BUSINESS GUARD POLICY WORDING

PROPERTY DAMAGE

A. 1. PROPERTY INSURED

This Policy insures the following property, unless otherwise excluded elsewhere in this Policy, located at an **insured location** or within 1,000 feet/300 metres thereof, to the extent of the interest of the Insured in such property.

A. Real Property, including new buildings and additions under construction, in which the Insured has an insurable interest.

B. Personal Property:

1) owned by the Insured.

2) consisting of the Insured's interest as a tenant in improvements and betterments. In the event of physical loss or damage, the Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.

3) of officers and employees of the Insured.

4) of others in the Insured's custody to the extent the Insured is under obligation to keep insured for physical loss or damage insured by this Policy.

5) of others in the Insured's custody to the extent of the Insured's legal liability for insured physical loss or damage to Personal Property. The Company will defend that portion of any suit against the Insured that alleges such liability and seeks damages for such insured physical loss or damage. The Company may, without prejudice, investigate, negotiate and settle any claim or suit as the Company deems expedient.

This Policy also insures the interest of contractors and subcontractors in insured property during construction at an **insured location** or within 1,000 feet/300 metres thereof, to the extent of the Insured's legal liability for insured physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this Policy.

B. 2. PROPERTY EXCLUDED

The following exclusions apply unless otherwise stated in this Policy:

This Policy excludes:

A. currency, money, notes or securities.

B. precious metal in bullion form.

C. land and any substance in or on land. However, this exclusion does not apply to:

1) landscape gardening.

2) car parks, parking lots, pavement, roadways, railways, transformer enclosures or walkways.

3) fill beneath car parks, parking lots, pavement, roadways, railways, transformer enclosures, walkways, or buildings and structures.

D. water. However, this exclusion does not apply to:

1) water that is contained within any enclosed tank, piping system or any other processing equipment.

E. animals, standing timber or growing crops.

F. watercraft or aircraft, except when unfueled and manufactured by the Insured.

G. vehicles of officers or employees of the Insured or vehicles otherwise insured for physical loss or damage.

H. underground mines or mine shafts or any property within such mine or shaft.

I. dams or dikes.

J. property in transit, except as otherwise provided by this Policy.

K. property sold by the Insured under conditional sale, trust agreement, instalment plan or other deferred payment plan after delivery to customers.

L. electronic data, programs or software, except when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured, or as otherwise provided by the DATA, PROGRAMS OR SOFTWARE coverage of this Policy.

C. 3. EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply unless otherwise stated:

A. This Policy excludes:

1) indirect or remote loss or damage.

2) interruption of business, except to the extent provided by this Policy.

3) loss of market or loss of use, except to the extent provided by this Policy.

4) loss or damage or deterioration arising from any delay.

5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.

6) loss from enforcement of any law or ordinance:

a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or

b) requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DECONTAMINATION COSTS and DEMOLITION AND INCREASED COST OF CONSTRUCTION coverages of this Policy.

7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

1) nuclear reaction or nuclear radiation or radioactive contamination. However:

a) if physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.

b) this Policy does insure physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the **insured location**, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the **insured location**. This coverage does not apply to any act, loss or damage excluded in item B2f of this EXCLUSIONS clause.

This exclusion B1 and the exceptions in B1a and B1b do not apply to any act, loss or damage which also comes within the terms of exclusion B2b of this EXCLUSIONS clause.

2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:

(i) government or sovereign power (de jure or de facto);

(ii) military, naval or air force; or

(iii) agent or authority of any party specified in i or ii above.

b) discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.

c) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

d) seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

e) risks of contraband, or illegal transportation or trade.

f) **terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.

Any act which satisfies the definition of **terrorism** shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in this Policy.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2a of this EXCLUSIONS clause then item B2a applies in place of this item B2f exclusion.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2b of this EXCLUSIONS clause then item B2b applies in place of this item B2f exclusion.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2c of this EXCLUSIONS clause then item B2c applies in place of this item B2f exclusion.

If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this item B2f exclusion applies in place of item B1 of this EXCLUSIONS clause.

3) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:

a) by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured; or

b) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an Insured to do anything in connection with property insured under this Policy.

