustment Clause**

In the event of the Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the financial year most nearly concurrent with any period of insurance as certified by the Insured's Professional Accountants being less than the Sum Insured thereon a pro-rata return of premium not exceeding 50 per cent of the premium paid on such Sum Insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**10.4 STANDING CHARGES ONLY WORDING**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

**Item No.**

**Sum Insured**

- 1. On standing charges only

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of INSURED STANDING CHARGES due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER : The sum produced by applying the Rate Payable to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure (subject to the provisions of Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate Payable to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate Payable to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**NET PROFIT**

The net trading profit (exclusive of all and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

**INSURED STANDING CHARGES**

The amount for the undermentioned Insured Standing Charges, or if the business is showing a net trading loss the amount of the said Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

**LIST OF INSURED STANDING CHARGES**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TURNOVER**

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**INDEMNITY PERIOD**

The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD**

\_\_\_\_\_ months

**RATE PAYABLE** - The percentage ) to which such adjustment that the Insured Standing ) shall be made as may be Charges bears to the Turnover ) necessary to provide for during the financial year ) the trend of the business immediately before the date ) and for variations in or of damage. ) special circumstances ) affecting the business

**ANNUAL TURNOVER** - The Turnover ) either before or after the during the twelve months ) damage or which would have immediately before the date of ) affected the business had damage. ) the damage not occurred so ) that the figures thus

**STANDARD TURNOVER** - The ) adjusted shall represent as Turnover during that period in ) nearly as may be reasonably the twelve months immediately ) practicable the results before the date of the damage ) which but for the damage which corresponds with the ) would have been obtained Indemnity Period. ) during the relative period ) after the damage.

**Alternative Trading Clause.**

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the Indemnity Period.

**Uninsured Standing Charges Clause**

If any standing charges of the business be not insured by this policy then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of Net Profit and all the Standing Charges.

**10.5 GROSS RENTAL WORDING**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
-----------------	--------------------

1. On Gross Rental

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) LOSS OF GROSS RENTAL and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be :

- (a) IN RESPECT OF LOSS OF GROSS RENTAL : The amount by which the Gross Rental during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Rental
- (b) IN RESPECT OF INCREASE IN COST OF WORKING : The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Loss of Gross Rental which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction in Gross Rental thereby avoided :

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rental as may cease or be reduced in consequence of the damage :

provided that if the sum insured by this item be less than the Annual Gross Rental (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**DEFINITIONS**

**GROSS RENTAL**        The money paid or payable to the insured by tenants in respect of rental of the Premises.

**INDEMNITY PERIOD**        The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the Gross Rental shall be affected in consequence of the damage.

**MAXIMUM INDEMNITY PERIOD**        \_\_\_\_\_ months

**STANDARD GROSS RENTAL** - The ) to which such adjustments  
 Gross Rental during the ) shall be made as may be  
 period corresponding with the ) necessary to provide for  
 Indemnity Period in the ) the trend of the business  
 twelve months immediately ) and for variations in or  
 before the date of the damage ) other circumstances  
 which corresponds with the ) affecting the business  
 Indemnity Period ) either before or after the



) damage or which would have  
**ANNUAL GROSS RENTAL** - The ) affected the business had  
 Gross Rental during the ) the damage not occurred so  
 twelve months immediately ) that the figures thus  
 before the date of the damage ) adjusted shall represent as  
 ) nearly as may be reasonably  
 ) practicable the results  
 ) which but for the damage  
 ) would have been obtained  
 ) during the relative period  
 ) after the damage.

**Alternative Trading Clause.**

If during the Indemnity Period the business shall be conducted elsewhere than at the premises the money paid or payable to the Insured in respect of rent at such other premises shall be brought into account in arriving at the Gross Rental during the Indemnity Period.

**Premium Adjustment Clause**

In the event of one time the Gross Rental (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's auditors being less than the sum insured thereon a pro rata return of premium not exceeding 50 percent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

**10.6 ADDITIONAL INCREASE COSTS OF WORKING**

The insurance under item No. \_\_\_\_\_ is limited to such further additional expenditure beyond that recoverable under clause (b) of item No. \_\_\_\_\_ on gross profit and item No. \_\_\_\_\_ on wages/payroll as the insured shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in turnover.

**10.7 AUDITORS' FEES CLAUSE**

The insurance under item No. \_\_\_\_\_ of this Policy is limited to reasonable fees payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of condition 8 of this policy.

**10.8 NET TAKINGS BASIS ( applicable to small retail business only for e.g. sundry shops, coffee shops, grocery stores).**

SPECIFICATION referred to in Policy No. \_\_\_\_\_ in the name of \_\_\_\_\_ and forming an integral part of that policy.

