

# COMMERCIAL PROPERTY INSURANCE POLICY

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The Insured named in the Schedule having paid or agreed to pay Bahamas First General Insurance Company Limited (hereinafter called 'THE COMPANY') the sum shown as the premium in the Schedule, **THE COMPANY AGREES** (subject to the conditions contained herein or endorsed or otherwise expressed hereon which conditions shall 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 such premium required for the renewal of this policy, the Company will make good or pay to the Insured the value of the property at the time of the happening of its destruction or loss or the amount of such damage or at its option will replace or reinstate such property or any part thereof

**PROVIDED THAT -:**

The liability of the Company shall in no case exceed

- (i) in respect of each item the sum stated to be insured or in the whole the total sum insured or other sum or sums as may be substituted by Endorsement or Memorandum attached and signed by or on behalf of the Company
- (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 this Policy in respect of an insured Peril, after the application of the Average Condition. The Deductible applies to each and every loss unless otherwise stated to the contrary and it is warranted that the Insured shall effect no insurance in respect of any Deductible herein.

**Signed for and on behalf of Insurers**  
**Bahamas First General Insurance Company Limited**

**Date**

## **PERILS**

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**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.

#### **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 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.

### **C. 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;

## **PERILS** (continued)

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- (d) the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act;

### **Excluding**

1. DAMAGE occasioned through or in consequence directly or indirectly, of
  - (a) 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;
  - (b) 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.
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.

### **D. 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 or in the course of burglary housebreaking, theft or larceny or any attempt thereat or caused by any person taking part therein.

The cover provided under this Peril is subject to the cover under Peril C being in force and to the application of the exclusions under that Peril.

## **PERILS** (continued)

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### **E. AIRCRAFT**

Aircraft and other aerial devices and/or articles dropped therefrom, excluding loss or damage caused by any aircraft to which permission to land has been extended by the Insured.

### **F. IMPACT**

Impact by any road vehicles, horses or cattle not belonging to or under the control of the Insured. For the purposes of this Peril the property insured shall include walls, gates and fences around and pertaining thereto.

### **G. BUSH FIRE**

DAMAGE to the Property Insured directly caused by the burning of Forests, Bush, Prairie, Pampas or Jungle and the clearing of lands by fire (except such clearing by or on behalf of the Insured). Provided always that if there shall be any other Fire insurance on the property insured under this Policy the Company shall be liable only prorata with such other Fire insurance for any loss or damage as aforesaid whether or not such other Fire insurance be so extended.

### **H. 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 and not in use.

### **I. SMOKE**

Smoke, which, for the purposes of this Peril means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such is connected to a chimney by a smoke pipe or vent pipe, and whilst in or on the described premises but not smoke from fireplaces or industrial apparatus.

### **J. FLOOD** not caused by Perils K or L including overflow of the sea occasioned thereby.

Flood, which for the purposes of this extension J 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 accumulation of water originating from outside the building insured or containing the property insured,

#### **Excluding** DAMAGE

- (i) by flood caused by earthquake, volcanic eruption, hurricane, cyclone, tornado or windstorm
- (ii) directly caused by frost or subsidence or landslip or ground heave

- (iii) resulting from the escape of water from any tank apparatus or pipe
- (iv) to premises in course of construction, reconstruction or repair unless all outside doors, windows and other openings thereto are complete and protected against storm or tempest.
- (v) 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 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)

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**K. HURRICANE, CYCLONE, TORNADO, WINDSTORM AND TIDAL WAVE**

including rain accompanying these Perils, and flood including overflow of the sea caused by these Perils

Excluding DAMAGE

- (i) 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
- (ii) caused by frost, subsidence or landslip or ground heave
- (iii) 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 hurricane, cyclone, tornado or windstorm
- (iv) resulting from the escape of water from any tank apparatus or pipe
- (v) to premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against wind storm or hurricane.