This Policy does insure acts of direct insured physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured. This coverage does not apply to any act excluded in B2f of this EXCLUSIONS clause. In no event does this Policy cover loss by theft by any individual specified in a or b above.

4) lack of the following services:

a) incoming electricity, fuel, water, gas, steam or refrigerant;

b) outgoing sewerage;

c) incoming or outgoing voice, data or video,

all when caused by an event off the **insured location**, except as provided in the SERVICE INTERRUPTION coverages of this Policy. But, if the lack of such a service directly causes insured physical damage on the **insured location**, then only that resulting damage is insured.

C. This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:

1) faulty workmanship, material, construction or design from any cause.

2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

4) settling, cracking, shrinking, bulging, or expansion of:

a) foundations (including any pedestal, pad, platform or other property supporting machinery).

b) floors.

c) pavements.

d) walls.

e) ceilings.

f) roofs.

5) a) changes of temperature damage (except to machinery or equipment); or

b) changes in relative humidity damage,

all whether atmospheric or not.

6) insect, animal or vermin damage.

7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.

D. This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:

1) **contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy. If **contamination** due only to the actual not suspected presence of **contaminant(s)** directly results from other physical damage not excluded by this Policy, then only physical damage caused by such **contamination** may be insured. This exclusion D1 does not apply to radioactive contamination which is excluded elsewhere in this Policy.

2) shrinkage.

3) changes in colour, flavour, texture or finish.

D. 4. APPLICATION OF POLICY TO DATE OR TIME RECOGNITION

With respect to situations caused by any **date or time recognition** problem by **electronic data processing equipment or media** (such as the so-called Year 2000 problem), this Policy applies as follows.

A. This Policy does not pay for remediation, change, correction, repair or assessment of any **date or time recognition** problem, including the Year 2000 problem, in any **electronic data processing equipment or media**, whether preventative or remedial, and whether before or after a loss, including temporary protection and preservation of property. This Policy does not pay for any TIME ELEMENT loss resulting from the foregoing remediation, change, correction, repair or assessment.

B. Failure of **electronic data processing equipment or media** to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000, is not insured physical loss or damage. This Policy does not pay for any such incident or for any TIME ELEMENT loss resulting from any such incident.

Subject to all of its terms and conditions, this Policy does pay for physical loss or damage not excluded by this Policy that results from a failure of **electronic data processing equipment or media** to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000. Such covered resulting physical loss or damage does not include any loss, cost or expense described in A or B above. If such covered resulting physical loss or damage happens, and if this Policy provides TIME ELEMENT coverage, then, subject to all of its terms and conditions, this Policy also covers any insured Time Element loss directly resulting therefrom.

E. 5. VALUATION

Adjustment of the physical loss amount under this Policy will be computed as of the date of loss at the place of the loss, and for no more than the interest of the Insured.

Unless stated otherwise in an Additional Coverage, adjustment of physical loss to property will be subject to the following:

A. On stock in process, the value of raw materials and labour expended plus the proper proportion of overhead charges.

B. On finished goods manufactured by the Insured, the regular cash selling price, less all discounts and charges to which the finished goods would have been subject had no loss happened.

C. On raw materials, supplies or other merchandise not manufactured by the Insured:

1) if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or

2) if not repaired or replaced, the **actual cash value**.

D. On exposed films, records, manuscripts and drawings that are not **valuable papers and records**, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.

E. On all other property, the lesser of the following:

1) The cost to repair.

2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.

3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.

4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.

5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.

6) The increased cost of demolition, if any, directly resulting from insured loss, if such property is scheduled for demolition.

7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the Insured's expense.

8) The **actual cash value** if such property is:

a) useless to the Insured; or

b) not repaired, replaced or rebuilt on the same or another site within two years from the date of loss, unless such time is extended by the Company.

The Insured may elect not to repair or replace the insured real or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the Insured's operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an **insured location** under this Policy. This item does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION.

F. 6. ADDITIONAL COVERAGES

This Policy includes the following Additional Coverages for insured physical loss or damage.

These Additional Coverages:

1) are subject to the applicable limit of liability;

2) will not increase the Policy limit of liability; and

3) are subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section, in the endorsements attached to this Policy and elsewhere in this Policy.

