

COMMERCIAL PROPERTY INSURANCE



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COMMERCIAL PROPERTY INSURANCE POLICY

Please read this Policy carefully and see that it meets your requirements

THE COMPANY AGREES (subject to the conditions contained herein or endorsed or otherwise expressed hereon which conditions shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the rights of the Insured to recover hereunder) that if after payment of the First Premium the Property Insured described in the Schedule or any part of such property be lost, destroyed or damaged by any of THE PERILS specified in the Schedule at any time during the Period of Insurance or of any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal of this policy, the Company will pay to the Insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at its option will reinstate or replace such property or any part thereof

PROVIDED THAT -

the liability of the Company shall in no case exceed

- (i) in the whole the sum insured in respect of any item its sum insured at the time of the loss destruction or damage
- (ii) the sum insured remaining after payment for any other loss destruction or damage occurring during the same period of insurance unless the Company shall have agreed to reinstate any such sum insured.

The amount payable will be reduced by the amount of any Deductible specified in the Schedule in respect of an insured Peril herein, after the application of the Average Condition. The Deductible applies to each and every loss unless otherwise stated herein to the contrary and it is warranted that the Insured shall effect no insurance in respect of any Deductible herein.



Director and General Manager
RoyalStar Assurance Ltd.

PERILS

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

A. FIRE (whether resulting from explosion or otherwise)

Excluding

- (a) earthquake, volcanic eruption or other convulsion of nature
- (b) DAMAGE occasioned by
 - (i) its own spontaneous fermentation or heating, or
 - (ii) its undergoing any process involving the application of heat or drying;

LIGHTNING

EXPLOSION

- (a) of boilers, or
- (b) of gas

used for domestic purposes only but excluding DAMAGE caused by earthquake, volcanic eruption or other convulsion of nature.

B. EXPLOSION

Excluding DAMAGE

- (a) to boilers, economisers, or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion.
- (b) occasioned by or through or in consequence, directly or indirectly, of acts of terrorism committed by a person or persons acting on behalf or in connection with any organisation.

For the purpose of this exclusion "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

C. AIRCRAFT

and other aerial devices and/or articles dropped therefrom.

D. IMPACT BY ANY ROAD VEHICLE OR ANIMAL

Excluding DAMAGE by any road vehicle or animal belonging to or under the control of the Insured.

E. RIOT, STRIKERS, LOCKED-OUT WORKERS

DAMAGE directly caused by

- (a) the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not);
- (b) the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any such disturbance;
- (c) the wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out;
- (d) the action of any lawfully constituted authority in preventing or attempting to prevent any such act of in minimising the consequences of any such act;

PERILS (continued)

Excluding

1. DAMAGE occasioned through or in consequence directly or indirectly, of
 - (a) acts of terrorism committed by a person or persons acting on behalf of or in connection with any organisation;
For the purpose of this exclusion "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.
 - (b) civil commotion assuming the proportions of or amounting to a popular rising;
 - (c) the malicious act of any person (whether or not such act is committed in the course of disturbance of the public peace) not being the wilful act of any rioter striker or locked-out worker in furtherance of a riot or strike or in resistance to a lock-out;
2.
 - (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) DAMAGE resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
 - (c) DAMAGE occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - (d) DAMAGE occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building;

Provided nevertheless that the Company is not relieved under 2(c) or (d) above of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession.

F. MALICIOUS DAMAGE

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) other than DAMAGE arising out of theft or any attempt thereat.

The cover provided under this Peril is subject to the cover under Peril E being in force and to the application of the exclusions under that Peril other than 1(c).

Excluding DAMAGE to gaming, amusement or vending machines or the contents thereof.

G. ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPES

Excluding

- (i) DAMAGE by water discharged or leaking from an installation of automatic sprinklers
- (ii) DAMAGE in respect of any building which is empty or not in use.

H. STORM, TEMPEST AND FLOOD not caused by I or J including overflow of the sea occasioned thereby.

Excluding DAMAGE

- (i) caused by frost, subsidence or landslip or ground heave
- (ii) to awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open; seawalls, piers, jetties, docks and similar waterside structures, external television and radio antennae, antennae fittings, masts, towers and external panels and fittings forming part of a solar heating system, unless such items are specified in the policy Schedule

PERILS (continued)

- (iii) to premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against storm or tempest
- (iv) by rain except rain entering the building through openings made in its fabric by the direct force of the storm or tempest
- (v) resulting from the escape of water from any tank apparatus or pipe

I. HURRICANE, CYCLONE, TORNADO, WINDSTORM AND TIDAL WAVE

including rain, flood or overflow of the sea occasioned thereby

Excluding DAMAGE

- (i) caused by frost, subsidence or landslip or ground heave
- (ii) to awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open; seawalls, piers, jetties, docks and similar waterside structures, external television and radio antennae, antennae fittings, masts, towers and external panels and fittings forming part of a solar heating system, unless such items are specified in the policy Schedule
- (iii) to premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against storm or tempest
- (iv) by water or rain other than by water or rain entering the building through openings made in its fabric by the direct force of the storm or tempest
- (v) resulting from the escape of water from any tank apparatus or pipe

J. EARTHQUAKE

including flood or overflow of the sea occasioned thereby.

