

**KIC
COMPREHENSIVE COMMERCIAL
(SME) POLICY****Comprehensive Commercial Insurance Policy**Wording version KIL2015CCC01**Contents:**

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Chapter 1: General

This policy is a contract entered into between the insurance company stated in the Certificate of Insurance (hereinafter: "the company") and the insured specified in the Certificate of Insurance (hereinafter: "the insured").

Whereas the insured, whose name and the essence of his business for the purpose of this insurance are specified in the Certificate of Insurance attached to this policy, applied to the company with a written proposal and/or declaration signed by him, forming a basis to this contract and constitutes an inseparable part of it;

Therefore, this policy witnesses that for the payment of the premium stated in the Certificate of Insurance and subject to all terms, conditions, limitations, exclusions and instructions in this policy, the company shall pay in respect to insured event that has happened within the period of insurance specified in the Certificate of Insurance, as defined in each chapter covered and specified in the Certificate of Insurance.

It is conditioned that coverage under each chapter and/or section in this policy is effective only when and if this chapter and/or section is explicitly stated in the Certificate of Insurance as being in effect.

Any payment due or made by the company under this policy shall not exceed the sum insured stated in the Certificate of Insurance in each chapter, and shall not together exceed the sum insured stated in the Certificate of Insurance in the relevant chapter. The legal liability of the company shall not exceed the limit of liability stated in the Certificate of Insurance.

This policy is a Dual Basis Liability Policy, meaning that this policy will indemnify the Insured or will become liable only if the event has happened within the period of insurance specified in the schedule and the claim for compensation has been submitted within the period of insurance. For this instance, a notice advising the Company of an event that happened within the period of insurance does not constitute a claim for compensation that has been submitted within the period of insurance.

However, a notice by Third Party notifying the Insured and/or the Company of a possible future financial claim or demand, that has been submitted to the Company within the period of insurance is considered a claim for compensation that has been submitted within the period of insurance.

This policy with all its annexes and endorsements shall read as one whole contract and shall be understood together.

The insurance cover in each chapter of this policy is subject to the terms, conditions and exclusions specified in that chapter and to the general exclusions and general terms and conditions of this policy.

The headlines of the policy chapters and sections are for reasons of convenience only and shall not serve as interpretations of the policy.

Chapter 2: Constructions and Buildings

- 1 Insured event:
Loss or damage to the insured property caused by insured perils.
- 2 Insured property:
Constructions and/or buildings used for the business of the insured at the address or location specified in the Certificate of Insurance, belonging to the insured and/or occupied by the insured and/or in the insured's custody and/or under the insured's responsibility, including electricity and telephone service companies' equipment installed in the constructions and/or buildings, and including communal areas of the constructions and/or buildings.
- 3 Insured perils:
A Fire, subterranean fire, volcanic eruption, lightning and smoke, as an exceptional and unusual phenomenon. B Explosion.

C Liquid damages,

meaning:

All types of liquids originating from collapse or overflow from tanks, containers, pipes or taps or heating installations, except for damage or loss to the source of damage, and on condition that the liability of the company under this section is limited to 60% of the sum of loss or damage to the construction and/or building built over 25 years prior to the loss or damage

date. This section

excludes:

- (1) Loss or damage directly caused by rain and/or hail and/or snow.
- (2) Loss or damage caused as a result of malfunctioning of gutters and loss or damage to the source of the loss or damage.
- (3) Loss or damage originating from the solar water heating system of the insured.
- (4) Loss or damage originating from time-decay, aging, corrosion, corrosion-procedures and rust.
- (5) Loss or damage to the insured's contents insured under contents insurance.

D Leakage from spraying devices: water damage caused by accidental damage in automatic spraying systems or devices on the insured property.

This section does not

cover:

- (1) Loss or damage caused by or resulting from repair, removal or extension of the devices and/or faults in assembling of the devices and/or known status of the devices.
- (2) Damage to the automatic spraying devices.

Special instructions:

The automatic spraying devices shall be maintained in proper operating condition at all times, and any fault will immediately be repaired. The insured will conduct periodical checks at least annually, and will ensure that the alarm bell is operational and that the valves controlling the water supply are open.

E

Collision:

Damage caused by motor vehicles or livestock, which do not belong to the insured.

F Damage caused by flying objects and airplanes and/or items falling from them, excluding bombs and missiles, including sonic booms caused by them.

4 Burglary damages to the constructions and buildings:

The insurance under this chapter is extended to cover damage caused to the insured constructions and buildings by burglary and/or by attempted burglary. The liability of the company in respect to this extended cover is limited to 5% of the sum

insured of the insured property under this chapter. The insured will immediately notify the police of the damage, and will

furnish the company with any certificate issued or given to the insured by the police.

5 Extensions to the constructions and buildings insurance:

The constructions and buildings insurance under this chapter is extended to cover:

A 10% additional insurance:

Additional sum of insurance, on top of the insurance sum stated in the Certificate of Insurance in respect to this chapter, but not in excess of 10% of it for or resulting from:

- (1) Extensions and/or improvements made in the constructions or buildings during the period of insurance.
- (2) Increase in the value of the insured property during the period of insurance due to currency fluctuation and/or increase in the cost of construction and/or increase in the cost of labor.

Under-insurance clause, written in the General Terms and Conditions chapter will not apply if it is clear that as a result of one of the reasons stated in this section, the value of the insured property on occurrence day exceeds the sum insured stated in the Certificate of Insurance for no more than 10% in this chapter. Notwithstanding the above

statement, if the value of the insured property on occurrence day exceeds 10% of the sum insured stated in the Certificate of Insurance, the under-insurance clause will apply for the entire difference, and this section will not apply.

B Reinstatement value:

If explicitly stated in the Certificate of Insurance that reinstatement value applies, the basis for calculating the amount payable by the company in the event of loss or damage to the insured property resulting from one of the insured perils under this chapter, will be reinstatement value, subject to the special instructions herein. In this chapter "reinstatement" means:

- (1) In the event of total destruction of construction or building – the rebuilding or exchanging with another of the same type and size, located in a similar area, provided the reimbursement amount under this section will not exceed the value of rebuilding of such property, and will not exceed the sum insured.
- (2) In the event of damage to the construction or building – the repair of the damaged section and returning it to its prior condition, but not improved or more expensive than its status as new and not in excess of the insured amount under this chapter for the specific construction or building.
- (3) The amount payable by the company includes architects' fees, supervisors' fees, preparation of evaluations, plans, measurements, inspection fees – that will be actually paid by the insured, and that will not exceed 20% of the amount of damage actually paid for the damaged construction or building.

Special instructions:

- (1) Reinstatement works should commence within a reasonable time, and be completed within 12 months after the date of loss or damage. Extending this period requires written consent from the company.
- (2) As long as the insured has not carried the costs for reinstating the damaged or lost property, the company is not liable for any amount in excess of the amount due under this section, assuming this section was not included.
- (3) If reinstatement of the insured property, including all the expenses detailed previously, exceeds the period of reinstatement the insured amount, the insured will be considered the self-insurer for the difference, and will carry the proportionate share of the damage or loss.

This extension is invalid:

- (1) If the insured does not notify the company within 60 days of the date of loss or damage of his intention to reinstate the damaged or lost property.
- (2) If the insured cannot or does not want to reinstate the damaged or lost property in the same location or in another location.

C Removal of debris:

Expenses for the following detailed actions, made as a result of covered damage under this chapter not exceeding 10% of the sum insured under this chapter:

- (1) Destruction, flattening and removal of debris.
- (2) Connecting to public water network.
- (3) Fire fighting and salvage activities, including damage caused by such actions.
- (4) Fire fighting services, participation in fire fighting or other actions after fire fighting.

D Salvage and prevention expenses:

In the event of loss or damage covered under this chapter, occurring on the insured property or close to the insured property, which presents a threat to the insured property, the company shall bear reasonable expenses caused as a result of salvage and prevention actions, even though the insured property was not damaged.

E Loss of rent or lease fees:

The company shall pay the insured loss of monthly rent or lease fees for the insured property if the insured property becomes unfit for the use of the insured as their place of business and as long as repair, rebuilding, reinstatement works are taking place on the insured property, due to loss or damage resulting from insured peril, only for such period and up to 12 months. The basis of calculation will be in proportion to the period of unfitness:

- (1) When the insured is the renter, the annual rent that was paid in fact by him.
 - (2) When the insured is the property owner, the value of annual rent calculated by the company.
- In any event, the amount payable under this section will not exceed 10% of the sum insured under this chapter, and shall not exceed rental fees for a building similar in type, size and area.

Chapter 3: Contents

- 1 **Insured event:**
Accidental loss or damage, coincidental and unexpected, occurring to the insured contents of the insured business while at the structure(s) occupied by the insured and as stated in the Certificate of Insurance.
- 2 **Insured property:**
 - A Furniture, equipment and fixtures, installations, machines, tools and all other contents, other than stocks, in use by the insured for their business purposes, owned by the insured or in the insured's keeping, for which the insured is held liable, and which are at the insured's address or other location stated in the Certificate of Insurance conditional on the insured providing a complete description of said property and including its value at the Sums Insured under this policy, and for which the premium has been paid.
 - B Stocks of raw materials of any type, stocks of goods of any kind, being processed or finished, used for the purposes of the insured's business or in the insured's keeping, for which the insured is held liable, and are at the insured's address or other location stated in the Certificate of Insurance conditional on the insured providing a complete description of said property and including its value at the Sums Insured under this policy, and for which the premium has been paid.
- 3 **Exclusions to the company's liability under this chapter, and to the extensions and endorsements in it:**
The company shall not be liable under this chapter for:
 - A Checks, bills, travelers' checks, air or sea travel tickets, credit cards and debit cards, lottery tickets, stamps, cash money, stock certificates, bonds, contracts, loan and/or lease contracts and/or drafts, and any other type of document.
 - B Damage resulting from or that is of, or attempted: theft, fraud, deception, breach of trust.
 - C Concealing, evading or simple lack of property including by mistake, mischief or otherwise.
 - D Damage resulting from depreciation, amortization, gradual destruction, self-combustion, worms, moths, insects, livestock or other animals, humidity, mold, rust, corrosion, gradual influence of weather or the elements, including tanks, pressure tanks and any defect which is in the nature of the insured property.
 - E Damage to the insured property as a result of manufacturing process, processing, cleaning, heating, drying or refurbishing.
 - F Damage to the insured property caused by breaking and/or shattering and/or fracturing of dies, blocks, plates, glass, porcelain, ceramics or any breakable material and/or any damage to dies, blocks or plates not in use for at least 3 years.
 - G Damage from scratches or slits or cracks to any polished or painted surface.
 - H Loss of information stored in documents, maps, plans, sketches, tapes, films, discs, diskettes, magnetic tapes, or any other information bank or media.
 - I Water damage to the insured property while being outside a closed and roofed building.
 - J Damage to machines, lifting equipment and any other equipment, resulting from improper use and/or operation or use and/or operation not in accordance with the manufacturer's instructions.
 - K Damage caused by mechanical breakdown, electrical or electronic malfunction or damage, mechanical decomposition, including damage to electrical fixtures and/or elements resulting from self combustion.
 - L Consequential loss, including delay, work interruptions, loss of profits, ongoing expenses and loss of market.
 - M Natural disasters, earthquake, storm and thunder, snow, hail, flood.
 - N Damage or loss due to burglary, robbery, or attempts at same.
 - O Damage to motor vehicles or to animals.
 - P Damage or loss caused by or arising from any act of terrorism, pogroms, riots, strikes or malicious damage and/or any loss or damage that may be covered under chapter 9 of this policy, whether purchased or not.
- 4 **Extensions to the contents insurance:**
The insurance under this chapter is extended to cover:
 - A **Breakage to glass, mirrors and signs:**
 - (1) Insured event: loss or damage resulting from accidental breakage to the insured property at the address or location stated in the Certificate of Insurance.
 - (2) Insured property:
 - (a) Any glass plate used as: door, window, display glass, framed glass and mirrors.
 - (b) Advertising signs, with or without light, address signs.
 - (3) Expenses: if insured event occurs, the company will pay the insured installation and assembling expenses of the damaged property, including alarm systems lost or damaged.

(4) Definition: breakage means cracks, breaks or fractures running the entire width of the glass or sign. (5)

Exclusions:

Insurance cover under this section does not cover:

- (a) Frames or settings or bases or holders of any kind.
 - (b) Damage and other expenses relating to removal of door frames or lintels or doorposts or any other object preventing or disturbing the replacement of glass or mirrors.
 - (c) Cracked or faulty glass or mirrors.
- (6) The company's liability for loss or damage covered under this extension is on first loss basis up to 5% of the sum of the insured contents during the entire insurance period including renewal periods.