F.1. A. ACCIDENTAL INTERRUPTION OF SERVICES

This Policy covers physical damage resulting from changes in temperature or relative humidity to insured property at an **insured location** or as MISCELLANEOUS PERSONAL PROPERTY when such changes in temperature or relative humidity result from the interruption of services consisting of electricity, gas, fuel, steam, water or refrigeration by reason of any accidental event, other than insured physical loss or damage, at the **insured location**.

This Additional Coverage will apply when the period of service interruption as described below is in excess of 24 hours.

The period of service interruption is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored.

F.2. B. AUTOMATIC COVERAGE

This Policy covers insured physical loss or damage to insured property at any **location** purchased, leased or rented by the Insured after the inception date of this Policy.

This Additional Coverage applies:

1) from the date of purchase, lease or rental,

2) until the first of the following:

   a) the **location** is bound by the Company.

   b) agreement is reached that the **location** will not be insured under this Policy.

   c) the time limit shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section has been reached. The time limit begins on the date of purchase, lease or rental.

F.3. C. BRANDS AND LABELS

If branded or labeled insured property is physically damaged and the Company elects to take all or any part of that property, the Insured may at the Company's expense:

1) stamp "salvage" on the property or its containers; or

2) remove or obliterate the brands or labels,

if doing so will not damage the property.

The Insured must relabel such property or its containers to be in compliance with any applicable law.

F.4. D. CLAIMS PREPARATION COSTS

This Policy covers the actual costs incurred by the Insured:

1) of reasonable fees payable to the Insured's: accountants, architects, auditors, engineers, or other professionals; and

2) the cost of using the Insured's employees,

for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Company resulting from insured loss payable under this Policy for which the Company has accepted liability.

This Additional Coverage will not cover the fees and costs of:

1) attorneys, public adjusters, and loss arbitrators, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them,

2) loss consultants who provide consultation on coverage or negotiate claims.

This Additional Coverage is subject to the deductible that applies to the loss.

F.5. E. CONSEQUENTIAL REDUCTION IN VALUE

This Policy covers the reduction in value of insured merchandise that is a part of pairs, sets, or components, directly resulting from insured physical loss or damage to other insured parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such merchandise to the Company.

F.6. F. CONTROL OF DAMAGED PROPERTY

This Policy gives control of physically damaged property consisting of finished goods manufactured by or for the Insured as follows:

1) the Insured will have full rights to the possession and control of damaged property in the event of insured physical damage to such property provided proper testing is done to show which property is physically damaged.

2) the Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.

3) property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.

4) any salvage proceeds received will go to the:

   a) Company at the time of loss settlement; or

   b) Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

F.7. **G. DATA, PROGRAMS OR SOFTWARE**

This Policy covers insured **physical loss or damage to electronic data, programs or software**, including physical loss or damage caused by the malicious introduction of a machine code or instruction, while anywhere within this Policy's TERRITORY, including while in transit.

With respect to destruction, distortion or corruption caused by the malicious introduction of machine code or instruction, this Additional Coverage will apply when the Period of Liability is in excess of 48 hours.

This Additional Coverage also covers:

1) the cost of the following reasonable and necessary actions taken by the Insured provided such actions are taken due to actual insured **physical loss or damage to electronic data, programs or software**:

   a) actions to temporarily protect and preserve insured electronic data, programs or software.

   b) actions taken for the temporary repair of insured **physical loss or damage to electronic data, programs or software**.

   c) actions taken to expedite the permanent repair or replacement of such damaged property.

2) the reasonable and necessary costs incurred by the Insured to temporarily protect or preserve insured electronic data, programs or software against immediately impending insured **physical loss or damage to electronic data, programs or software**. In the event that there is no physical loss or damage, the costs covered under this item will be subject to the deductible that would have applied had there been such physical loss or damage.

Costs recoverable under this Additional Coverage are excluded from coverage elsewhere in this Policy.

This Additional Coverage excludes loss or damage to data, programs or software when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured.

DATA, PROGRAMS OR SOFTWARE Exclusions: As respects DATA, PROGRAMS OR SOFTWARE, the following applies:

1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1, A2, A6, B1, B2, B3a and B4.