**L. EARTHQUAKE**

including Volcanic Eruption and Flood or overflow of the sea caused by these Perils

**EXCLUSIONS TO THE PERILS**

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This Policy does not cover:-

**I. DAMAGE**

- (a) to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or arising from or in consequence of or contributed to by
  - (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. For the purposes of this Exclusion combustion shall include any self-sustaining process of nuclear fission.

- (b) through or in consequence, directly or indirectly of or occasioned by
  - (i) riot, civil commotion, strike unless Peril D is specified in the Schedule and then only to the extent stated

## **PERILS** (continued)

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- (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war
  - (iii) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power
  - (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 of electricity from whatsoever cause arising. 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.** Consequential loss of any kind except loss of rent when such loss is included in the cover under the Policy.
- III.** (a) Goods held in trust or on commission, bullion or unset precious stones, manuscripts, plans, drawings or designs, patterns, models or moulds, securities, obligations, or documents of any kind, stamps, coined or paper money, cheques, books of account or other business books, computer systems, records, 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 such other policy or policies had this insurance not been effected.
- IV.** DAMAGE, loss, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:
- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software

and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or

- (b) any change, alteration or modification involving the date change to the year 2000 or any other date change, including leap year calculations, to any such computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment whether the property of the insured or not.

## **PERILS** (continued)

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This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the DAMAGE, loss or injury, cost, claim or expense.

## **GENERAL PROVISIONS**

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### **CONTRACTING PURCHASERS' INTEREST**

If at the time of DAMAGE the Insured shall have contracted to sell the Insured's interest in any property 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 the purchaser's behalf) shall be entitled to benefit under this Policy without prejudice to the rights and liabilities of the Insured or the Company until completion.

### **CATASTROPHIC EVENTS**

All DAMAGE which occurs during a period of seventy-two (72) consecutive hours caused by Perils K & L 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 CONDITIONS**

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### **1. Policy Voidable**

This Policy shall be voidable in the event of misrepresentation, mis-

description or non-disclosure in any material particular by the Insured.

**2. 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.

**GENERAL CONDITIONS** (continued)

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**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 Property Insured is removed to any building or place other than that in which it is herein stated to be 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 manufacture or trade 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.
- (d) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.

**4. Warranties**

Every warranty to which this Policy 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. Non-compliance with any such warranty in so far as it increases the risk of DAMAGE shall be a bar to any claim in respect of such DAMAGE 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 the commencement of such period.

**5. 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.

**6. Cancellation**

This Policy may be cancelled:-



- (a) At any time at the request of the Insured and the Company shall upon the surrender of the Policy refund to the Insured the excess of paid premium over and above the customary short rate premium for the time the Policy has been in force
- (b) By the Company giving to the Insured at least thirty days notice in writing by personal service or by registered post which notice shall be accompanied by a refund to the Insured of the excess of paid premium over and above the pro rata premium for the time the Policy has been in force.

## **CLAIMS CONDITIONS**

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### **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) give notice in writing to the Company and
  - (ii) give notice to the police in the event of deliberate or malicious damage
  - (iii) take steps to minimise the loss or damage and recover any missing property
- (b) within 15 days or such further time as the Company may in writing allow deliver to the Company
  - (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 insurances if any

The Insured shall at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the loss or damage and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the 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.

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

### **2. 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

## **CLAIMS CONDITIONS** (continued)

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

### **3. Fraud**

- (a) 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 any DAMAGE is caused by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.
- (b) If any claim be made and rejected and an action or suit be not commenced within three months after such rejection or where arbitration takes place in pursuance of Claims Condition 8 of this Policy and an action or suit be not commenced within three months after the arbitrator or arbitrators or umpire shall have made their award all benefit under this Policy shall be forfeited.

### **4. Reinstatement**

The Company 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 so doing, but the Company shall not be bound to reinstate 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 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 by the Company thereon.

If the Company so elect to reinstate 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 reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company 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, the Company 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.

**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.

## **CLAIMS CONDITIONS** (continued)

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**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.