B Collapse of shelves:

Loss or damage to the insured property described in subsections A and B of section 2 (insured property), resulting from collapse of shelves occurring as the result of accident at the insured location. The company's liability for loss or damage covered under this extension is on a first loss basis up to 5% of the sum of the insured contents during the entire insurance period including renewal periods. C

Reconstruction of documents:

Essential and reasonable expenses, limited to the value of materials and work only, made for reconstruction of the following items, providing such reconstruction is possible: documents, manuscripts, plans, sketches, translations, account books, samples, business books, records. All the above as a result of direct and physical damage caused to the above items by the insured perils while at the insured location and:

- (1) While inside buildings outside of the insured location but in the territorial scope.
- (2) While in transit in the territorial scope, against fire, lightning, explosion, storm and thunder, earthquake, collision and turnover.

This section does not cover:

- (1) The informative value of the documents and described items.
- (2) Consequential loss of any kind, direct or indirect.
- (3) Loss or damage caused by or resulting from: moths, insects, worms, time-decay, aging, depreciation, gradual aging, humidity, rust, climate, the elements or chemicals with gradual influence.

The company's liability for loss or damage under this extension is on first loss basis up to 5% of the sum of the insured contents during the entire insurance period including renewal periods.

D Refrigerators contents spoiling:

If stated in the Certificate of Insurance that spoilage of refrigerated is included, then for the separate premium stated in the Certificate of Insurance, this cover will include cover for contents of electrical refrigerators spoiled as a result of damage to the refrigerating installations by the perils covered under this chapter. The liability of the company for loss or damage covered under this extension will not exceed the sum stated in the Certificate of Insurance for this extension.

This extension does not cover:

- (1) Damage caused as a result of the cessation of the operation of the cooling installation for less than 12 hours.
- (2) Damage caused as a result of electrical blackout.
- (3) Damage caused as a result of improper storage or defective or inadequate packaging materials.
- (4) This extension will not cover cooling rooms or cooling houses.

E Property of employees:

Loss or damage to clothes or personal belongings of the insured and or of their employees by the insured perils, while at the insured location, while at work, provided these items are not insured under another specific policy.

It is understood that this extension does not cover valuables, money, jewelry, watches, portable computers and optical or sun glasses.

The company's liability for loss or damage covered under this extension is on first loss basis up to 1% of the sum of the contents insured per employee during the entire insurance period including renewal periods and up to 3% for all employees during the entire insurance period including renewal periods. F

Property outside the building:

The insured property will be covered against fire, lightning, explosion and earthquake only, while being in an open area and in the yards of the insured's address. The company's liability under this extension will not exceed 10% of the sum of the contents insured.

G Property outside the insured location:

Machines, equipment and stock, that are included in the contents insured under this chapter, are covered against damage caused by the insured perils while temporarily being outside the insured location but within the territorial scope, and while being in massively built buildings, for repair, reconstruction, cleaning, renewing, manufacturing, storing, checking or for any other need related to the occupation of the insured.

The company's liability for loss or damage covered under this extension will not exceed 10% of the sum of the contents insured for a single event and in all during the insurance period.

H 10% additional insurance:

An additional sum of insurance, on top of the sum of insurance stated in the Certificate of Insurance in respect to this chapter, but not in excess of 10% of it for or resulting from:

- (1) Adding of furniture, equipment, fixtures, installations, machines and work tools, raw materials, stock and/or merchandise during the period of insurance.
- (2) Increase in the value of the insured property during the period of insurance due to currency fluctuation and/or increase in the cost of raw materials or merchandise and/or increase in the cost of the contents.

The Under-insurance clause, written in the General Terms and Conditions chapter will not apply if, as a result of one of the reasons stated in this section, the value of the insured property on the day of occurrence exceeds the sum insured stated in the Certificate of Insurance by no more than 10%. Notwithstanding the aforementioned, if the value of the insured property on the day of occurrence exceeds 10% of the sum insured stated in the Certificate of Insurance, the under-insurance clause will apply for the entire difference, and this section will not apply.

I Reinstatement value:

If stated in the Certificate of Insurance that a reinstatement value applies, the basis for calculating the amount payable by the company in the event of loss or damage to the insured property resulting from one of the insured perils under this chapter, will be the reinstatement value, subject to the special instructions herein. In this chapter, "reinstatement" means:

- (1) In the event of total destruction of the property –replacement or exchange with another of the same type and size, provided the reimbursement amount under this section does not exceed the value of such property, and does not exceed the sum insured.
- (2) In the event of damage to the property – the repair of the damaged section and returning it to its prior condition, but not improved or more expensive than its status as new and not in excess of the insured amount under this chapter for the specific item.

Special instructions:

- (1) Reinstatement work should commence within reasonable time, and be completed within two months after the date of loss or damage. Extending this period requires written consent from the company.
- (2) As long as the insured has not carried the costs for reinstating the damaged or lost property, the company is not liable for any amount in excess of the amount due under this section, assuming this section was not included.
- (3) If reinstatement of the insured property, including all the expenses detailed previously, exceeds in the period of reinstatement the insured amount, the insured will be considered self-insurer for the difference, and will carry the proportionate share of the damage or loss.

This extension is invalid:

- (1) If the insured does not notify the company within 60 days of the date of loss or damage of his intention to reinstate the damaged or lost property.
- (2) For machines and equipment aged 10 years and over and/or that are out of use before the damage event, unless the company has given a written consent.
- (3) If the insured cannot or does not want to reinstate in the same location or in another location the damaged or lost property.

J Removal of debris:

Expenses for the following detailed actions, made as a result of covered damage under this chapter not exceeding 10% of the sum insured under this chapter:

- (1) Destruction, flattening and removal of debris of equipment and stock.
- (2) Fire fighting and salvage activities, including damage caused by such actions.
- (3) Fire fighting services participating in fire fighting or other actions after fire fighting.

K Salvage and prevention expenses:

In the event of loss or damage covered under this chapter, occurring in the insured property or close to the insured property and presenting a threat to the insured property, the company shall bear reasonable expenses caused as a result of salvage and prevention actions, even though the insured property was not damaged.

Chapter 4: Burglary

If explicitly and specifically stated in the Certificate of Insurance, the company will reimburse the insured for damage to the contents of the insured's business caused by burglary or by attempted burglary.

1 Definitions:

For the purpose of this chapter, the expression "burglary" will include the following occurrences:

- A Actual entry to the insured business and exit from it and on condition that the entry or the exit was executed while leaving signs, witnessing the use of violence and force.
 - B The use of the insured's business keys, illegally obtained. The reimbursement under this section will be paid only if at the occurrence each of the entrances to the insured business were locked with two different locks, requiring two different keys, in addition to any other requirement made by the company. The burden of proof that the keys were obtained illegally is placed on the insured. A preliminary condition to the cover is that all keys and copies of keys to all entrances to the insured business, safes, safety rooms, alarm systems – will be away from the insured location at night and at all times when the insured business is closed for business.
 - C Robbery (excluding jewelry stores and workshops). Robbery means: entry to the insured location using violence against the insured and/or against the insured's employees.
- 2 Exclusions to the company's liability:
This chapter does not cover loss or damage:
- A Caused by any relative of the insured or by an employee of the insured or by a person legally at the insured location.
 - B Any property while being at the yard, pavilion, open-sided shelter, shed, display window out of the business building or place of business.
 - C Property that can be insured under the glass breakage extension of this policy.
 - D Consequential loss of any kind.
- 3 Special conditions:
If an alarm system is installed at the insured business, or if the company demands its installation as a condition for providing cover under this chapter, the following conditions will apply:
- A It is conditioned that an operational, functioning alarm system is installed, by a professional firm. at the insured location
 - B The alarm system will be monitored, operational, in good functional condition, tested periodically and under supervision and service by a professional firm. The alarm system will be operated and tested before the insured business is closed. Any default in the alarm system will be immediately repaired. In any event of malfunction of the alarm system, a human guard will be stationed at the insured business until the alarm system is repaired and operational.

Chapter 5: Loss of profits

- 1 Insured event:
Loss or damage resulting from cessation of or interruption to the operation of the business of the insured, caused by physical damage to the insured property under chapters 2 (Constructions and Buildings) and 3 (Contents), used by the insured for conducting his business, by one of the insured perils, and that the insurance of such property is valid, according to the prescribed chapters.
- Preliminary condition for cover under this chapter: the company has paid the insured in respect to covered loss or damage (not including ex-gratis payments) under chapter 2 or 3 for physical loss or damage, unless payment was not due because loss or damage did not exceed the deductible stated in this policy for such loss or damage.
- 2 Definitions:
- A Gross profit: sum resulting from adding of an insured fixed expenditure to the net profit, or in the event of lack of net profit, the summary of insured fixed expenditure less the proportionate net business loss, in the same ratio the insured fixed expenditure relates to all the fixed expenditures of the business.
 - B Net profit: the net business profit (excluding all capital income or accumulations or expenses that should be allotted on capital account or on taxes on capital), made by the business of the insured in the location stated in the Certificate of Insurance, after considering all fixed expenses on the profit.

- C Turnover: amounts received or to be received by the insured for goods sold and delivered and for services rendered in the course of business in the location stated in the Certificate of Insurance.
- D Reimbursement period: the period, during which the business results of the insured were hurt as a result of insured loss or damage, commencing at the occurrence of loss or damage and ending not later than the end of the "reimbursement period" stated in the Certificate of Insurance.
- E Gross profit rate: the rate of profit from turnover in the fiscal year preceding the date of loss or damage.
- F Annual turnover: the turnover in 12 consecutive months preceding the date of loss or damage.
- G Standard turnover: the turnover in the same 12 consecutive months preceding the date of loss or damage – that equals the reimbursement period.
- H Rate of labor fees: the rate of labor fees of the turnover in the fiscal year preceding the date of loss or damage.

- 3 **Covered damages:**
The company will reimburse the insured for loss of gross profit resulting from turnover reduction or due to increase in the operating expenses, caused by an insured event.
- 4 **Insurance reimbursement fees:**
Insurance reimbursement fees payable under this chapter will be calculated as follows:
- A In respect to reduction of turnover – the amount received from multiplying the gross profit rate at the reduction of turnover resulting from the insured event during the reimbursement period.
- B In respect to operating expenses – the amount of additional essential and reasonable expenses that were incurred only for prevention and/or minimizing of the reduction of turnover, that might have been caused during the reimbursement period due to insured event, on condition that the payable reimbursement under this section will not exceed the saved reimbursement according to the calculation described in small section A above.
- The company will deduct any amount saved during the reimbursement period in respect to those expenses and costs of the business payable from the gross profit that were reduced or stopped following an insured event, from the calculated amounts.
- 5 **Setting turnover in reimbursement period:**
If in the reimbursement period, goods will be sold and/or services rendered in a place other than the location stated in the Certificate of Insurance, either by the insured or by another on behalf of the insured, that will benefit the insured business, the amounts received or to be received from such sales or services, will be taken into account for setting the turnover in the reimbursement period.
- 6 **Exclusions:**
This insurance does not cover loss or damage caused by or resulting from:
- A Business delinquency or bankruptcy.
- B Extension of the period of cessation or interruption of business caused by an extraordinary event, occurring during the reimbursement period including:
- (1) Limitation by public authority or governmental authority.
 - (2) Lack of funding by the insured for reinstatement or repair of the insured damaged or destroyed property.
 - (3) Changes, improvements or general refurbishing done during repairs or replacement of the damaged or lost insured property.
 - (4) Shortage, damage or loss of raw materials, semi-finished products, goods in process or any other property that is not covered under chapter 3 (Contents).
- 7 **Under insurance:**
If the amount of gross profit insured, stated in the Certificate of Insurance, on the date of occurrence of loss or physical damage to the insured property, smaller than the amount resulting from multiplying the rate of annual gross profit (or if the reimbursement period exceeds 12 months – in the proportionate share of the annual turnover as the reimbursement period relates to 12 months), the reimbursement amounts payable by the company under this chapter will be reduced by the same rate.
- 8 **Deductibles:**
- A In the event of earthquake or natural disaster, the deductible will be as stated for such perils in this policy.
- B For any other damage, the insured will carry the deductible stated in the Certificate of Insurance or the loss of days stated in the Certificate of Insurance as deductible.
- 9 **Validity of cover under this chapter:**
Cover under this chapter is valid only if specifically stated in the Certificate of Insurance and the insured acquired cover under chapters 2 and 3 of this policy, and the cover under this chapter relates to damages and losses to the insured property covered in chapters 2 and 3 of this policy.

Chapter 6: Loss of income

If explicitly stated in the Certificate of Insurance, the company will reimburse the insured for loss or damage resulting from cessation of operation of the business of the insured, caused by insured physical damage to the insured property under chapters 2 (Constructions and Buildings) and 3 (Contents), used by the insured for conducting his business, by one of the insured perils, and that the insurance in such property, according to the prescribed chapters is valid.

The company's liability under this chapter is limited to the sum insured stated in the Certificate of Insurance per day, and will not exceed the multiplication of the number of days of cessation of operation at the daily reimbursement rate stated in the Certificate of Insurance, and no more than 120 days, provided that:

- A The first two days following the insured event are not be covered.
- B The Company will be liable for up to 10 working days following the insured event, if the loss or damage occurred to contents only.

The term "cessation of operation" will mean full and complete stoppage in sale of goods or rendering of services, as applicable, whether in the insured location or in any other place.