2) the following additional exclusions apply:

   This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:

   a) errors or omissions in processing or copying.

   b) loss or damage to data, programs or software from errors or omissions in programming or machine instructions.

   c) deterioration, inherent vice, vermin or wear and tear.

DATA, PROGRAMS OR SOFTWARE Valuation: On property covered under this Additional Coverage the loss amount will not exceed:

1) the cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;

2) if not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

F.8. H. DEBRIS REMOVAL

This Policy covers the reasonable and necessary costs incurred to remove debris from an **insured location** that remains as a direct result of insured physical loss or damage.

This Additional Coverage does not cover the costs of removal of:

1) contaminated uninsured property; or

2) the **contaminant** in or on uninsured property,

whether or not the **contamination** results from insured physical loss or damage. This Additional Coverage covers the costs of removal of contaminated insured property or the **contaminant** in or on insured property only if the **contamination**, due to the actual not suspected presence of **contaminant(s)**, of the debris resulted directly from other physical damage not excluded by the Policy.

F.9. I. DECONTAMINATION COSTS

If insured property is contaminated as a direct result of insured physical damage and there is in force at the time of the loss any law or ordinance regulating **contamination** due to the actual not suspected presence of **contaminant(s)**, then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of insured property so contaminated due to the actual not suspected presence of **contaminant(s)** as a direct result of insured physical damage.

The Company is not liable for the costs required for removing contaminated uninsured property or the **contaminant** therein or thereon, whether or not the **contamination** results from an insured event.

F.10. J. DEMOLITION AND INCREASED COST OF CONSTRUCTION

1) This Policy covers the reasonable and necessary costs incurred, described in item 2 below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings, structures, machinery or equipment at an **insured location**, provided:

   a) such law or ordinance is in force on the date of insured physical loss or damage;

   b) its enforcement is a direct result of such insured physical loss or damage; and

c) the Insured was not legally obligated to comply with such law or ordinance prior to the happening of the insured physical loss or damage.

2) This Additional Coverage, as respects the property insured in item 1 above, covers:

a) the cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and

b) the cost:

(i) to demolish the physically undamaged portion of such property insured; and

(ii) to rebuild it with materials and in a manner to satisfy such law or ordinance,

to the extent that such costs incurred result when the demolition of the physically damaged insured property is required to satisfy such law or ordinance.

3) This Additional Coverage excludes:

a) any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of **contamination**.

b) any machinery or equipment manufactured by or for the Insured, unless used by the Insured in its operation at the **location** suffering the physical loss or damage.

4) The Company's maximum liability for this Additional Coverage at each **insured location** in any **occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured in item 1 above plus the lesser of:

a) the reasonable and necessary actual cost incurred, excluding the cost of land, in rebuilding on another site; or

b) the cost of rebuilding on the same site.

F.11. K. ERRORS AND OMISSIONS

If physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

1) in the description of where insured property is physically located;

2) to include any **location**:

a) owned, leased or rented by the Insured on the effective date of this Policy; or

b) purchased, leased or rented by the Insured during the term of this Policy; or

3) that results in cancellation of the property insured under this Policy;

this Policy covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the Insured to the Company when discovered and corrected.

F.12. L. EXPEDITING COSTS

This Policy covers the reasonable and necessary costs incurred:

1) for the temporary repair of insured physical damage to insured property;

2) for the temporary replacement of insured equipment suffering insured physical damage; and

3) to expedite the permanent repair or replacement of such damaged property.

This Additional Coverage does not cover costs recoverable elsewhere in this Policy, including the cost of permanent repair or replacement of damaged property.

F.13. M. FINE ARTS AND VALUABLE PAPERS AND RECORDS

This Policy covers insured physical loss or damage to **fine arts** and **valuable papers and records** while anywhere within this Policy's TERRITORY, including while in transit.

FINE ARTS AND VALUABLE PAPERS AND RECORDS Exclusions: As respects FINE ARTS AND VALUABLE PAPERS AND RECORDS, the following applies:

1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1, A2, A6, A7, B1, B2, B3a and B4.