**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 death of any party shall not revoke or affect the authority or powers of the arbitrator, arbitrators or umpire respectively; and in the event of the death of an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the 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**

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Forming 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 Property insured under the respective Item headings is as follows:

<b>Buildings</b>	The property of the Insured or for which they are responsible, including <ul style="list-style-type: none"><li>- landlord's fixtures and fittings</li><li>- small outbuildings, extensions, annexes and gangways</li></ul>
<b>Equipment</b>	Machinery, Plant, Equipment, the property of the Insured or held by them in trust for which they are responsible excluding property more specifically insured
<b>Stock</b>	Stock and materials in Trade, the property of the Insured or held by them in trust or on commission for which they are responsible
<b>Contents</b>	All other Contents therein and thereon, including furniture, fixtures and fittings, the property of the Insured or held by them in trust for which they are responsible excluding buildings, stock and property more specifically insured.
<b>Rent</b>	Rent of each of the Buildings insured by this Policy in proportion the sum insured thereon subject to the Rent Clause

For the purpose of determining where necessary the item 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)

### **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.

#### **REMOVAL OF DEBRIS**

Unless more specifically insured 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

#### **SPECIFICATIONS** (continued)

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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
- 2% 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**

Unless more specifically insured 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.

## ENDORSEMENTS

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These endorsements do not apply unless shown as operative on the Schedule of this policy.

**REF: 114      Public Authorities Clause**

The insurance by 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 Act of Parliament or with 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 this policy,
    - (iii) Under which notice has been served upon the Insured 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 dispatch and in any case must be completed within twenty-four months after the destruction or damage or within such further time as the Company may (during the said twenty-four

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 the liability of the Company 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 the liability of the Company 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.

## **ENDORSEMENTS** (continued)

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- (5) All the conditions of the policy except in so far as they may be expressly varied shall apply as if they had been incorporated herein.

### **REF: 115 Subvision – No Control**

This insurance shall not be prejudiced:

- (1) By any act or neglect of the owner of any building or unit if the Insured is not the owner thereof, or by any act or neglect of any occupant (other than the Insured) of any building or unit, when such act or neglect of the owner or occupant is not within the control of the Insured or
- (2) By failure of the Insured to comply with any warranty or condition contained in any form or endorsement attached to this policy with regard to any portion of the premises over which the insured has no control.

### **REF: 123 Mortgage Clause**

It is agreed that in the event of loss or damage, the Company will pay the Mortgagees or said Assignees to the extent of their interest and that this insurance in so far as concerns the interest therein of the Mortgagees or said Assignees only shall not be invalidated by any act or neglect of the Mortgagor or Owner of the property insured, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured, without the knowledge of the Mortgagees or said Assignees provided always that the Mortgagees or said Assignees shall notify the Company of any change of ownership or alteration or increase of hazard not permitted by this insurance as soon as any such change, alteration or increase shall come to their knowledge, and on demand shall pay to the Company the appropriate additional premium from the time when such increase of risk first took place.

And it is further agreed that whenever the Company shall pay the Mortgagees or said Assignees any sum for loss or damage under this policy, and shall claim that as to the Mortgagor or Owner no liability therefor existed, the Company shall at once be legally subrogated to all rights of the Mortgagees or said Assignees to the extent of such payment, and the Mortgagees or said Assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments and things as may be necessary or be reasonably required by the Company for the purpose of better effecting such subrogation, but such subrogation shall not impair the right of the Mortgagees or said Assignees to recover the full amount of their claim.

Provided that as between the Company and the Mortgagor or Owner of the property insured nothing contained in this clause shall in any way constitute or be deemed to constitute any waiver of, or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the property insured, or lessen any obligations which may be imposed on the Mortgagor or Owner of the property insured either by or under this policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this policy at any time as provided by the terms thereof, but in such case this policy shall continue in force for the benefit only of the Mortgagees

## **ENDORSEMENTS** (continued)

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or said Assignees for 10 days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease, and the Company shall have the right on like notice to cancel this Agreement.