The company will reimburse the insured for additional essential and reasonable expenses made by the insured that unless made, an insured event would have occurred; precisely: a cessation of operation would have happened, though the liability of the company under this section will not exceed the reimbursement rate payable unless such expenses were made. A preliminary condition for such expenses is the written consent of the company in advance.

- 1 Under insurance:
This chapter is on first loss basis, with agreeable daily amounts, and the under insurance clause in the general conditions in this policy does not apply.
- 2 Deductibles:
In any insured event, the loss of the first 2 days stated in the Certificate of Insurance as deductible will be borne by the insured.
- 3 Validity of cover under this chapter:
Cover under this chapter is valid only if specifically stated in the Certificate of Insurance and the insured acquired cover under chapters 2 and 3 of this policy, and the cover under this chapter relates to damages and losses to the insured property covered in chapters 2 and 3 of this policy.

Chapter 7: Goods In Transit

- 1 Insured event:
Damage to insured property caused in the regular and routine transit of insured property by Motor Vehicle – private or commercial – within the territorial scope, resulting from accidental and unexpected events due to one of the insured perils covered under this chapter, and subject to the conditions and exclusions of this chapter.
- 2 Insured goods:
The insured's business merchandise and/or cargo used by the insured's business as described in the Certificate of Insurance, owned by the insured or in his possession and under the insured's responsibility.
- 3 Insured perils:
 - A Fire, lightning, explosion.
 - B Overturning or collision of the motor vehicle.
 - C Damage caused by rain, provided that the insured goods are transported in a closed, water-proof, properly maintained compartment.
- 4 Extensions to goods in transit insurance:
If stated in the Certificate of Insurance, the insurance is extended to cover loss or damage caused to the insured goods resulting from the following perils:
 - A Accidental event while loading and unloading of the insured goods on the motor vehicle or in its immediate surroundings.

- B Burglary of the motor vehicle in which the insured goods are transported. For the purpose of this chapter "burglary" means theft of the insured goods from the motor vehicle, after violent or forced entry into the motor vehicle where there are signs of violent or forced entry.
Preliminary condition: goods stolen from areas of the motor vehicle that are not locked or cannot be locked are not covered.
This cover will be in effect only if:
- (1) Burglary occurred during daylight hours (meaning here from sunrise till sundown).
 - (2) The Motor Vehicle in which the goods are in transit has a closed and locked, secured against burglary, cargo/baggage compartment, according to the company requirements.
- C Resulting from the theft of the motor vehicle in which the goods are transported during daylight hours, provided the company agreed to cover this section in writing.
- 5 Exclusions:
Goods in transit insurance does not cover:
- A Hazardous materials, including explosives, flammable materials, volatile materials, and loss or damage to insured goods caused by such materials.
 - B Scratches, knocks, scraping.
 - C Damage caused by or resulting from leaking from any tank made of breakable material.
 - D Loss or damage to the insured goods transported in a Motor Vehicle with mechanical or contractual defaults and/or unfit for the transit of such goods and/or carrying a load in excess of the permitted legal load/weight as stated in the Motor Vehicle's license.
 - E Loss or damage to the insured goods when the Motor Vehicle in which the goods are transported is driven by a person not having valid required license and/or the driver is drunk or under the influence of drugs.
- 6 Terms:
- A The cover under this chapter is on first loss basis up to the insured sum stated in the Certificate of Insurance pertaining to this chapter.
It is conditioned that amounts payable under this chapter will not exceed:
 - (1) Sum insured stated in the Certificate of Insurance for this chapter for a single event or series of events resulting from a single original reason.
 - (2) Sum insured stated in the Certificate of Insurance for this chapter for all payments due during the period of insurance.
 - B Under insurance clause in the general conditions will not be in effect for this chapter.
 - C The insured will notify the police of any damage immediately, and will assist in any possible way in finding of stolen goods, and will provide the company with any and all documents provided by the police.

Chapter 8: Cash in safe and transit

- 1 Insured event:
Loss or damage to the insured's business cash caused by insured perils while being in the following locations:
- A While in direct transit from place to place during working hours only, by the insured or by a qualified employee of the insured, on specific condition that the cash will be under the personal supervision of the transferee, in his hands or on his body at all times during transit.
 - B While being in a locked safe or vault room 24 hours a day.
- 2 Insured perils:
- A For cash in transit – any risk that is not specifically excluded from this insurance.

- B Cash in safe – fire, explosion, burglary, robbery, theft (only if resulting from use of illegally obtained keys or duplicated keys) – only while cash is in locked safe or locked vault room.

A preliminary condition for coverage is that all safe and vault room keys will be kept out of the insured location at any time other than working hours, including when the insured business is closed.

3 Definitions:

- A Insured's business cash: cash in bills and coins, checks, credit card slips, bonds, money orders, stamps – all property of the insured and/or that the insured is liable for in the event of loss or damage.
- B Qualified employee: a person employed by the insured qualified and properly instructed to transport cash, and who is over 21 years of age.
- C Working hours: the hours when the insured business is operating for the purpose of conducting business and the time when the insured and any of his qualified employees are in the insured's business having the insured cash.
- D From place to place: the direct route from the insured business to the bank or to other payment locations. From clients' or suppliers' addresses to the bank or to the insured's address, or during collection, the direct route from one client to another, provided it is within the territorial scope.
- E Safe: a safe weighting at least 400 kilograms, or alternatively a safe weighting at least 200 kilograms and anchored to the floor or to a massive built wall, or alternatively a safe with external walls of 10mm width made of steel, built in concrete in the floor or in a massive built wall.
- F Burglary: theft of cash from a safe or vault room forcibly and violently, while leaving visible signs at the location stated in the Certificate of Insurance and in the safe or in the vault room where the cash is.

4 Extensions:

This chapter is extended to cover:

A Cash in the insured's business:

- (1) Cash being in a drawer or in a cash register in the insured business, during working hours only, against fire, explosion and robbery only, and on condition that the cash is under continuous supervision. The sum insured for this extension will not exceed 25% of the sum insured stated in the Certificate of Insurance for this chapter, during the entire insurance period.
- (2) Cash in counting and preparation for transit from the insured business to another place. This section is covered against robbery only, and during regular working hours only. The sum insured for this section is up to the stated amount in the Certificate of Insurance for this chapter.

B Cash in transit after working hours:

Insured's business cash while being in transit via a direct route from the insured business and/or from the bank and/or from different collecting sites by the insured and/or by the insured's qualified employees to their apartments after working hours or before – against the cash in transit perils. The company's liability under this extension is limited up to the sum insured stated in the Certificate of Insurance for this chapter.

C Cash in the apartments of the insured and of his qualified employees:

The insured's business cash while being in the private apartments of the insured and/or the insured's qualified employees after working hours, against fire, explosion, burglary and robbery only.

A preliminary condition for this extension is that an adult of at least 21 years of age is present in the apartment while the insured's business cash is in it.

The liability of the company for each apartment will not exceed 25% of the stated sum insured in the Certificate of Insurance for this chapter, and in all apartments the company's liability will not exceed the sum insured stated in the Certificate of Insurance for this chapter.

D Damage to safe:

Loss or damage caused to the safe itself resulting from fire, explosion – or while being locked – resulting from burglary, robbery or attempted burglary or robbery.

The company's liability under this extension will not exceed 10% of the sum insured stated in the Certificate of Insurance for this chapter.

5 Exclusions to the company's liability:

Insurance under this chapter does not cover loss or damage caused to the cash resulting from:

- A Fraud or breach of trust or embezzlement by an employee of the insured. This exclusion will not be in effect if a qualified employee takes the cash and absconds with it.

- B Shortage resulting from errors and/or omissions.
 - C Lack of cash, explicable or inexplicable.
 - D Depreciation or currency fluctuation or change in exchange rate.
 - E Loss or damage caused to the cash while being in a motor vehicle when the insured or one of the insured's partners or one of the insured's qualified employees is not in it.
 - F Loss or damage caused outside the territorial scope.
 - G Loss or damage to the cash caused by negligence and/or failure to take reasonable measures to keep and/or guard it by the person responsible for keeping and transporting the cash.
 - H Consequential loss of any kind.
- 6 Terms and conditions to the company's liability:
- A The insured will have regular bookkeeping and cash register or cash registration.
 - B The company's liability for loss or damage under this chapter is on a first loss basis up to the sum insured stated in the Certificate of Insurance for this chapter.
 - C Under insurance clause will not apply on this chapter.
 - D The insured will report any and all damage immediately after occurrence to the police, and will do his utmost to assist in finding the stolen cash. The insured will provide the company with any and all documents provided by the police.

Chapter 9: Pogroms, riots, terrorism, strikes and malicious damages

If explicitly stated in the Certificate of Insurance, the cover (if purchased) under chapter 2 (constructions and buildings), chapter 3 (contents), chapter 5 (loss of profit) or chapter 6 (loss of income) is extended to include damage caused to the insured property resulting from the insured perils (including plundering and malicious damages) following demonstrations or strikes or riots or disturbances to public order. For the purpose of this chapter, in the perils of pogroms, riots, strikes, damage caused including plundering and malicious damage directly caused by:

- 1 Action done in the course of disturbances to public order by a person taking part in such disturbance.
- 2 Willing action of a striking employee made in order to promote the strike, or while resisting the strike, whether such action was done in the course of public disturbance or not.
- 3 Actions taken by legal authority in order to oppress any disorders or to minimize the results of such disorders.
- 4 Malicious acts by any person.

For the purpose of this chapter, insured malicious damage will be considered any physical loss or damage caused by a malicious act, by any person, including a member or members of any organization, among which its other goals are, the use of politically motivated violent or terrorist measures.

Exclusions to the company's liability:

- 1 This chapter does not cover loss or damage caused by or resulting from, directly or indirectly from:
 - A Burglary, theft, illegal taking, or loss or damage caused by a person participating in such actions.
 - B Confiscation, expropriation, delay or legal apprehension or illegal holding of insured property of any kind.
- 2 This chapter does not cover loss or damage that, when occurring, are covered by another policy or cover or another insurance of any kind.

Terms and conditions to the company's liability:

- The burden of proof that a loss or damage is covered under this chapter lays on the insured only. For this purpose a certifying document from any of the following authorities may serve as proof to the event claimed by the insured:
- A State or national police, or national ministry of defense, or ministry of homeland security – as appropriate in the territorial scope referring to this policy.
 - B Court order stating that the damage is excluded from chapters 2 and 3 of this policy, but is covered under this chapter. It is declared that this chapter is subject to the general exclusions and general terms chapters and in chapters 2 and 3 in this policy, unless explicitly altered in this chapter. Deductibles for this chapter:

The insured will carry a deductible in every single event or occurrence of 5% of the payable amount due for each claim or occurrence, but not less than US \$2,500.00 and no more than US \$25,000.00. If the total insured amount of the insured property exceeds US \$3,000,000.00, the deductibles will double, and will be 5% of the payable amount due for each claim or occurrence, but not less than US \$5,000.00 and no more than US \$50,000.00. It is declared and agreed that if during the insurance period a number of occurrences covered under this chapter will happen, the insured will carry a separate deductible for each and every occurrence.

Chapter 10: Damage from natural disasters

If explicitly stated in the Certificate of Insurance, the cover (if purchased) under chapter 2 (constructions and buildings), chapter 3 (contents), chapter 5 (loss of profit) or chapter 6 (loss of income) is extended to include loss or damage caused to the insured property resulting from the insured perils:

- 1 Storm or thunder: damage caused by wind of over 34 knots per hour. This cover includes damage by rain water and/or sand that comes following damage to the construction or building by storm or thunder.
- 2 Flood: overflow of sea or lake or river or channel water, or rain water or snow that accumulated or streamed on the ground or under it, outside their normal stream route. This section does not cover damages directly caused by rain, hail or snow while falling, and water damages caused by mal-functioning gutters.
- 3 Snow and hail: damage by hail while falling (to the contents – only if occurring after damage to the constructions or building) and/or damage caused by overload resulting from accumulation of snow or hail, excluding leakage through walls or ceilings.

Deductibles for this chapter:

The insured will carry a deductible in every single event or occurrence of 5% of the payable amount due for each claim or occurrence, but not less than US \$2,500.00 and no more than US \$25,000.00.

If the total insured amount of the insured property exceeds US \$3,000,000.00, the deductibles will double, and will be 5% of the payable amount due for each claim or occurrence, but not less than US \$5,000.00 and no more than US \$50,000.00.

It is declared and agreed that if during the insurance period a number of occurrences covered under this chapter will happen, the insured will carry a separate deductible for each and every occurrence.

Chapter 11: Earthquake

If explicitly stated in the Certificate of Insurance, the cover (if purchased) under chapter 2 (constructions and buildings), chapter 3 (contents), chapter 5 (loss of profit) or chapter 6 (loss of income) is extended to include loss or damage caused to the insured property resulting from earthquake.

- 1 Earthquake in this chapter means also fire caused directly by earthquake.
- 2 For the purpose of this chapter, every loss or damage caused within 72 consecutive hours from the time a seismological institute recorded an earthquake will be considered a single event.