2) the following additional exclusions apply:

This Policy excludes:

a) **irreplaceable** property unless such property is specifically declared to the Company.

b) currency, money, securities.

c) errors or omissions in processing or copying of **valuable papers and records**, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured.

d) deterioration, inherent vice or wear and tear, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured.

e) fungus, mould or mildew unless directly resulting from other physical damage not excluded by this Policy.

f) loss or damage to **fine arts** from any repairing, restoration or retouching process.

FINE ARTS AND VALUABLE PAPERS AND RECORDS Valuation: On property covered under this Additional Coverage the loss amount will not exceed the lesser of the following:

1) the cost to repair or restore such property to the physical condition that existed on the date of loss.

2) the cost to replace.

3) the value, if any, designated for the item on the schedule on file with the Company.

If a **fine arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Company will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The Insured agrees to surrender the pair or set to the Company.

F.14. N. LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of the actual not suspected presence of **contaminant(s)** from uninsured property consisting of land, water or any other substance in or on land at the **insured location** if the release, discharge or dispersal of such **contaminant(s)** is a direct result of insured physical loss or damage to insured property.

This Policy does not cover the cost to cleanup, remove and dispose of **contamination** from such property:

1) at any **location** insured for Personal Property only.

2) at any property insured under AUTOMATIC COVERAGE, ERRORS AND OMISSIONS or **miscellaneous unnamed location** coverage provided by this Policy.

3) when the Insured fails to give written notice of loss to the Company within 180 days after inception of the loss.

F.15. O. LOSS PAYMENT INCREASED TAX LIABILITY

This Policy covers the increase in tax liability as described herein incurred by the Insured.

Coverage A:

The increase in tax liability from an insured loss at an **insured location** if the tax treatment of:

1) the profit portion of a loss payment under this Policy involving finished stock manufactured by the Insured; and/or

2) the profit portion of a TIME ELEMENT loss payment under this Policy;

is greater than the tax treatment of profits that would have been incurred had no loss happened.

F.16. P. MACHINERY OR EQUIPMENT STARTUP OPTION

After insured machinery or equipment that has sustained insured physical loss or damage is repaired or replaced and such machinery or equipment is undergoing startup, the following applies:

If physical loss or damage of the type insured directly results to such machinery or equipment from such startup, the Insured shall have the option of claiming such resulting insured damage as part of the original event of physical loss or damage or as a separate **occurrence**.

This Additional Coverage applies only:

1) to the first startup event after the original repair or replacement; and

2) when the first startup event happens during the term of this Policy or its renewal issued by the Company.

For the purposes of this Additional Coverage, startup means:

1) the introduction into machinery or equipment of feedstock or other materials for processing or handling;

2) the commencement of fuel or energy supply to machinery or equipment.

F.17. Q. MISCELLANEOUS PERSONAL PROPERTY

This Policy covers insured physical loss or damage to personal property of the type insured:

1) owned by the Insured; or

2) property of others in the Insured's custody, to the extent the Insured is under obligation to keep insured for physical loss or damage insured under this Policy,

at any **location** within this Policy's TERRITORY.

This Additional Coverage excludes property covered elsewhere in this Policy.

F.18. R. OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

This Policy covers insured physical loss or damage to property of the type insured that is under contract to be used in a construction project at an **insured location**:

1) from the time such property is delivered to the Insured or their contractor (with respect to the property under construction) by the manufacturer or supplier,

2) while such property is located at a storage site, and

3) while such property is in transit from a storage site to another storage site or to a construction project at an **insured location**,

all while within this Policy's TERRITORY but away from the **insured location**.

This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.

OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION Exclusions: As respects OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION, the following additional exclusions apply:

1) As respects property in transit, the TRANSPORTATION Exclusions clause of the TRANSPORTATION coverage applies.

F.19. S. OPERATIONAL TESTING

This Policy covers insured physical loss or damage to insured property during the **period of operational testing**.

This Additional Coverage excludes property, including stock or material, manufactured or processed by the Insured.

F.20. T. PERSONAL PROPERTY NOT AT A LOCATION

This Policy covers insured physical loss or damage to personal property of the type insured:

1) owned by the Insured; or

2) property of others in the Insured's custody, to the extent the Insured is under obligation to keep insured for physical loss or damage insured under this Policy,

not at a **location** while anywhere within this Policy's TERRITORY, including while in transit.