GENERAL EXCLUSIONS TO THE PERILS

This Policy does not cover -

I. DAMAGE

- (a) occasioned by
 - (i) riot, civil commotion, strikers or locked-out workers unless Peril F is specified in the Schedule and then only to the extent stated
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war
 - (iii) mutiny, 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
- (b) to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - (i) any nuclear weapons material
 - (ii) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion combustion shall include any self-sustaining process of nuclear fission
- (c) to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by over-running, excessive pressure, short circuiting, self heating, arcing or leakage or electricity from whatever cause arising.

GENERAL EXCLUSIONS TO THE PERILS (continued)

PROVIDED that this exclusion shall only apply to the particular machine, apparatus or portion of the electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

- (d) caused by pollution or contamination except (unless otherwise excluded) DAMAGE to the Property Insured caused by
 - (i) pollution or contamination which itself results from a Peril hereby insured against
 - (ii) any Peril hereby Insured against which itself results from pollution or contamination

- II. (a) Goods held in trust or on commission, bullion or unset precious stones, money (coined or paper), cheques, securities, obligations, stamps, documents, manuscripts, business books, computer systems, records, patterns, models, moulds, plans, drawings or designs, explosives, unless specially mentioned as insured by this policy;

- (b) DAMAGE to property which, at the time of the happening of such DAMAGE, is insured by, or would, but for the existence of this Policy, be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

- III. Consequential loss of any kind or description except loss of rent when such loss is included in the cover under the Policy.

- IV. DAMAGE or CONSEQUENTIAL LOSS directly or indirectly caused by or contributed to by or arising from the failure or inability of any Computer Equipment, whether the property of the Insured or not, and whether occurring before, during or after the year 2000
 - (i) to correctly recognize any date as its true calendar date
 - (ii) to capture save or retain or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (iii) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any Computer Equipment being a command which causes the loss of data or the inability to capture save or retain or correctly to process such data on or after any date

not excluding any DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded, which itself results from a Defined Peril. Provided however that where such DAMAGE or CONSEQUENTIAL LOSS, not otherwise excluded, itself results from a a Defined Peril, the Company shall not be liable for any CONSEQUENTIAL LOSS which results from any continuing inability of the Computer Equipment to correctly recognize any date as its true calendar date, or to capture save or retain or to correctly process any data as aforesaid, after the lost or destroyed property concerned has been replaced or the damaged property concerned has been repaired.

The expression Computer Equipment shall mean any computer or other equipment or system for processing storing or retrieving data and shall include but shall not be limited to any computer hardware firmware or software, media, microchip, integrated circuit or similar device.

GENERAL EXCLUSIONS TO THE PERILS (continued)

- V. Losses of any kind directly or indirectly caused by, arising from, or consisting of, in whole or in part by:
- (a) The use or misuse of the Internet or similar facility;
 - (b) Any electronic transmission of data or other information;
 - (c) Any computer virus or similar problem;
 - (d) The use or misuse of any Internet address, Website or similar facility;
 - (e) Any data or other information posted on a Website or similar facility;
 - (f) Any loss of data or damage to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by a named peril) or
 - (g) The functioning or malfunctioning of the Internet or similar facility, or of any internet address, Website or similar facility (unless such loss or damage is caused by a named peril) or
 - (h) Any infringement, whether intentional or unintentional, of any intellectual property rights (including but not limited to trademark, copyright or patent).
- VI. Any loss or damage involving in any way the actual or potential presence of mold, mildew or fungi of any kind whatsoever, whether or not directly or indirectly caused by or resulting from any peril insured under this Policy.
- VII. Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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 organization(s) or government(s), which from its nature or context is done for or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any sector of the public, in fear.

This loss also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

GENERAL PROVISIONS

CATASTROPHIC EVENTS

All DAMAGE which occurs during a period of seventy-two (72) consecutive hours caused by Perils I & J shall be deemed as a single loss for the purpose of this insurance. Any such event which continues for a period exceeding seventy-two (72) consecutive hours shall be deemed two or more events in the application of Deductible.

The Company will determine the date and time when each loss period of seventy-two (72) hours shall commence.

Windstorm is to be defined as " a weather disturbance in which sustained winds exceed 39mph or 34 knots" as verified by the Government Meteorological Department.

GENERAL PROVISIONS (continued)

CONTRACTING PURCHASERS' INTEREST

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

GENERAL CONDITIONS

1. Identification

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

2. Policy Voidable

This Policy shall be voidable by the Company in the event of misrepresentation, misdescription or non-disclosure in any material particular by the Insured.

3. Alterations and Removals

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any DAMAGE, has obtained the sanction of the Company signified by endorsement upon the Policy, by or on behalf of the company:

- (a) if the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the property insured be changed in such a way as to increase the risk of DAMAGE by any of the perils insured;
- (b) if any of the Building Insured or containing the property insured become unoccupied and so remain for a period of more than 30 days.
- (c) if the Property Insured is 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 passes from the Insured otherwise than by will or operation of law.