Deductibles for this chapter:

The insured will carry a deductible in every single event in every site of 10% of the sum insured in the damaged site, but not less than US \$7,500.00 and no more than US \$1,250,000.00.

It is declared and agreed that if during the insurance period a number of occurrences covered under this chapter will happen, the insured will carry a separate deductible for each and every site.

"Site" in this chapter will mean attaching yards in one continuous location.

Chapter 12: Public (Third party) liability

In consideration of the Insured paying the Premium to the Company the Company will, subject to the terms of this Policy, indemnify the Insured against:

- 1 All sums which the Insured shall become legally liable to pay as damages within the Scope of Cover as defined in any Section to which this Policy applies and which arises in connection with the Business.
- 2 Claimants' costs and expenses arising in respect to any claim against the Insured which may be the subject of indemnity under this Policy.
- 3 All costs and expenses incurred by or with the written consent of the Company in respect to any claim against the Insured which may be the subject of indemnity under this Policy.
- 4 The payment of legal fees incurred with the written consent of the Company for representation of the Insured in any proceedings in a court or similar forum arising out of any death or alleged breach of statutory duty, the circumstances of which may be the subject of indemnity under this Policy.

General definitions:

- 1 Bodily Injury shall mean death, injury, illness or disease
- 2 Business means in addition to the description shown in the Certificate of Insurance:
 - A The ownership and maintenance of premises which are also occupied by the Insured in the course of the Business.
- 3 Company means Sinclair Insurance Company Limited.
- 4 Costs - means any sum payable in accordance with 2, 3 or 4 of the Preamble section of this chapter and Indemnity Clause.
- 5 Employee means:
 - A any person under a contract of service or apprenticeship with the Insured
 - B any labor master or labor-only sub-contractor or person supplied by any of them
 - C any self-employed person
 - D any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured
 - E any person participating in any Government or otherwise authorized work experience, training, study exchange, or similar scheme while engaged in working for the Insured in connection with the Business.
- 6 Goods shall mean any goods or products (including containers, labeling instructions or advice provided in connection therewith) which are sold, supplied, erected, repaired, altered, treated or installed by the Insured in the course of the Business.
- 7 Insured means:
 - A The first named party in the Certificate of Insurance.
 - B Any associated or subsidiary company of the first named party and which is named in the Certificate of Insurance operating in or from premises in the defined territorial scope.
 - C At the request of the Insured.
 - D Any Director or Employee of the Insured while acting on behalf of or in the course of their employment or engagement in respect to liability for which the Insured would have been entitled to indemnity under this Policy if the claim against any such person had been made against the Insured.
 - E In the event of the death of the Insured, the personal representatives of the Insured in respect to liability incurred by the Insured.

Provided that if indemnity is extended to any party in (c)(d) or (e) above, that party shall be subject to the terms of this Policy so far as they can apply, and in any event the liability of the Company shall not exceed the Limit of Indemnity.
- 8 Limit of Indemnity means the limit (inclusive of Costs) applicable to this chapter of this Policy as specified in the Certificate of Insurance and is the maximum amount payable by the Company.
- 9 Offshore means from the time of embarkation by an Employee onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that Employee from a conveyance onto land upon return from an offshore rig or offshore platform.
- 10 Period of Insurance means the period specified in the Certificate of Insurance and/or such other period(s) agreed by the Company.
- 11 Policy means and includes:
 - A All information provided to the Company as part of a proposal for issue, renewal or amendment of or to the insurance, set out in this document.
 - B All terms, provisions, exceptions, conditions and Limits of Indemnity set out in this document.
 - C The Certificate of Insurance, notices and other documents attaching from time to time.
 - D All endorsements incorporated in and issued from time to time for incorporation in this document all of which shall be read together and constitute the contract of insurance.
- 12 Pollution means:
 - A Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and
 - B All loss or damage or injury directly or indirectly caused by such pollution or contamination.
- 13 Property means property which is both material and tangible.

14 Certificate of Insurance means the Certificate of Insurance for the time being in force.

15 Territorial scope means the territories defined in the Certificate of Insurance.

Scope of cover under this chapter:

1 Accidental Bodily Injury to any person

2 Accidental loss of or damage to Property happening anywhere within the Geographical Limits of this chapter during the Period of Insurance.

Exceptions:

The Company shall not indemnify the Insured under this chapter against liability:

A For loss of or damage to Property belonging to the Insured or in the custody or control of the Insured or of any Employee of the Insured other than:

(1) Property belonging to an Employee or visitor.

(2) Any premises including contents (not being premises leased to the Insured) which are temporarily occupied by the Insured for the purpose of carrying out work in or to such premises.

B Arising from the ownership, possession or use under the control of the Insured or of any Employee of the Insured of:

(1) any mechanically propelled vehicle

However this part of this exception shall not apply in respect to Bodily Injury or loss of or damage to Property arising in circumstances where compulsory insurance or security in respect to any such vehicle is not required by relevant road traffic legislation and the Insured is not entitled to indemnity under any other insurance or indemnity.

(2) Any aircraft or other aerial devices, hovercraft or watercraft (other than hand-propelled watercraft or sailing craft not exceeding six meters in length).

(3) Caused by any Goods after they have ceased to be in the custody or control of the Insured other than food or drink for consumption on the Insured's premises.

(4) Caused by or arising from:

(a) Advice, design or specification given for a fee.

(b) Professional services rendered by, or on behalf of, the Insured.

(c) Products made, manufactured, sold, supplied, repaired, maintained, assembled, imported for commercial purposes or any other application of product liability.

(d) Professional liability of the insured or any of the insured's employees.

(e) Damage to any property the insured or the insured's employees worked on when the event occurred.

C Arising and/or resulting from and/or caused by:

(1) Equipment that is not listed in the List of Equipment specified in the Schedule or Certificate of Insurance, or

(2) Equipment that is not owned and/or leased and/or rented by the insured, or

(3) The use and/or threat of force or violence by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or

(4) The use and/or threat of criminal and/or illegal actions by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or

(5) Any and all expenses resulting from the described in sub-sections (1), (2), (3), (4) above, including but not limited to: legal expenses, bonds, bail bonds.

Geographical limits:

1 The Territorial scope.

2 Elsewhere in Europe but only in connection with the Business carried on by the Insured at or from any premises situated in the Territorial scope.

3 Elsewhere in the world other than the United States of America or Canada arising out of business visits by directors or non-manual Employees ordinarily resident in the Territorial scope.

Extensions:

Unless expressed to the contrary the Extensions to this chapter are subject to all other terms of this Policy insofar as they apply.

1 Defective Premises:

The Company will indemnify the Insured under this extension against liability in respect to Bodily Injury or loss of or damage to Property arising in respect to any premises disposed of by the Insured.

However this indemnity shall not apply in respect to loss of or damage to or any costs or expenses incurred in repairing, replacing or making any refund in respect to any such premises.

2 Leased Premises:

The Company will indemnify the Insured under this extension against liability for loss of or damage to premises or fixtures or fittings thereof, which are leased or rented to the Insured.

However this indemnity shall not apply in respect to liability for:

A Loss or damage if the liability is assumed under a tenancy or other agreement and would not have attached in the absence of such agreement.

B The first \$1,500.00 of such loss or damage caused other than by fire or explosion.

3 Contingent Liability (Non-Owned Vehicles)

The Company will indemnify the Insured under this extension in respect to legal liability for Bodily Injury and loss of or damage to Property arising out of the use of any motor vehicle which is neither the property of nor provided by the Insured being used in connection with the Business.

However this indemnity shall not apply in respect to:

- A loss of or damage to any such vehicle
- B Bodily Injury or loss of or damage to Property while such vehicle is being driven by the Insured.
- C Bodily Injury or loss of or damage to Property while such vehicle is being driven with the general consent of the Insured, or of his representative, by any person who, to the knowledge of the Insured or such representative, does not hold a license to drive such a vehicle unless such person has held and is not disqualified from holding or obtaining such a license.
- D Liability arising from circumstances in which it is compulsory for the Insured to provide security in respect to such a vehicle as a requirement of any road traffic legislation.
- E A vehicle being used outside the Territorial scope.

For the purposes of this Extension, the Insured shall be the first named party in the Certificate of Insurance.

Limit of indemnity:

The liability of the Company in respect to all claims arising out of one original cause shall not exceed the Limit of Indemnity irrespective of the number of claims or claimants.

Deductible:

The insured will carry the first amount stated in the schedule of any claim to be paid. The Company will not be responsible or liable for amounts below the Excess/Deductible stated in the schedule. Further, the Company will not assume responsibility for amounts above the Excess/Deductible stated in the schedule until the Insured pays said Excess/Deductible to the Company.

General:

The insured will fulfill all legal requirements, and will take any reasonable precautions to prevent occurrences and minimize risks.

Chapter 13: Employers' liability

In consideration of the Insured paying the Premium to the Company and explicitly stated in the Certificate of Insurance, the Company will, subject to the terms of this Policy, indemnify the Insured against:

1 SCOPE OF COVER:

Bodily injury to any Employee of the Insured arising out of and in the course of their employment or engagement by the Insured and caused during the period of Insurance:

- A In the Territorial scope
- B While temporarily outside the Territorial scope, provided that any such Employee is ordinarily resident in the Territorial scope.

2 EXCEPTIONS:

- A The Company shall not indemnify the Insured under this chapter in respect to Bodily Injury to an Employee of the Insured if at the relevant time the Employee is:
 - traveling as a passenger in or on a motor vehicle
 - entering, getting into or alighting from a vehicle
 In circumstances where compulsory insurance or security in respect to the vehicle is required by relevant road traffic legislation and such Employee is not acting in the capacity of the driver of the vehicle
- B The Company shall not indemnify the Insured under this chapter against liability arising Offshore.
- C Any amount the insured or the claimant is entitled to claim from any authority or statutory body, whether received and/or claimed or not.
- D Any liability arising out of or resulting from asbestosis or silicosis.

3 RIGHTS OF RECOVERY:

The indemnity provided under this chapter is deemed to be in accordance with such provisions as any law relating to compulsory insurance of liability to employees in the Territorial scope may require but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.

4 EXTENSIONS:

Unless expressed to the contrary, the Extensions to this chapter are subject to all other terms of this Policy insofar as they apply.

- A Unsatisfied Court Judgment:
 - In the event of a judgment for damages
 - being obtained in the first instance under the jurisdiction of a court in the Territorial scope.
 - by any Employee or the personal representatives of any Employee.

In respect to Bodily Injury arising out of and in the course of the Employee's employment or engagement by the Insured at the request of the Insured, the Company will pay to the Employee, or the personal representatives of the Employee, the amount of any damages or awarded costs to the extent that they remain unsatisfied,

Provided that:

- (1) there is no appeal outstanding
- (2) the judgment relates to Bodily Injury which would otherwise be within the Scope of Cover of this chapter of the Policy
- (3) any payment made by the Company shall only be in respect to liability for which the Insured would have been entitled to indemnity under this chapter of the Policy if the judgment had been made against the Insured
- (4) the Company shall be entitled to take over and prosecute for its own benefit any claim against any other person, and the Insured, the Employee or the personal representatives of the Employee shall give all information and assistance required

5 **LIMIT OF INDEMNITY:**

The liability of the Company in respect to all claims arising out of one original cause shall not exceed the Limit of Indemnity irrespective of the number of claims or claimants

6 **DEDUCTIBLE:**

The insured will carry the first amount stated in the schedule of any claim to be paid. The Company will not be responsible or liable for amounts below the Excess/Deductible stated in the schedule. Further, the Company will not assume responsibility for amounts above the Excess/Deductible stated in the schedule until the Insured pays said Excess/Deductible to the Company.

7 **GENERAL:**

The insured will fulfill all legal requirements, and will take any reasonable precautions to prevent occurrences and minimize risks.

Chapter 14: Product liability

In consideration of the Insured paying the Premium to the Company and explicitly stated in the Certificate of Insurance, the Company will, subject to the terms of this Policy, indemnify the Insured against:

1 **SCOPE OF COVER:**

- A Accidental Bodily Injury to any person
 - B Accidental loss of or damage to Property
- Happening anywhere in the world during the Period of Insurance and caused by any Goods.

2 **EXCEPTIONS:**

The Company shall not indemnify the Insured under this chapter against liability caused by, or in connection with, any Goods which:

- A to the knowledge of the Insured are sold, supplied, erected, repaired, altered, treated or installed by the Insured in or for delivery or use in the United States of America or Canada
- B are sold, supplied, erected, repaired, altered, treated or installed in or for use in or on any aircraft, aerospace device, hovercraft or waterborne craft, or for marine or aviation purposes
- C are in the custody or control of the Insured.

3 **LIMIT OF INDEMNITY:**

The liability of the Company for all sums payable in respect to any one Period of Insurance shall not exceed the Limit of Indemnity.

4 **GENERAL EXTENSIONS:**

Unless expressed to the contrary, these General Extensions are subject to all other terms of this Policy insofar as they apply.