PERSONAL PROPERTY NOT AT A LOCATION Exclusions: As respects PERSONAL PROPERTY NOT AT A LOCATION, the following additional exclusions apply:

1) This Policy excludes:

a) **transmission and distribution systems**.

b) property while located **off-shore**.

c) property insured under import or export ocean marine insurance.

d) property shipped between continents.

e) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

f) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.

F.21. U. PROTECTION AND PRESERVATION OF PROPERTY

This Policy covers:

1) reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property; provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.

2) reasonable and necessary:

a) fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the insured property.

b) costs incurred of restoring and recharging fire protection systems following an insured loss.

c) costs incurred for the water used for fighting a fire in, on or exposing the insured property.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage happened.

F.22. V. SERVICE INTERRUPTION PROPERTY DAMAGE

This Policy covers insured physical loss or damage to insured property at an **insured location** or as MISCELLANEOUS PERSONAL PROPERTY when such physical loss or damage results from the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.

This Additional Coverage will apply when the period of service interruption as described below is in excess of 24 hours.

The period of service interruption is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored.

Additional General Provisions:

1) The Insured will immediately notify the suppliers of services of any interruption of such services.

2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

SERVICE INTERRUPTION PROPERTY DAMAGE Exclusions: As respects SERVICE INTERRUPTION PROPERTY DAMAGE, the following applies:

1) The exclusions in the EXCLUSIONS clause in this section do not apply except for:

   a) A1, A2, A3, A6, B1, B2, and

   b) B4 with respect to incoming or outgoing voice, data or video, and

   c) D1 except with respect to fungus, mould or mildew.

F.23. W. TEMPORARY REMOVAL OF PROPERTY

When insured property is removed from an **insured location** for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, this Policy covers such property:

1) while at the premises to which such property has been moved; and

2) for physical loss or damage as provided at the **insured location** from which such property was removed.

This Additional Coverage does not apply to property:

1) insured, in whole or in part, elsewhere in this Policy.

2) insured, in whole or in part, by any other insurance policy.

3) removed for normal storage, processing or preparation for sale or delivery.

F.24. X. TRANSPORTATION

This Policy covers the following personal property, except as excluded by this Policy, while in transit within the TERRITORY of this Policy:

1) owned by the Insured.

2) shipped to customers under F.O.B., C & F or similar terms. The Insured's contingent interest in such shipments is admitted.

3) of others in the actual or constructive custody of the Insured to the extent of the Insured's interest or legal liability.

4) of others sold by the Insured, that the Insured has agreed prior to the loss to insure during course of delivery including:

   a) when shipped by the Insured's direct contract service provider or by the Insured's direct contract manufacturer to the Insured or to the Insured's customer.

   b) when shipped by the Insured's customer to the Insured or to the Insured's contract service provider or to the Insured's contract manufacturer.

Coverage Attachment and Duration:

1) This Additional Coverage covers from the time the property leaves the original point of shipment for transit until the property arrives at the destination.

2) However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

This Additional Coverage:

1) covers general average and salvage charges on shipments covered while waterborne.

2) insures physical loss or damage caused by or resulting from:

   a) unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.

   b) improper parties having gained possession of property through fraud or deceit.

Additional General Provisions:

1) This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or bailee.

2) The Insured has permission, without prejudicing this insurance, to accept:

   a) ordinary bills of lading used by carriers;

   b) released bills of lading;

   c) undervalued bills of lading; and

   d) shipping or messenger receipts.

3) The Insured may waive subrogation against railroads under side track agreements.

Except as otherwise stated, the Insured will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

TRANSPORTATION Exclusions: As respects TRANSPORTATION, the following applies:

1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1 through A4, B1 through B4, C1, C3, C5, C6, D1 through D3.

2) the following additional exclusions apply:

This Policy excludes:

a) samples in the custody of salespeople or selling agents.

b) property insured under import or export ocean marine insurance.

c) waterborne shipments, unless:

(i) by inland water; or

(ii) by coastal shipments.

d) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

e) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.

f) any transporting vehicle.