<b>Item No.</b>	<b>Sum Insured</b>
-----------------	--------------------

1. On Net Takings

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) Loss of Net Takings and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- (a) **IN RESPECT OF REDUCTION IN TURNOVER:** the sum produced by applying the Rate of Net Takings to the amount by which the Turnover during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Turnover.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage, but not exceeding the sum produced by applying the Rate of Net Takings to the amount of the reduction thereby avoided: less any sum saved during the Indemnity Period in respect of such of the charges and working expenses of the business payable out of Net Takings as may cease or reduced in consequence of the damage: provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Net Takings to the Annual Turnover, the amount payable shall be proportionately reduced.

### **DEFINITIONS**

#### **NET TAKINGS**

The amount by which the Turnover shall exceed the amount of the Purchases relative thereto.

#### **TURNOVER**

Net value of Sales made and charges for work done in course of the business at the premises.

#### **INDEMNITY PERIOD**

The period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ months thereafter during which the results of the business shall be affected in consequence of the damage.

#### **MAXIMUM INDEMNITY PERIOD**

\_\_\_\_\_ months

#### **RATE OF NET TAKINGS**

The rate of Net Takings earned on the Turnover during the financial year immediately before the date the damage ) to which such adjustments ) shall be made as may be ) necessary to provide for ) the trend of the business ) and for variations in or ) other circumstances affecting

#### **ANNUAL TURNOVER**

The Turnover during the twelve months immediately before the date of the damage ) the business either before ) or after the damage or ) which would have affected ) the business had the damage ) not occurred, so that the ) figures thus adjusted shall

#### **STANDARD TURNOVER**

The Turnover during that period in twelve months immediately before the date of the damage which corresponds with the ) represent as nearly as may ) be reasonably practicable ) the results which but for ) the damage would have been ) obtained during the relative ) period after the damage.

Indemnity Period )

Memo 1. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by You or by others on Your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

**11.0 ADDITIONAL PERILS ENDORSEMENT** (To be incorporated into policy when the Fire Consequential Loss Policy is extended to cover additional perils)

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include destruction or damage (by fire or otherwise) caused by the additional perils as covered by the Material Damage Insurance Policy No.....

Provided that the liability of the Company shall in no case under this Endorsement and the Policy exceed the sum insured by this Policy.

All the conditions of this Policy shall apply in all respects to the insurance granted by this Endorsement save in so far as the same are expressly varied hereunder.

**12. MODEL PROPOSAL FORM**

**FIRE CONSEQUENTIAL LOSS INSURANCE PROPOSAL FORM**

**STATEMENT PURSUANT TO ARTICLE NO.20 OF THE INSURANCE LAW OF THE KINGDOM OF CAMBODIA OR ANY SEBSEQUENT AMENDMENT THEREOF**

You are to disclose in this proposal form, fully and faithfully, all the facts which you know or ought to know, otherwise the policy issued hereunder may be void.

**DETAILS OF PROPOSER:**

Name of Proposer:

Postal Address:

Situation of Premises to which the insurance is to apply:

Nature of Business carried on therein:

Period of Insurance: From.....to.....(Both dates inclusive)

**Item No. The Indemnity Sum Insured (USD)**

1. Gross Profits/Revenue/Rental/Net Takings -----

2. Dual Wages (100% for.....weeks and

.....% for remainder of Indemnity Period) -----

3. Auditors Fees -----

4. Others (Please specify)  
-----  
-----  
-----

**Indemnity Period:** .....months

**GENERAL QUESTIONNAIRES:**

- 1. How long has the business been established?
- 2. Are your books regularly audited?  Yes  No  
(If yes, please state how often, and name of auditor)
- 3. Have you at present any insurance covering Consequential Loss?  Yes  No  
(If so, please give details) \_\_\_\_\_
- 4. Has any insurance company ever
  - a) declined your proposal?  Yes  No
  - b) refused to renew your policy?  Yes  No
  - c) cancelled your policy?  Yes  No
  - d) required an increased rate or imposed special terms on renewal?  Yes  No  
(If so, please give details)
- 5. Have you ever sustained loss from any of the perils which now require insurance?  Yes  No  
(If yes, please give full particulars including name of insurance company, if insured)

**DECLARATION BY PROPOSER:**

I/We hereby declare that the answers stated above are true and that I/We have not withheld any information which might influence the acceptance of this proposal, and that the declaration hereby given shall be the basis of the contract with the Company.

Signature of Proposer..... Date.....