A **CONTRACTUAL LIABILITY AND INDEMNITY TO PRINCIPAL:**

Notwithstanding the provisions of General Exception 1 the Company will indemnify the Insured under any Section of this chapter against liability in respect to Bodily Injury or loss of or damage to Property as follows:

To the extent that any contract or agreement entered into by the Insured with any Principal so requires, the Company will indemnify the Insured against liability assumed by the Insured and the Principal in like manner to the Insured in respect to the liability of the Principal, where liability arises out of the performance by the Insured of such contract or agreement, Provided that:

- (1) the conduct and control of claims is vested in the Company
- (2) The Principal shall observe, fulfill, and be subject to, the terms of this Policy so far as they can apply
- (3) the indemnity shall not apply to liability in respect to liquidated damages or under any penalty clause
- (4) the indemnity granted under this chapter shall only apply in respect to liability to any person who is an Employee of the Insured
- (5) where indemnity is granted to any Principal, the Company will treat each Principal and the Insured as though a separate policy had been issued to each of them
- (6) Nothing in this Extension shall increase the liability of the Company to pay any amount in excess of the Limit of Indemnity under any section of this chapter.

For the purpose of this Extension Principal means the other party to a contract or agreement for whom the Insured is undertaking work or services or providing Goods where said party is responsible for setting out the terms of the contract or agreement.

B CROSS LIABILITIES:

If the Insured named in the Certificate of Insurance comprises more than one party, the Company will treat each party as though a separate Policy had been issued to each of them.

However nothing in this Extension shall increase the liability of the Company to pay any amount in excess of the Limit of Indemnity under any Section of this chapter or policy.

C SUDDEN AND UNINTENDED POLLUTION:

Notwithstanding the provisions of General Exception 4 (e) the Company will indemnify the Insured under this chapter against liability in respect to either Bodily Injury or loss of or damage to Property caused solely by Pollution which results from a sudden identifiable unintended and unexpected incident and such incident takes place in its entirety at a specific and identified time and place during the Period of Insurance,

Provided that:

- (1) all Pollution which arises out of any one incident shall be deemed to have occurred at the time such incident takes place
- (2) the Company shall not indemnify the Insured under this Extension against any liability in respect to Pollution happening anywhere in the United States of America or Canada
- (3) Nothing in this Extension shall increase the liability of the Company to pay any amount in excess of the Limit of Indemnity under any Section of this Policy.

D COURT ATTENDANCE COMPENSATION:

In the event of any of the below-mentioned persons attending court as a witness at the request of the Company in connection with a claim in respect to which the Insured is entitled to indemnity under any Section of this Policy, the Company will provide compensation to the Insured at the following rates per day for each day on which attendance is required:

- | | |
|--------------------------------------------|-------|
| (1) any director or partner of the Insured | \$250 |
| (2) any Employee | \$100 |

E PROSECUTION DEFENCE COSTS:

The Company will indemnify the Insured against

- costs and expenses incurred with the written consent of the Company

- costs and expenses awarded against either the Insured or any director or Employee of the Insured

in connection with a prosecution (including an appeal against conviction resulting from a prosecution), as a result of an alleged offence, notice of which is received during the Period of Insurance, under any legislation in the Territorial scope giving rise to duties in relation to the Business where the circumstances of the alleged offence may be the subject of indemnity under any Section of this chapter.

Provided always that the Company shall not be liable:

- (1) for the payment of any fine or any penalty
- (2) where the prosecution results from a deliberate management decision, act or omission of management.

5 GENERAL EXCEPTIONS

A The Company shall not indemnify the Insured against any liability which is assumed by the Insured by agreement unless such liability would have attached in the absence of such agreement.

B The Company shall not indemnify the Insured under this chapter against any liability of any nature whatsoever, directly or

indirectly caused by or contributed to by or arising from:

- (1) Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- (2) The radioactive, toxic, aggravated or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

However so far as concerns Bodily Injury to any Employee which arises out of and in the course of his employment or engagement by the Insured, this exception shall not apply in respect to

- liability of any Principal

- liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement

C The Company shall not indemnify the Insured under this Policy against liability for:

- (1) Punitive, exemplary, aggravated or restitutionary damages.
- (2) Multiple damages; however this exception shall not apply in respect to the original award of damages made prior to the application of the multiplier.

D The Company shall not indemnify the Insured under Sections 2 or Section 3 of the chapter against liability:

- (1) in respect to Bodily Injury to any Employee which arises out of and in the course of their employment or engagement by the Insured
- (2) for any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- (3) in respect to loss of or damage to goods
- (4) for any costs or expenses incurred in repairing, replacing, recalling, or making any refund in respect to Goods
- (5) in respect to Pollution.

6 GENERAL CONDITIONS:

A The Insured shall:

- (1) give immediate notice in writing to the Company of any alteration which materially affects the risk insured
- (2) give immediate notice to the Company of anything which may give rise to a claim being made against the Insured and for which there may be liability under this chapter
The Insured shall also provide the Company with such particulars as the Company may require and forward to the Company immediately on receipt every letter, writ, summons, and process in connection therewith
- (3) give immediate notice in writing to the Company once the Insured has knowledge of any impending prosecution, inquest or fatal accident inquiry in connection therewith
- (4) give all information and assistance required and neither make any admission of liability nor any offer, promise or payment without the written consent of the Company
- (5) take all reasonable care to prevent accidents and to maintain all premises, plants and equipment and everything used in the Business of the Insured in proper repair
- (6) Employ only competent Employees
- (7) act in accordance with all statutory obligations and regulations
- (8) forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances require
- (9) where the premium is calculated on statements and estimates furnished by the Insured, the insured will keep all records to support such statements and adjust premium payments according to actual results
- (10) pay any tax due on the Premium in accordance with current legislation
- (11) observe the terms of this chapter insofar as they relate to anything to be done or to be complied with by the Insured

Nothing in parts 5, 6, 7, or 8 of this Condition shall affect the right of the Insured to claim indemnity under Section 1 of this Policy subject to the Rights of Recovery as set out in this chapter

B The Company shall be entitled at any time and at its own discretion:

- (1) to take over and conduct in the name of the Insured the defense of or the settlement of any claim and to prosecute at its own expense and for its own benefit any claim for indemnity or damages against any other parties or persons
- (2) to pay to the Insured the Limit of Indemnity less any Costs incurred by the Company or any lesser sums for which any claim or claims under any Section of this chapter can be settled. In that event the Company shall not be under any further liability.
- (3) to cancel this chapter by sending a thirty-day notice via registered mail to the Insured at his last known address
In such event, the Insured shall be entitled either to a return of a premium or a credit, as appropriate, of a proportionate part of the premium corresponding to the unexpired Period of Insurance

C If in respect to any claim there is any other insurance or indemnity in favor of the Insured in force relative to such claim, or there would be but for the existence of this chapter, the liability of the Company shall be limited.

This limit shall be the amount in excess of that which is, or would have been payable (but for the existence of this chapter), in respect to such claim.

Subject always to the Limit of Indemnity.

- D The truth of statements, answers and information supplied in connection with this chapter shall be a condition precedent to any liability of the Company to make any payment under this chapter.
Nothing in this Condition shall affect the right of the Insured to claim indemnity under Section A of this chapter subject to the Rights of Recovery as set out in that Section of this chapter.
- E Where the context allows, any word or expression to which a specific meaning has been attached in any part of this chapter shall bear that meaning wherever it may appear.
- F There is a choice of law under this insurance but unless otherwise agreed by the Company this chapter is governed by and shall be construed in accordance with English law.
- G **No reinstatement shall apply to this chapter in any of its sections. The limit of indemnity having been exhausted by any or all claims made payable under this chapter, the cover under this chapter shall be revoked and this chapter shall be terminated.**

Chapter 15: Professional indemnity

Whereas the Insured stated in the Certificate of Insurance have submitted to the Insurers specified in the Certificate of Insurance a signed proposal form and/or declaration form containing particulars and statements which are hereby considered to be the basis of this insurance contract and incorporated herein, and in consideration of the Insured paying the Premium stated in the Certificate of Insurance to the Insurers, it is hereby agreed:

1 OPERATIVE CLAUSE:

The Insurers will indemnify the Insured to the extent and in the manner detailed herein against any claim for which the Insured may become legally liable, first made against the Insured and notified to the Insurers during the Policy Period, arising out of the proper professional conduct of the Insured's Business as stated in the Certificate of Insurance alleging:

- A Neglect, Error or Omission:
Any neglect, error or omission including breach of contract occasioned by the same.
- B Dishonesty of Employees:
Any dishonest, fraudulent, criminal or malicious act(s) or omission(s) of any person employed at any time by the Insured.
The Insured will not be indemnified against any claim or loss resulting from the dishonest, fraudulent, criminal or malicious act(s) or omission(s) perpetrated if the Insured could reasonably have discovered or suspected the improper conduct of the employee(s)
No indemnity shall be provided to any person committing any dishonest, fraudulent, criminal or malicious act(s) or omission(s).
- C Intellectual Property Rights:
Any claim arising from unintentional breach or infringement of or unauthorized use of confidential information, trade secrets, patents, copyrights, or the systems or programs of others.
- D Libel and Slander:
Any claim arising from the publication or utterance of a libel or slander.

2 LOSS OF DOCUMENTS:

The Insurers will indemnify the Insured up to the Limit of Indemnity as specified in the Certificate of Insurance against:

- A legal liability which the Insured may incur by reason of any claim first made against the Insured and notified to the Insurers during the Policy Period in consequence of Documents having been lost, damaged, destroyed, mislaid, distorted or erased;
- B all costs, charges and expenses incurred by the Insured in replacing or restoring such Documents;
- C all costs, charges and expenses incurred by the Insurers or by the Insured with the written consent of the Insurers in the defense settlement or investigation of any claim to establish liability as described in (a) above;

Provided that for the purposes of this Section the deductible or excess shall be US\$ 1,500.00 and provided that the amount of any costs, charges and expenses incurred by the Insured as described in (b) and (c) above shall be supported by bills and accounts which shall be subject to approval by a competent person to be nominated by the Insurers with the approval of the Insured. Indemnity is conditional upon the Documents having been entrusted to or deposited with or by the Insured in the ordinary course of their Business and, where lost or mislaid, have been the subject of diligent search by the Insured For the purposes of this Section, Documents shall include:

Agreements, plans, records, deeds, books, letters, certificates, documents or forms of any nature whatsoever, whether written, printed or reproduced by any other method, and computer programs or information stored on data-carrying media and shall exclude:

any bearer bonds or coupons, stamps, bank or currency notes or other negotiable instruments.

3 INFIDELITY OF EMPLOYEES:

The Insurers will indemnify the Insured up to the Limit of Indemnity as specified in the Certificate of Insurance against: Any loss of money or other property belonging to the Insured that is first discovered and notified to the Insurers during the Policy Period and arising from the dishonest, fraudulent, criminal or malicious act(s) or omission(s) of any person(s) employed at any time by the Insured.

The Insured will not be indemnified against any claim or loss resulting from the dishonest, fraudulent, criminal or malicious act(s) or omission(s) perpetrated after the Insured could reasonably have discovered or suspected the improper conduct of the employee(s).

No indemnity shall be provided to any person committing any dishonest fraudulent, criminal or malicious act(s) or omissions(s).

4 DEFINITION OF TERM 'INSURED' APPLICABLE TO THIS CHAPTER:

The definition of the term 'Insured' as stated in the Certificate of Insurance shall include the following persons but only in respect to work undertaken for and on behalf of the Insured:

- A Any person who at any time is, has been, or may become, during the Policy Period, a partner or director.
- B Any person who is or has been employed under a contract of service including self-employed persons.
- C The estates and/or the legal representatives in the event of the death or incapacity of the Insured or of any of the persons defined in (a) and (b) above.

5 CHOICE OF LAW:

There is a choice of law applicable to this insurance but unless the Insurers agree otherwise, English law will apply.

The applicable law will be in force as long as it not in conflict with the terms and conditions of the policy as they apply to the Policy Holder, any Additional Insureds and any other claimants.

6 JOINT VENTURES:

Subject to prior notification to and acceptance by the Insurers, the Insurers will indemnify the Insured in respect of any liability for work undertaken by any firm, company or individual with whom the Insured is operating jointly and any joint venture and/or consortium which includes the Insured, but in respect to the Insured's liability only.

7 SPECIALIST CONSULTANTS/SUB-CONTRACTORS:

The Insurers will indemnify the Insured in respect of any liability for claims falling within the Operative Clause of this chapter arising out of the activities of specialist consultants, sub-contractors or any other person(s) or entity acting on the Insured's behalf and for whom the Insured is responsible.

Provided always that the Insurers shall become subrogated to all rights of recourse of the Insured, such rights to be fully maintained by the Insured.