TRANSPORTATION Valuation: On property covered under this Additional Coverage the loss amount will not exceed:

1) Property shipped to or for the account of the Insured will be valued at actual invoice to the Insured. Included in the value are accrued costs and charges legally due. Charges may include the Insured's commission as selling agent.

2) Property sold by the Insured and shipped to or for the purchaser's account will be valued at the Insured's selling invoice amount. Prepaid or advanced freight costs are included.

3) Property not under invoice will be valued:

a) for property of the Insured, at the valuation provisions of this Policy applying at the place from which the property is being transported; or

b) for other property, at the actual cash market value at the destination point on the date of loss,

less any charges saved which would have become due and payable upon arrival at destination.

TIME ELEMENT

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGE EXTENSIONS of this section of the Policy:

A. is subject to the applicable limit of liability that applies to the insured physical loss or damage but in no event for more than any limit of liability that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGE EXTENSION; and

B. will not increase the Policy limit of liability; and

C. is subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section and elsewhere in this Policy.

G. 1. LOSS INSURED

A. This Policy insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured:

1) to property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the TIME ELEMENT COVERAGES below or in endorsements attached to this Policy;

2) used by the Insured, or for which the Insured has contracted use;

3) while at an **insured location** or within 1,000 feet/300 metres of it, or as provided as TEMPORARY REMOVAL OF PROPERTY, OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION or PERSONAL PROPERTY NOT AT A LOCATION; or

4) while at a MISCELLANEOUS PERSONAL PROPERTY **location** and such **location** is not a **contingent time element location**; or

5) while in transit as provided by this Policy, and

6) during the Periods of Liability described in this section.

B. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:

1) the use of any property or service owned or controlled by the Insured;

2) the use of any property or service obtainable from other sources;

3) working extra time or overtime; or

4) the use of inventory,

all whether at an **insured location** or at any other premises. The Company reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary companies of the Insured in determining the TIME ELEMENT loss.

C. This Policy covers expenses reasonably and necessarily incurred by the Insured to reduce the loss otherwise payable under this section of this Policy. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.

D. In determining the amount of loss payable, the Company will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY. The probable experience will consider any increase or decrease in demand for the Insured's goods or services during the PERIOD OF LIABILITY, even if such increase or decrease is from the same event that caused physical loss or damage starting the PERIOD OF LIABILITY.

H. 2. TIME ELEMENT COVERAGES

H.1. A. INSURED OPTION

The Insured has the option to make claim based on either

a) GROSS EARNINGS and EXTENDED PERIOD OF LIABILITY; or

b) GROSS PROFIT,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in the SETTLEMENT OF CLAIMS clause in the LOSS ADJUSTMENT AND SETTLEMENT section of this Policy.

If such claim involves more than one **insured location**, including interdependency at one or more **insured locations**, such claim will be adjusted by using the single coverage option chosen above.

H.2. B. GROSS EARNINGS

Measurement of Loss:

1) The recoverable GROSS EARNINGS loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:

   a) Gross Earnings;

   b) less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;

   c) plus all other earnings derived from the operation of the business.

2) For the purposes of the Measurement of Loss, Gross Earnings is:

   for manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or

   for mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the Insured.

   Any amount recovered under property damage coverage at selling price will be considered to have been sold to the Insured's regular customers and will be credited against net sales.

3) In determining the indemnity payable as the Actual Loss Sustained, the Company will consider the continuation of only those normal charges and expenses that would have been earned had there been no interruption of production or suspension of business operations or services.

4) There is recovery hereunder to the extent that the Insured is:

   a) wholly or partially prevented from producing goods or continuing business operations or services;

b) unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;

c) unable to continue such operations or services during the PERIOD OF LIABILITY; and

d) able to demonstrate a loss of sales for the operations, services or production prevented.

H.3. C. GROSS PROFIT

Measurement of Loss:

1) The recoverable GROSS PROFIT loss is the Actual Loss Sustained by the Insured of the following due to the necessary interruption of business during the PERIOD OF LIABILITY: a) Reduction in Sales and b) Increase in Cost of Doing Business. The amount payable as indemnity hereunder will be:

a) with respect to Reduction in Sales: The sum produced by applying the Rate of Gross Profit to the amount by which the sales during the PERIOD OF LIABILITY will fall short of the Standard Sales. In determining the Reduction in Sales, any amount recovered under property damage coverage at selling price will be credited against lost sales.

b) with respect to Increase in Cost of Doing Business:

(i) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in sales which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but

(ii) not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

all less any sum saved during the PERIOD OF LIABILITY with respect to such of the Insured Fixed Charges as may cease or be reduced because of such interruption of business.