### **REF: 128 Builders' Risk Conditions**

The liability of the Company under this policy shall in no case exceed the value at the time of the occurrence of any loss or damage of that part of the building already erected and materials on the site.

Warranted that notice be given to the Company when the building under construction is occupied and that the Insured shall pay a suitable additional premium if required.

The Insured agrees to insure through the period of operations on the site, on the basis of the total estimated completed value of the premises. If it should become apparent that the sum insured or the period of cover is either insufficient or excessive the Insured shall immediately request the Company to adjust such sum insured or period. In the event of the Company agreeing to such an adjustment the premium shall then be recalculated as from the commencement date of the policy and an appropriate adjustment of the premium shall be made.

Provided that if, at the time of the occurrence of any loss or damage, the total estimated completed value of the property is greater than the sum insured thereon, then the Insured shall, notwithstanding any subsequent increase in the sum insured, be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

### **REF: 143 Reinstatement Value Insurance**

In the event of the property insured under THE ITEMS SPECIFIED 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 the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch 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 the Insured in replacing or reinstating the property destroyed or damaged the Company shall not be liable for any payment in excess of the

## **ENDORSEMENTS** (continued)

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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 had 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 the policy then the insured shall be considered as being his 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 provisions.
4. This Memorandum shall be without force or effect if
  - (a) the Insured fails to intimate to the Company within 6 months from the date of destruction or damage or such further time as the Company may in writing allow, his intention to replace or reinstate the property destroyed or damaged,
  - (b) the Insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

### **REF: 144 Debris Removal**

It is agreed that notwithstanding anything herein contained to the contrary the insurance by this policy shall extend to include:-

Costs necessarily incurred by the Insured in respect of the demolition of Buildings and/or the removal of debris from the site following destruction of or damage to the property by an insured peril, provided that the total amount recoverable under any item of the policy shall not exceed the sum insured thereby.

### **REF: 145 Architects & Surveyors Fees**

In the event of damage to the property insured hereunder by perils insured under this policy, this insurance shall also pay subject to the limit of liability of this policy, the cost of architects and surveyors and other professional fees incidental to the reconstruction, repair or replacement of the property lost or damaged.

**REF: 171      Stock Declaration**

1. In consideration of the premium by this policy being provisional in that it is calculated on 75% of the sum insured hereby and is subject to adjustment on expiry of each period of Insurance:-

The insured agrees to declare to the Insurers in writing the value of their stocks less any amount insured by policies on the following basis namely the value at risk on the last day of each month and to make declaration for each month within thirty days of the last day of the policy year, such declaration to be signed by the Insured or by a responsible person authorised to sign on their behalf.

**ENDORSEMENTS** (continued)

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If other policies on a declaration basis cover the stocks 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 the Insured 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 applicable rate on the average sum insured namely the total of the value declared or deemed to have been declared divided by the number of declarations due to have been made. If the resultant premium be greater than the provisional premium the Insured shall pay the difference if it be less the difference shall be repaid to the Insured but such repayment shall not exceed 50% of the provisional premium.

2. The basis of value for declarations shall be 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 the Insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply to the excess of the value of such stocks at the time of the loss over the sum insured by such other insurance or insurances and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declarations 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 ought to have been declared then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the said last declaration bears to the amount that ought to have been declared.
5. Notwithstanding the occurrence of a loss it is understood that the sum insured will be maintained at all times during the currency of the policy and the Insured therefore 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, and shall be distinct from the final adjustment of premium.

6. In the event of this policy being cancelled by the insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be 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 the Insured after a loss has occurred the premium to be retained by the Company shall be the pro rata proportion of the premium calculated on the average amount insured up to the date of cancelment plus the pro rata proportion of the premium from the date of the 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.

## **ENDORSEMENTS** (continued)

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7. The maximum liability of the Company shall not exceed the sum insured hereby and premium shall not be receivable on values in excess thereof. The sum insured may however, be increased by prior agreement with the Company in which event the new sum insured and the date from which it is effective will be recorded on the policy by endorsement.
8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stocks shall be separately subject to this condition.
9. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.
10. 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.