8 EXCLUSIONS:

The Insurers will not provide indemnity against:

- A Any claim or loss alleging death or bodily injury to any person or physical loss or damage to property (except insofar as indemnified by the Loss of Documents Section) unless such claim or loss arises out of advice, design, specification or formula.
- B Any claim or circumstances known to the Insured prior to the inception of this Policy and which the Insured at such time knew or should have reasonably assumed might result in a claim against the Insured.
- C Any claim or loss arising out of any circumstances or matter which has or should have been notified under any Policy or Certificate of Insurance or any other chapter of this policy in force prior to the inception of this Policy.
- D Any claim or loss in respect to which the Insured is entitled to indemnity under any other Policy or Certificate of Insurance or any other chapter of this policy or under public liability insurance and/or product liability insurance, regardless if acquired or not.
- E Any claim made against the Insured by any entity in which the Insured exercises a controlling interest or by any entity having a controlling interest over the Insured by virtue of their having a financial or executive interest in the operation of the Insured, unless such claim originates from an independent third party.
- F Any fines, penalties, punitive or exemplary damages.
- G Any fees claimed back by a customer of the Insured due to or allegedly due to total non-performance of the Insured's contractual obligations to that customer, unless such fees form part of a compromise settlement involving a claim for damages.
- H Any claim or loss arising out of the sale and/or supply of hardware other than advice given in connection therewith.
- I Any claim directly or indirectly caused in whole or in part by, or arising from, ionizing radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or from war,

invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalization or requisition or destruction of, or damage to, property by, or under the order of, any government or public or local authority.

- J. Any claim or loss arising out of any circumstances or matter which did not occur during the period of insurance specified in the Schedule and that is not claimed before the expiry of this policy.

9 CONDITIONS:

- A In the event that the Insured and the Insurers fail to agree on any settlement of a claim recommended by the Insurers, and the Insured shall elect to contest or continue any legal proceedings in connection therewith, then the Insurers' liability for such claim, in addition to the costs and expenses incurred with the Insurers' consent up to the date of such failure to agree, shall not exceed the amount for which the claim could have been so settled, less the Excess, and subject always to the Limit of Indemnity available under this chapter.
- B If the Insured shall refer any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.
- C If any payment is made under this chapter in respect to a claim and the Insurers are thereupon subrogated to the Insured's rights of recovery in relation thereto, the Insurers shall not exercise any such rights against any employee of the Insured unless the claim has been brought about, or contributed to, by the dishonest, fraudulent, criminal or malicious act(s) or omission(s) of such employee.
- D The statements in the written declaration and/or proposal form are the basis of this Policy and this Policy shall not be voided for a non-disclosure or misrepresentation of such statements unless the non-disclosure or misrepresentation was made deliberately and knowingly by the Insured so as to induce the Insurers to accept the insurance or to decide upon the terms thereof and the Insurers were so induced.
In any case where the Insured should have notified under any preceding insurance circumstances which could give rise to a claim, and the indemnity or cover available under this Policy is greater or wider in scope than the indemnity to which the Insured would have been entitled under any preceding insurance (whether with other Insurers or not), then the Insurers shall only be liable to indemnify the Insured in respect to that claim to the extent of the indemnity which would have been afforded by such preceding insurance.
Where the Insured's breach of non-compliance with any condition of this Policy has resulted in prejudice to the handling or settlement of any claim, the indemnity afforded by this Policy in respect to such claim shall be reduced to such sum as, in the Insurers' opinion, would have been payable by them in the absence of such prejudice.
- E In the event of any dispute or disagreement between the Insured and the Insurers regarding the application of this Policy, such dispute or disagreement shall be referred by either party for arbitration to a Queen's Counsel (or, by mutual agreement between the Insured and the Insurers, to a similar authority).
- F In the event that the Insurers are advised by their Solicitors that they should make payment of the Limit of Indemnity, together with costs and expenses incurred by the Insured with the Insurers' written consent in respect to any claim or circumstance notified hereunder, this shall be in exoneration and total discharge of any further liability of any kind whatsoever in connection with such claim or occurrences for which the Insurers may be liable to the Insured under this Policy.
- G The Insured shall immediately advise the Insurers of any change of management due to any consolidation or merger with another business, the purchase or sale of assets or shares, or the appointment of a Liquidator, Receiver or Manager.
- H The Insurers may cancel this chapter by sending 30 days written notice to the Insured at the Insured's last known address.
- I Any treatment and/or consultation and/or practice and/or instruction performed on and/or provided to and/or done with minors requires the prior written consent to such treatments and/or consultations and/or practices and/or instructions from the minor's parent(s) and/or legal guardian.

10 LIMIT OF INDEMNITY:

- A The Insurers' liability herein shall be limited to the Limit of Indemnity specified in the Certificate of Insurance.
- B The Insurers will additionally indemnify the Insured up to a sum equal to the Limit of Indemnity specified in the Certificate of Insurance, against all costs and expenses incurred with the Insurers' written consent in the investigation, defense or settlement of any claim which falls under the purview of this chapter. If a payment in excess of the specified Limit of Indemnity is required to dispose of a claim, the Insurers' liability for such costs and expenses shall be in such proportion as the Limit of Indemnity available bears on the amount required to dispose of that claim.

11 EXCESS:

The amount specified as the Excess in the Certificate of Insurance shall be borne by the Insured at their own risk and the Insurers' liability shall only be in excess of this amount except where stated otherwise and will not apply to costs and expenses incurred with the Insurers' prior consent.

All recoveries and payments received in connection with a loss settlement shall be applied to the Insurers' benefit in priority to the specified Excess, but not in priority to any additional sum beyond the Limit of Indemnity required to be contributed by the Insured to dispose of a claim.

The Company will not be responsible or liable for amounts below the Excess/Deductible stated in the schedule. Further, the Company will not assume responsibility for amounts above the Excess/Deductible stated in the schedule until the Insured pays said Excess/Deductible to the Company.

12 DEFINITION OF CLAIM:

The expression 'claim' shall mean any claim or claims made against the Insured during the Policy Period, and the Insurers' liability shall not exceed in the aggregate the Limit of Indemnity stated in the Certificate of Insurance. The Excess shall only apply once in respect to each claim or series of claims arising out of one occurrence.

13 CLAIMS PROCEDURES:

The insured's duties:

It is a condition precedent to the Insurers' liability under this chapter that:

- A Upon receipt by or on behalf of the Insured of notice, whether written or oral, of any intention to make a claim against the Insured which may be the subject of indemnity hereunder, or of any allegation which might give rise to a claim, or upon the discovery of a circumstance which may become the subject of indemnity hereunder, the Insured shall notify the Insurers in writing of such receipt, allegation or discovery as soon as practicable and shall provide full information in respect thereof, so far as such information is in their possession or control.
If during the Policy Period hereof, the Insured shall become aware of a circumstance which may subsequently be the subject of a claim under this chapter and shall, as soon as practicable during the Policy Period, give written notice to the Insurers of such circumstances, then such subsequent claim hereunder shall be deemed notified but not as have been made during the Policy Period, unless a renewal for this policy is issued or Long Tail Extension has been purchased.
- B The Insured shall not admit liability for, or settle or make or promise of any payment in respect to any claim which may be the subject of indemnity hereunder, or incur any costs and expenses in connection therewith without the written consent of the Insurers who, if they so wish, shall be entitled to take over and conduct in the name of the Insured the defense and/or settlement of any claim for which purpose the Insured shall give all information and assistance as the Insurers may reasonably require.
- C. The Insured shall have the right to notify the Company in writing of the cancellation of all claim notices at any time, thereby relieving the Company of all responsibility for said claims. It will not be possible after such notification to reinstate the claim at a later date, nor will the company assume responsibility for such a claim if it arises again at a later date.
- D. If, after the period of insurance has terminated, the Insured requests a Clean Loss Record, the Insured will submit a written declaration that there are no claims outstanding, nor will there be any future claims made. In such cases, if a claim (or claims) does arise, the Company will not be held responsible, and the Insured will bear sole responsibility for such claims and/or events.

14 GEOGRAPHICAL LIMITS:

- A The Territorial scope defined in the Certificate of Insurance.
- B Elsewhere in Europe, but only in connection with the Business carried on by the Insured at, or from, any premises situated in the Territorial scope.
- C Elsewhere in the world other than the United States of America or Canada arising out of business visits by directors or non-manual Employees ordinarily resident in the Territorial scope.
- D. The applicable law will be in force as long as it not in conflict with the terms and conditions of the policy as they apply to the Policy Holder, any Additional Insureds and any other claimants.

Chapter 16: Mechanical breakdown

If explicitly stated in the Certificate of Insurance, the Insurers specified in the Certificate of Insurance will indemnify the Insured, provided the insured has paid the Premium stated in the Certificate of Insurance to the Insurers from loss or damage caused from mechanical breakdown to the insured property described in the Certificate of Insurance, subject to the terms, conditions and exclusions detailed hereby.

- 1 Insured event:
Sudden unexpected incidental damage requiring repair or replacement of the insured property being at the insured address, including:
 - A Material fault, in erection and assembly: vibrations, mal-adaptation, imbalance, pressures and irregular efforts, insufficient lubrication, overload, poor electrical isolation, short circuit, overheating.
 - B Mistakes, lack of professionalism, negligence or malicious acts by the insured's employees or by a third party.
 - C Fall-down, collision, disturbance or interference by foreign bodies.
 - D Explosion (meaning: sudden destruction of the insured property because of internal steam, liquids, air or resulting from gas explosion).
 - E Any other reason, unless expressed otherwise in this chapter, is excluded.

- 2 Insured property:
Machinery and equipment described in the Certificate of Insurance per this chapter, including transportation expenses, erection and non-refundable taxes or levies.

- 3 Reimbursement in the event of replacement:
The cost of replacing the insured property with another of the same type and same production capabilities. This cost includes the additional expenses detailed in the Insured Property section above.

- 4 Reimbursement in other events:
 - A Repairable damage:
In any event in which the damage to insured item(s) included in the insured property can be repaired, the company will pay all essential expenses to return the item to an operational state within a reasonable time, as it was prior to the insured event. The company will pay the expenses of dismantling and assembly made for the repair and the regular transport fees to the repair shop and back, if required. If repairs were made in the insured's owned workshop, the company will pay the cost of materials and labor costs made for the repair plus 5% for general expenses. The company will deduct appropriate deterioration for any worn out or electrical-bound parts. The company will not pay for alterations, additions, improvements or regular maintenance repairs.
 - B Total loss:
In the event an item is totally destroyed (herein: "total loss"), the company will pay its actual physical value as was prior to the insured event as stated in section 3 above. Total loss means a state in which the cost of repair equals or exceeds the actual physical value as was prior to the insured event.
 - C Reimbursement will not include cost of transport or delivery of the insured property or any property or employees outside the territorial scope. The company will not pay any special expenses for urgent delivery, overtime or working over weekends and holidays.

- 5 Exclusions:
The company will not provide indemnity against any loss or damage resulting from:
 - A Fire, firefighting or extinguishing actions, lightning, chemical explosion, flight or flying objects and items falling from them, theft or attempt to steal, collapse of construction or building, flood, rain, hail, overflow, earthquake, landslide, volcanic eruption, storms, thunder, any natural disasters.
 - B Loss or damage caused to the insured property from changes, trials, experiments, overload affected on the insured property for purposes of misuse.
 - C Loss or damage for which the manufacturer of the machinery or equipment is legally liable – whether by law or by contract or otherwise. In case of claimed lack of liability by the manufacturer, the company will pay the loss or damage, provided the insured is liable to endorse to the company the warranty in the insured's possession and any and all legal and/or contractual rights the insured may have against the manufacturer and/or the supplier and/or the repairing person and/or entity.
 - D Loss or damage caused to any item of the insured property while being operated for the first time at the insured's business before the reasonable test or trial-run period for that type of equipment or machinery is over.
 - E Loss or damage caused directly or indirectly, resulting from faults or delinquencies existing prior to the commencement of the insurance period, unless they were unknown to the insured on that date.
 - F Loss or damage caused to one or more of the herein detailed: buildings, constructions, nonmetallic elements, unless made of nonflexible plastics, ovens, electronic equipment, unless stated explicitly in the Certificate of Insurance, ephemeral objects, models, drill bits, dies, cylinders, belts, ropes, cables, chains, batteries, tires, brushes, lubricants, oils, cooling liquids and/or gas.
 - G Direct loss or damage from wear, rust, corrosion, scaling of any part of the insured property, caused by, or naturally resulting from, regular use or regular operation, or gradual deterioration or scratches in painted or polished surfaces. This exclusion is limited to the part damaged or lost for these reasons.