4. Cancellation

This Policy may be terminated at any time at the request of the Insured, in which case the Company will retain the customary short period rate for the time the Policy has been in force. This Policy may also be terminated at any time at the option of the Company, on notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

5. Warranties

Every warranty to which the Property Insured or any item thereof, is or may be, made subject, shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such warranty shall be a bar to any claim in respect of such property or item, provided that whenever this Policy is renewed a claim in respect of DAMAGE occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before commencement of such period.

GENERAL CONDITIONS (continued)

6. Reasonable Precaution

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

CLAIMS CONDITIONS

1. Action by the Insured

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

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

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

2. Forfeiture

- (a) All benefit under the Policy shall be forfeited if any claim made be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain benefit under this policy or if any DAMAGE is caused by the wilful act or with the connivance of the Insured.
- (b) Benefit under the Policy shall be forfeited if any claim
 - (i) made and rejected if an action or suit be not commenced within twelve months after such rejection, or
 - (ii) where arbitration takes place in pursuance of Claims Conditions 8 of this Policy and an action or suit be not commenced within twelve months after the arbitrator or arbitrators or umpire shall have made their award.

CLAIMS CONDITIONS (continued)

3. Reinstatement

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

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

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

4. Rights of the Company following a claim

On the happening of DAMAGE in respect of which a claim is made the Company and any person authorised by the Company may without hereby incurring any liability or diminishing any of the Company's rights under this Policy,

- (a) enter or take or keep possession of the premises where such DAMAGE has occurred
- (b) take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner

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

5. Average (Underinsurance)

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

6. Contribution

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

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

CLAIMS CONDITIONS (continued)

7. Subrogation

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

8. Arbitration

If any difference shall arise as to the amount to be paid under this Policy such difference shall be referred to the decision of an arbitrator, to be appointed in writing by the parties in difference, or if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required to do so in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of the notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator; and in case of disagreement between the arbitrators, the difference shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The costs of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award.

And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator, arbitrators or umpire of the amount of the loss or damage if disputed shall be first obtained.

SPECIFICATIONS

Forming a part of this Policy

Except as stated, the buildings described are with external walls of brick, stone or concrete with external roof surface entirely of stone, concrete, Bermuda or other similar tile and occupied by the Insured for the purpose of their business.

The plan references are those shown on the Plan of the Premises lodged with the Company.

The Property insured under the respective Column headings is as follows:

COLUMN 1 Buildings the property of the Insured or for which they are responsible, including

- landlord's fixtures and fittings
- small outbuildings, extensions, annexes and gangways
- walls, gates and fences

COLUMN 2 Machinery, Plant and all other Contents therein and thereon, the property of the Insured or held by them in trust for which they are responsible excluding property described under Columns 1, 3, and 5 property more specifically insured

SPECIFICATIONS (continued)

COLUMN 3	Stock and materials in Trade, the property of the Insured or held by them in trust or on commission for which they are responsible
COLUMN 4	Rent of each of the Buildings insured by this Policy in proportion to the sum insured thereon subject to the Rent Clause
COLUMN 5	Miscellaneous property of the Insured or for which they are responsible as described under the column headed Location and Description

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

THE PROPERTY INSURED (see attached Schedule)

REMOVAL OF DEBRIS

It is understood that the insurance by this Policy extends to include costs and expenses necessarily incurred by the Insured with the consent of the Company in -

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

the portion or portions of the Property insured by this Policy destroyed or damaged by an insured peril.

The amount recoverable under this clause shall not exceed:-

- 5% of the sum insured in respect of Buildings/Machinery/Other Contents
- 2½% of the sum insured in respect of Stock

The Company will not pay for 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

The Liability of the Company under this clause and the policy in respect of any item shall in no case exceed the sum insured thereby.

ARCHITECTS' AND SURVEYORS' FEES

The sum insured on the building(s) described in this Policy is declared to include Architects' and Surveyors' fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the said building(s) following destruction or damage by any peril hereby insured against excepting in so far as the Company elects to reinstate or replace wholly or in part any property so damaged or destroyed but in no case exceeding 10% payable under any item of this policy on such building(s). It is understood and agreed that the amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

SPECIFICATIONS (continued)

RENT CLAUSE

Insurance on Rent applies only if (any of) the said building(s) or any part thereof is (are) unfit for occupation in consequence of any of the perils hereby insured and then the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement bears to the term of Rent insured.

TEMPORARY REMOVAL

Subject to the following provisions the property insured, other than stock-in-trade or merchandise, is covered whilst temporarily removed for cleaning, renovating, repair or other similar purposes to any premises, not in the Insured's occupation and in transit thereto and therefrom by road, rail, air or inland waterway. The amount recoverable under the extension in respect of each item aforesaid shall not exceed

- (i) 10 per cent of the sum insured by Column 2 or
- (ii) the amount which would have been recoverable had the loss occurred at the premises from which the property is temporarily removed

This cover does not apply to:-

- (a) Motor Vehicles and trailers
- (b) Property held by the Insured in trust, other than machinery and plant
- (c) Property if and so far as it is otherwise insured