### **REF: 190 Sprinkler Leakage**

The insurance by this policy is extended to include loss or damage caused directly by the undernoted peril.

#### **Sprinkler Leakage Damage:**

The term 'Sprinkler Leakage' shall mean the leakage or discharge of water or other fluid from within the equipment used solely or chiefly for fire protection purposes for the premises herein described or for adjoining premises and loss or damage caused by the fall or breakage of said equipment. If this policy insures tanks forming part of such fire protective equipment, liability is hereby assumed for loss or damage to such tanks and the component parts or supports thereof, due to collapse or fall.

There shall in no event be any liability hereunder in respect to loss or damage due to:-

- (a) Any newly installed equipment until same has been approved by this Company.

- (b) Any water mains located outside the premises and forming part of a public water distribution system.

**Loss of Rental Income**

**REF: 147      Loss of Rental Income – 12 months**

This policy extends to cover loss of rental income as outlined in the policy schedule directly resulting from the rental units being untenable solely and directly due to destruction or damage by perils insured against occurring during the term of this policy to such buildings, structures, machinery, equipment or other property or any part thereof as herein insured or fixtures, fittings and equipment owned by the insured, used by the Insured or tenants for the purpose of their business.

**ENDORSEMENTS** (continued)

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The measure of recovery in the event of loss shall be the reduction in loss of rental income directly resulting from the units being untenable less charges and expenses which do not necessarily continue during the untenable period, not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the above described property as has been destroyed or damaged commencing with the date of such destruction or damage and not limited by the date of such expiration of this policy, but not exceeding the actual loss sustained by the Insured resulting from the units being untenable.

In addition to the limitations set forth above the liability of the Insurer for loss of rental income is further limited to the period of twelve (12) calendar months from the date of such destruction or damage anything in this clause to the contrary notwithstanding.

**REF: 200      Loss of Rental Income – 24 months**

This policy extends to cover loss of rental income as outlined in the policy schedule directly resulting from the rental units being untenable solely and directly due to destruction or damage by perils insured against occurring during the term of this policy to such buildings, structures, machinery, equipment or other property or any part thereof as herein insured or fixtures, fittings and equipment owned by the Insured, used by the Insured or tenants for the purpose of their business.

The measure of recovery in the event of loss shall be the reduction in loss of rental income directly resulting from the units being untenable less charges and expenses which do not necessarily continue during the untenable period, not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the above described property as has been destroyed or damaged commencing with the date of such destruction or damage and not limited by the date of such expiration of this policy, but not exceeding the actual loss sustained by the Insured resulting from the units being untenable.

In addition to the limitations set forth above the liability of the Insurer for loss of rental income is further limited to the period of twenty four (24) calendar months from the date of such destruction or damage anything in this clause to the contrary notwithstanding.

**REF: 202      Loss of Rental Income – 18 months**

This policy extends to cover loss of rental income as outlined in the policy schedule directly resulting from the rental units being untenable solely and directly due to destruction or damage by perils insured against occurring during the term of this policy to such buildings, structures, machinery, equipment or other property or any part thereof as herein insured or fixtures, fittings and equipment owned by the Insured, used by the Insured or tenants for the purpose of their business.

The measure of recovery in the event of loss shall be the reduction in loss of rental income directly resulting from the units being untenable less charges and expenses which do not necessarily continue during the untenable period, not exceeding such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the above described property as has been destroyed or damaged commencing with the date of

**ENDORSEMENTS** (continued)

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such destruction or damage and not limited by the date of such expiration of this policy, but not exceeding the actual loss sustained by the Insured resulting from the units being untenable.

In addition to the limitations set forth above the liability of the Insurer for loss of rental income is further limited to the period of eighteen (18) calendar months from the date of such destruction or damage anything in this clause to the contrary notwithstanding.