- H Loss or damage to materials in process or treatment including loss of use and indirect loss resulting from such damage.
 - I Loss or damage to any part of the insured property directly resulting from the continued use of damaged property after unrepaired damage or if the repair was not approved by the company.
 - J Strikes or labor stoppage.
 - K Malicious acts of the insured or with the insured's assistance.
 - L Any property, when the insured location is not occupied or abandoned for 30 consecutive days or more in the insurance period.
 - M Consequential loss or prolonged damage of any kind which may be caused to the insured by the insured perils under this chapter. This exclusion includes loss of profit, loss of market, labor stoppage, delay of any kind, recall and malfunction.
- 6 Special conditions:
- A Safe and proper handling and operating of the insured property:
 The insured should at their own cost, take any reasonable measures to maintain the insured property in good operational status, and ensure that the property will not, to the best of their knowledge be affected by overload or excess load.
 Every part of the insured property will be operated by qualified personnel, and if legally required – with an appropriate valid license.
 The insured should conduct periodical checks as required by law, and hold test reports verifying the status of the property.
 The insured should follow the manufacturers' instructions, unless the company agrees otherwise in advance.
 - B Inspection by the company's representatives:
 Empowered representatives of the company may visit and check the insured property at any reasonable time and the insured must supply all the details and information required for the risk evaluation.
 - C Inspection after loss or damage:
 The insured shall keep and guard all the damaged parts and items, and give them to the company's representatives or to the surveyor appointed by the company for this inspection. In any event the company's representatives will be given the ability to check the damage before any repairs are made, unless explicitly agreed otherwise by the company.
 - D Under insurance:
 If at the time of loss or damage the sum insured stated in the Certificate of Insurance in respect to this chapter is lower than the replacement cost of the insured property with a new item, the reimbursement payable by the company will be reduced in the same ratio between the stated sum insured in the Certificate of Insurance for this damaged item and the replacement cost described above.
 - E Excess:
 The amount specified as the Excess or Deductible in the Certificate of Insurance shall be borne by the Insured at their own risk and the Insurers' liability shall only be in excess of this amount. All recoveries and payments received in connection with a loss settlement shall be applied to the Insurers' benefit in priority to the specified Excess but not in priority to any additional sum beyond the Limit of Indemnity required to be contributed by the Insured to dispose of a claim.

Chapter 17: Mechanical breakdown consequential loss

- 1 Insured event:
 Loss or damage resulting from cessation or interruption in the operation of the business of the insured, caused by physical damage to the insured property under chapter 16 (Mechanical Breakdown), used by the insured for conducting his business, by one of the insured perils, and that the insurance in such property, according to the prescribed chapter 16 is valid.
- Preliminary condition for cover under this chapter: the company has paid the insured in respect to covered loss or damage (not including ex-gratis payments) under chapter 16 for physical loss or damage, unless payment was not due because loss or damage did not exceed the deductible stated in this policy for such loss or damage.
- 2 Definitions:
- A Gross profit: sum resulting from addition of insured fixed expenditure to the net profit, or in the event of lack of net profit, the summary of insured fixed expenditure less the proportionate net business loss, in the same ratio the insured fixed expenditure relates to all the fixed expenditure of the business.
 - B Uninsured expenses: all purchases, electricity and water, works by external persons, transportation by external contractor, saved labor costs.

- C Turnover: amounts received or to be received by the insured for goods sold and delivered and for services rendered in the course of business in the location stated in the Certificate of Insurance.
- D Reimbursement period: the period in which the business results of the insured were hurt as a result of insured loss or damage, commencing at the occurrence of loss or damage and ending not later than the end of "reimbursement period" stated in the Certificate of Insurance.
- E Gross profit rate: the rate of profit from turnover in the preceding fiscal year up to the date of loss or damage.
- F Annual turnover: the turnover in 12 consecutive months preceding the date of loss or damage.
- G Standard turnover: the turnover in the same 12 consecutive months preceding the date of loss or damage – that equals the reimbursement period.
- H Turnover reduction: the amount by which the actual turnover was reduced during the reimbursement period.
- 3 Covered damages:
The company will reimburse the insured for loss of gross profit resulting from turnover reduction or due to increase in the operating expenses, caused by an insured event.
- 4 Insurance reimbursement fees:
Insurance reimbursement fees payable under this chapter will be calculated as follows:
A In respect to reduction of turnover – the amount received from multiplying the gross profit rate at the reduction of turnover resulting from the insured event during the reimbursement period.
B In respect to operating expenses – the amount of additional essential and reasonable expenses that were made only for the prevention of, and/or minimizing, the reduction of turnover, that might have been caused during the reimbursement period due to an insured event, on condition that the payable reimbursement under this section does not exceed the saved reimbursement according to the calculation described in small section A above.
From the calculated amounts the company will deduct any amount saved during the reimbursement period in respect to those expenses and costs of the business payable from the gross profit that were reduced or stopped following an insured event.
- 5 Setting turnover in reimbursement period:
If in the reimbursement period goods will be sold and/or services rendered in a place other than the location stated in the Certificate of Insurance, either by the insured or by another for the insured, and that will benefit the insured business, the amounts received or to be received from such sales or services, will be taken into account for setting the turnover in the reimbursement period.
- 6 Exclusions:
This insurance does not cover loss or damage caused by, or resulting from:
A Business delinquency or bankruptcy or closing down of the business activity.
B Extension of the period of cessation or interruption of business caused by an extraordinary event, occurring during the reimbursement period including:
(1) Limitation by public authority or governmental authority.
(2) Lack of funding by the insured for reinstatement or repair of the insured damaged or destroyed property.
(3) Changes, improvements or general refurbishing done during repairs or replacement of the damaged or lost insured property.
(4) Shortage, damage or loss of raw materials, semi-completed products, goods in process or any other property that is not covered under chapter 16 (Mechanical Breakdown).
- 7 Under insurance:
If the amount of gross profit insured, stated in the Certificate of Insurance, on the date of occurrence of loss or physical damage to the insured property, is lower than the amount resulting from multiplying the rate of annual gross profit (or if the reimbursement period exceeds 12 months – in the proportionate share of the annual turnover as the reimbursement period relates to 12 months), the reimbursement amounts payable by the company under this chapter will be reduced at the same rate.
- 8 Deductibles:
The deductible amount or period stated in the Certificate of Insurance for this chapter will be borne by the insured in every event covered under this chapter.

9 Validity of cover under this chapter:

Cover under this chapter is valid only if specifically stated in the Certificate of Insurance and the insured has acquired cover under chapter 16 of this policy, and the cover under this chapter relates to damages and losses to the insured property covered in chapter 16 of this policy.

Chapter 18: Electronic Equipment

If explicitly stated in the Certificate of Insurance, the Insurers specified in the Certificate of Insurance will indemnify the Insured, provided the insured has paid the Premium stated in the Certificate of Insurance to the Insurers, from loss or damage caused by an insured event to the insured property described in the Certificate of Insurance, subject to the terms, conditions and exclusions detailed herein.

1 Insured event:

Sudden unexpected incidental physical loss or damage to the insured property as defined in the Certificate of Insurance, being at the insured address, for any reason, unless excluded in this chapter.

2 Insured property:

Machinery and equipment described in the Certificate of Insurance per this chapter, including:

A Electronic equipment:

Electro-mechanical and/or electronic instruments, machines and equipment used for the insured business, including electric typing machines, calculators, computers of various types, telex machines, facsimile machines, electronic telephone operators, electronic control machines including peripheral equipment serving the above, but excluding pocket calculators, wireless telephones and beepers.

B Information storing devices:

External means for information storage including cards, magnetic tapes, discs, diskettes.

3 Sum insured:

Sum insured for this chapter is the replacement cost of the insured property with new of the same type and production capabilities. The sum insured is not the basis for calculating the reimbursement due under this chapter, and is defined separately. If there is no new identical equipment available, the sum insured will be the last fixed price set for that property by the manufacturer's representative in the territorial scope.

4 Loss:

- A Total loss: One of the following events: Total damage or destruction to the extent of inability to repair, equipment stolen during a burglary, or where the cost of repair equals or exceeds the value of identical or similar items.
 B Partial loss: Repairable damage, where cost of repairs is lower than total loss.

5 Exclusions:

The cover under this chapter does not include:

- A Any loss or damage caused by theft.
 B Loss or damage caused directly or indirectly, resulting from defaults or delinquencies existing prior to the commencement of the insurance period, unless they were unknown to the insured on that date.
 C Loss or damage caused directly or indirectly to the insured property from failure or irregularity in service or supply of electricity, unless a UPS system is installed, operative and to which the equipment is connected on-line.
 D Direct loss or damage from wear, rust, corrosion, scaling of any part of the insured property, caused by or naturally resulting from regular use or regular operation, or gradual deterioration or scratches in painted or polished surfaces.
 This exclusion is limited to the part damaged or lost for these reasons.
 E All expenses connected to or resulting from repairing operational delinquencies and/or their removals.
 F Maintenance expenses of any type, including periodical checks.
 G Loss or damage for which the equipment manufacturer and/or supplier and/or importer is liable – legally or by contract

- H Strikes or labor
stoppage.
- I Malicious acts of the insured or with the insured's
assistance.
- J Any property, when the insured location is not occupied, or abandoned, for 30 consecutive days or more in
the insurance period.
- K Consequential loss or prolonged damage of any kind which may be caused to the insured from the insured
perils
under this chapter. This exclusion includes loss of profit, loss of market, labor stoppage, delay of any kind, recall and
malfunction.
- L Loss or damage to magnetic heads, optical heads, tubes, programming delinquencies, sorting, deletion of
information.
- 6 Reimbursements:
- A In the event of partial
loss:
When the damage to insured property can be repaired, the company will pay all the essential expenses to return the
damaged property within reasonable time to operational status as before the event of damage. The company will
also pay dismantling and assembling expenses incurred for the repair of the damaged property and the regular
delivery charges to and from the workshop. If reinstatement will involve electrical armature winding, wear will be
deducted. The company will not pay for changes, additions, improvements or alterations.
- B In the event of total
loss:
If an item belonging to the insured property is totally lost, the company will pay the insured its actual financial value
as it was immediately prior to the event, or the value of its replacement, subject to the following terms: the item will
be of the same type, kind and production or operational capability; the value will not exceed the sum insured.
- C The reimbursement under this chapter will not include reconstruction cost, transportation or delivery outside
the territorial scope of insured property or employees.
- 7 Under insurance:
If at the time of loss or damage the sum insured stated in the Certificate of Insurance in respect to this chapter is lower than
the replacement cost of the insured property with a new item, the reimbursement payable by the company will be reduced in
the same ratio between the stated sum insured in the Certificate of Insurance for this damaged item and the replacement
cost described above.
- 8 Excess:
The amount specified as the Excess or Deductible in the Certificate of Insurance shall be borne by the Insured at their own
risk
and the Insurers' liability shall only be in excess of this
amount.
All recoveries and payments received in connection with a loss settlement shall be applied to the Insurers' benefit in priority
to the specified Excess but not in priority to any additional sum beyond the Limit of Indemnity required to be contributed by
the Insured to dispose of a claim.
- 9 Extensions:
It is declared and agreed that in addition to the reimbursement amounts described above, the company will pay the insured
for the expenses specified herein, on condition that such expenses were actually incurred by the insured due to damage
covered under these extensions:
- A Reconstruction expenses:
The company will reimburse the insured for reconstruction expenses for the data contained on data storage
devices provided such reconstruction is made in fact within 6 months of the date of occurrence. This extension is
valid only if the insured performs backups at least every 14 days, and that all backups are kept in a separate
building. The maximum sum insured under this extension is on a first loss basis up to 20% of the sum insured for
this chapter and will not exceed US\$ 10,000.00 during the entire period of insurance.
- B Additional expenses:
If explicitly stated in the Certificate of Insurance that the Additional expenses extension is included in this chapter,
then the cover is extended to include coverage for urgent delivery expenses, overtime pay and/or payment for
working on holidays. This extension is on a first loss basis, and will not exceed 20% of the reimbursement payment
for that loss or damage.
- C Use of alternative system:

If explicitly stated in the Certificate of Insurance, then, for the premium stated for this extension, this cover will include expenses incurred for use of alternative data processing systems outside of the insured location up to the amount stated for this extension in the Certificate of Insurance.

Chapter 19: General exclusions

- 1 Insurance under this policy does not cover loss or damage caused directly or indirectly by or from:
 - A Theft during or after the insured event.
 - B Depreciation, gradual deterioration, wear, climatic conditions, corrosion, rust, pollution.
 - C Self-combustion, self-fermentation or self-heating or being subject to a drying or heating process.
 - D Malicious acts of the insured or with the insured's assistance.
 - E Typhoon, hurricane, tornado, cyclone.
 - F Land and rock slide and/or sinking and/or falling down.
 - G Explosion of tanks, boilers, machines or instruments used with pressure, including damage to contents.
 - H Loss or damage to any machine or electrical equipment, electrical system of the construction or building, including control panels, or to any part of thereof, caused by or resulting from: electrical overload or over-charge, electrical shorts, self-heating including by those caused by lightning. This exclusion refers to the damaged machine or equipment, and not to the damage caused by fire resulting from such events.
 - I War, invasion, acts of a foreign enemy, hostile acts or such activity as war (if declared or not), civil war, military takeover, revolution, illegal takeover of government, siege.
 - J Acts of terrorism, including the use and/or threat of force or violence, by any person and/or group, whether acting alone or on behalf of, or in connection with any organization, committed for political, religious, ideological or similar purposes including the intent to influence by fear any government and/or the public, or any section of the public.
 - K When the insured or claimant has the legal right for compensation by law from any public, state and/or statutory fund.
 - L Nuclear materials, ionizing or radioactive contamination or pollution, nuclear fuel or waste.
 - M Burning of property by order of a public authority.
 - N Consequential loss of any type or kind, including reduction in value of insured property.
 - O Any fines, penalties, punitive or exemplary damages.

- 2 Insurance under this policy does not cover loss or damage to the following properties:
 - A Precious metals, precious stones, artistic works, unless explicitly stated otherwise in the Certificate of Insurance.
 - B Securities.
 - C Cash, checks, bonds, stamps, unless explicitly stated otherwise in the Certificate of Insurance.
 - D Motor vehicles and their accessories, animals and livestock.
 - E Explosives.
 - F Land, earth, water sources.

- 3 Damage caused by liquids and water, where included in this policy, will be covered only if the insured property does not stand on the floor.

- 4 Insurance under this policy does not cover any property when the insured location is uninhabited or deserted for 30 consecutive days or more during the period of insurance.

- 5 This policy does not cover any property while it is covered under any marine and/or aviation insurance.

- 6 This policy does not cover any loss or damage or liability arising and/or resulting from and/or caused by:
 - (a) The use and/or threat of force or violence by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or
 - (b) The use and/or threat of criminal and/or illegal actions by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or
 - (c) Any and all expenses resulting from the described in sub-sections (a), (b) above, including but not limited to: legal expenses, bonds, bail bonds

Chapter 20: General terms and conditions

This policy, the Certificate of Insurance and any and all other documents attached to the policy, will be read as one contract, and every word or phrase specifically defined in any chapter of this policy or the Certificate of Insurance, will have the same meaning anywhere they appear in that chapter.

- 1 This policy is subject to English law and to applicable laws to which the Company is subject. The applicable law will be in force as long as it not in conflict with the terms and conditions of the policy as they apply to the Policy Holder, any Additional Insureds and any other claimants.

- 2
 - A The policy was issued based on the information given to the company by the insured, and the company assumes the insured has given full, exact, correct and truthful information upon which the company has evaluated the proposed risk for insurance and the insured has taken all damage-prevention measures required by the company for reduction of risks insured under this policy.
 - B The insured will notify the company in writing, during the period of insurance, of any substantial change, immediately after the insured is aware of such change. If the insured fails to do so – the company can cancel the policy or reduce the scope of its liability.
 - C A substantial fact is one for which a question asked of the insured, and also:
 - Description of the insured property, its maintenance conditions and its location.
 - The identity of the owners, occupiers and tenants of the insured property.
 - Description of the use of the insured property.
 - Safety measures in the insured location.
 - Loss and damage from perils covered under this policy to the insured property in the 3 years prior to the period of insurance.
 - Change in the business of the insured.
 - Any event that may an influence on the evaluation of the insured risk.
 - Change in the safety conditions in the insured location.
 - Occupation and business of the insured.
 - The insureds' sports activity.
 - The insureds' health condition.
 - Changes in production procedures.
 - Changes in products.

- 3 Double insurance:
 If the Insured property was insured against any peril with more than one insurer at the same or congruent period of insurance, the Insured will notify the Company in writing immediately after doing so or after the Insured become aware of such occurrence. Double Insurance entitles the Company to reduce the liability of the Company under this policy to its proportionate share – being one part of the number of the additional valid insurances – whether other insurances paid and/or agreed to pay and/or declined the claim.

- 4 Under insurance:
 If at the time of occurrence of an insured event, the sum insured stated in the policy is lower than the value of the insured property at that time, the amount payable under this policy for loss or damage will be deducted according to the difference between the sum insured and the value of the insured property. Each and every item will be subject to this condition separately.

- 5 Payment of premium:
 - A **Premiums and all other amounts due from the insured in respect to this policy will be paid to the company in full as stated in the Certificate of Insurance by commencement date of the policy.**
 - B **If any amount due from the insured to the company remains unpaid upon the commencement of the period of insurance, it will bear an agreed interest charge at the rate of 1% per month for each amount in unpaid balance.**
 - C **If any amount remains unpaid as stated above, the company can cancel the policy by giving a written notice to the insured that the policy will be cancelled within 15 days. Such cancellation will not diminish the insured's duty to pay any remaining balance due to the company.**
 - D Policy fees stated in the Certificate of Insurance, as an integral part of the premium, are non-refundable in event of either cancellation or revocation of cover.

- 6 Cancellation of the insurance:
- A The insured may cancel the policy at any time by giving a written notice to the company. In such event, the company will cancel the policy immediately, charging the premium for the period pro-scala (meaning 10% of the annual premium + 10% for each calendar-month or part thereof until cancellation date). This calculation will not include the policy fees stated in the Certificate of Insurance, and being an integral part of the premium, which are non-refundable.
- B The company can cancel the policy at any time, by giving the insured a written notice 15 days in advance. In such event the company will charge for the exact period of insurance calculated pro-rata (per days of cover). If cancelled for non-payment of premium, this calculation will not include the policy fees stated in the Certificate of Insurance, and being an integral part of the premium, which are non-refundable in this event.
- 7 Claims:
- A If an insured event occurs, the insured will notify the company as soon as the insured is aware of such an event. The insured will also notify the company of any investigation or accusation in respect to any possible claim resulting from an insured event.
- B Any claim will be submitted in writing to the company.
- C The insured will give the company all information and documents required by the company within a reasonable time.
- D The company is not liable for any claim for loss or damage that the insured could have prevented or reduced when the insured event occurred or afterwards.
- E If the company alleges that, for any reason, all or partial liability is not covered by this policy, the onus of proving to the contrary shall be upon the insured
- F Arising and/or resulting from and/or caused by:
- (1) Equipment that is not listed in the List of Equipment specified in the Schedule or Certificate of Insurance, or
 - (2) Equipment that is not owned and/or leased and/or rented by the insured, or
 - (3) The use and/or threat of force or violence by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or
 - (4) The use and/or threat of criminal and/or illegal actions by the insured and/or their employees and/or related parties and/or under the instruction of the insured and/or in their knowledge, or
 - (5) Any and all expenses resulting from the described in sub-sections (1), (2), (3), (4) above, including but not limited to: legal expenses, bonds, bail bonds.
- G The Insured shall have the right to notify the Company in writing of the cancellation of all claim notices at any time, thereby relieving the Company of all responsibility for said claims. It will not be possible after such notification to reinstate the claim at a later date, nor will the company assume responsibility for such a claim if it arises again at a later date.
- H If, after the period of insurance has terminated, the Insured requests a Clean Loss Record, the Insured will submit a written declaration that there are no claims outstanding, nor will there be any future claims made. In such cases, if a claim (or claims) does arise, the Company will not be held responsible, and the Insured will bear sole responsibility for such claims and/or events.
- 8 Calculating the compensation:
Any amount due to the insured under this policy for loss or damage covered under this policy will be calculated and paid according to the value of the insured property lost or damaged as was prior to the insured event, and not more than the sum insured stated in the Certificate of Insurance for that property. This condition does not reduce the scope of the under insurance clause.
- 9 Excess or deductible:
The amount specified as the excess or deductible in the schedule shall be borne by the Insured at their own risk and the Company's liability shall only be in excess of this amount for each and every event and claimant separately. This term applies to each and every Chapter of this policy, even though it is not explicitly written in all the wordings of all Chapters of this policy.
For amounts below the Excess/Deductible stated in the schedule. Further, the Company will not assume responsibility for amounts above the Excess/Deductible stated in the schedule until the Insured pays said Excess/Deductible to the Company.
- 10 Reinstating the sum insured:
The sum insured will be reduced by the amount of paid claim including the excess from the date of occurrence. At the request of the insured the sum insured will be reinstated, provided the insured pays the company the additional premium due from reinstatement date until the end of the period of insurance.

- 11 The right to offset:
 The company can deduct and offset from any payment due under a payable claim any and all amounts due from the insured to the company under this policy. In the event of total loss, the company will reduce from any amount payable to the insured the remaining unpaid premium for the entire period of insurance, even if such payment was not yet due.
- 12 The company's right to the utilization of the remains:
 If loss or damage occurs to the insured property, the company can:
- A Enter the insured premises where loss or damage occurred.
 - B Take possession of every property of the insured for which the insured is claiming reimbursement.
 - C Hold any such property, examine it, catalogue it, arrange it, transfer it, or handle it in any way for reasonable purposes or sell it or as the company wishes.
 - D If the insured or any person acting in the insured's name does not fulfill the requirements of the company, or disturbs or prevents the company from exercising its powers and rights, the company's liability will be reduced accordingly.
 - E All the aforesaid will not reduce from the company's right to be assisted with any of the policy terms and conditions in the company's claim against any event.
- 13 Reinstatement:
 The company can at its own discretion reinstate or replace the damage or destroyed property or part thereof, rather than pay the amount of loss or damage, or can share with other insurers doing so, though the company will not be obliged to reinstate accurately or fully, unless circumstances reasonably allow.
- 14 Subrogation:
- A If the insured, after an insured event, also has the right to claim compensation and/or damages against a third party not under insurance contract, this right shall pass to the company after the company pays the insured or other claimant up to the amount paid by the company.
 - B The company will not exercise such right in a manner that will harm the insured's right to claim any amount in excess of the amount subrogated by the company.
 - C If the insured receives from a third party any amount that the company may have become entitled to under this section, the insured will hand over to the company any and all such amounts. If the insured settled for, compromised, gave away any right or performed any act hurting the company's right of subrogation, the insured will compensate the company for such amounts and/or rights.
 - D This section will not become effective regarding a person that a reasonable insured would not sue for damages or compensation because of family relationship or employer-employee relationship.
- 15 Advance payments and non-controversial amounts:
 If damage occurs to the insured property under this policy resulting from one of the insured perils, the insured is eligible for an advance payment from the company, or a financial commitment that will enable the insured to receive service for repairing the damage, on account of the amounts the insured will become entitled to from the company subject to the terms and conditions of this policy.
 Such advance payment will be deducted from the final compensation paid to the insured.
- 16 Beneficiary other than the insured:
- A The insured stated in this policy can not affix a beneficiary other than himself to this policy, unless the company agrees to it in advance and in writing.
 - B If this policy has an affixed beneficiary other than the insured, and the insured has agreed with the company upon compensation, such agreement will be binding on the beneficiary as well.
- 17 Notices:
- A The insured will give notices to the company to the address of the company or to the address of the management agency signed on this policy &/or to the fax number stated in the policy.
 - B The company will give notices to the insured to the address stated in the Certificate of Insurance or to any other address known to the company as given to the company by the insured, including an electronic mail address (known as "e-mail").
- 19 Prohibition of admittance:
 No admittance and/or proposal and/or promise and/or commitment and/or compensation will be given and/or made by the insured and/or on the insured's' behalf without the prior written consent of the company. This section refers neither to giving details to the police not to testimony in criminal court.
- 20 Handling claims:

If the company accepts liability under this policy, the company, at its sole discretion, will take over and handle on the insured's behalf the defense against any claim and/or claim and demand and accept on the insured's behalf compensation, damages and/or participation in damage costs. The company will have full judgment as to the management of the claims and/or legal process and/or settlements of any claim, and the insured will give the company all information and assist in any way required pertaining the matters described in this section.

- 21 Cooperation:
The insured and/or the beneficiary will give the company within a reasonable time after being asked to do so, all information and documents required for considering the company's liability, and if same are not in their possession, they will assist the company to obtain same.
- A If this requirement is not fulfilled on time, and its fulfillment could enable the company to reduce its liability, the company will be liable up to the state it would have been liable if such duty was fulfilled. This section is not valid in the following events:
- (1) The insured fulfills this duty at a later date due to justified reasons.
 - (2) The failure to fulfill such duty did not prevent the company from considering the company's liability and was not a burden.
- B If the insured intentionally did anything which could prevent the company from considering its liability or put a burden on the company or gave false information or concealed information, the company will not be liable under this policy.
- 21 Measures for reduction of risk:
The insured will take all measures to minimize the insured risk under this policy, as the company will notify the insured in writing from time to time during the period of insurance, and within the time set in the company's notices, or detailed in the policy.
The insured must ensure that their personnel are reliable, and take any precaution to prevent accidents and delinquencies, and follow any law, and preserve a reasonable level of maintenance of the insured property and location.
If any building insured under this policy is being reconstructed, repaired or renovated for over 30 days, the insured will notify the company in writing.
- 22 Territorial scope:
The territorial scope of this policy will be that stated in the Certificate of Insurance.
- 23 Jurisdiction:
- A All disputes and/or claims under this policy will be set in an appropriate court of law in the United Kingdom and according to English Law, unless explicitly agreed and stated otherwise in the Certificate of Insurance.
- B The company will not be obligated by court rulings against the insured by any other courts than described above, unless otherwise agreed by the company in writing.
- 24 Basis of insurance:
The sum insured or the sums stated in the Certificate of Insurance of this policy are not agreed amounts. The sum insured is the maximum amount of compensation for an insured event – subject to all terms and conditions and limitations of this policy.