2) For the purposes of the Measurement of Loss:

Gross Profit is:

The amount produced by adding to the Net Profit the amount of the Insured Fixed Charges, or if there be no Net Profit the amount of the Insured Fixed Charges less that proportion of any loss from business operations as the amount of the Insured Fixed Charges bears to all fixed charges.

Net Profit is:

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from the business of the Insured at the **insured locations** after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

Insured Fixed Charges is:

All fixed charges unless specifically excluded herein.

Sales is:

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the conduct of the business at an **insured location**.

Rate of Gross Profit is:

The rate of Gross Profit earned on the sales during the twelve full calendar months immediately before the date of the physical loss or damage to the described property.

Standard Sales is:

The sales during that period in the twelve months immediately before the date of the physical loss or damage to the described property which corresponds with the PERIOD OF LIABILITY.

3) In determining the indemnity payable as the Actual Loss Sustained:

a) if any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as Increase in Cost of Doing Business, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the Net Profit and the Insured Fixed Charges bears to the sum of the Net Profit and all the fixed charges.

b) if during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the **insured locations** for the benefit of the business, either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such sales or services will be included in arriving at the amount of sales during the PERIOD OF LIABILITY.

4) The Insured will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are necessary and reasonable to minimize the loss payable hereunder.

GROSS PROFIT Exclusions: As respects GROSS PROFIT, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or noncompletion of orders, or fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.

Coverage under GROSS PROFIT for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the PERIOD OF LIABILITY.

H.4. D. EXTRA EXPENSE

Measurement of Loss:

The recoverable EXTRA EXPENSE loss will be the reasonable and necessary extra costs incurred by the Insured of the following during the PERIOD OF LIABILITY:

1) extra expenses to temporarily continue as nearly **normal** as practicable the conduct of the Insured's business; and

2) extra costs of temporarily using property or facilities of the Insured or others,

less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

If the Insured makes claim in accordance with the terms and conditions of the INSURED OPTION clause, the PERIOD OF LIABILITY for EXTRA EXPENSE coverage will be the PERIOD OF LIABILITY applicable to the Time Element coverage option selected.

EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following additional exclusions apply:

This Policy does not insure:

1) any loss of income.

2) costs that usually would have been incurred in conducting the business during the same period had no physical loss or damage happened.

3) costs of permanent repair or replacement of property that has been damaged or destroyed.

4) any expense recoverable elsewhere in this Policy.

I. 3. PERIOD OF LIABILITY

A. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except GROSS PROFIT and as shown below or if otherwise provided under any TIME ELEMENT COVERAGE EXTENSION, and subject to any Time Limit provided in the LIMITS OF LIABILITY clause in the DECLARATIONS section, is as follows:

1) For building and equipment, the period:

a) starting from the time of physical loss or damage of the type insured; and

b) ending when with due diligence and dispatch the building and equipment could be:

(i) repaired or replaced; and

(ii) made ready for operations,

under the same or equivalent physical and operating conditions that existed prior to the damage.

c) not to be limited by the expiration of this Policy.

2) For building and equipment under construction:

a) the equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and

b) due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

3) For stock-in-process and mercantile stock, including finished goods not manufactured by the Insured, the time required with the exercise of due diligence and dispatch:

a) to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and

b) to replace physically damaged mercantile stock.

4) For raw materials and supplies, the period of time:

a) of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

b) limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

5) If water:

a) used for any manufacturing purpose, including but not limited to as a raw material or for power;

b) stored behind dams or in reservoirs; and

c) on any **insured location**,

is released as the result of physical damage of the type insured to such dam, reservoir or connected equipment, the Company's liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

6) For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

7) For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

B. The PERIOD OF LIABILITY applying to GROSS PROFIT is as follows:

1) The period:

a) starting from the time of physical loss or damage of the type insured; and

b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.

c) not to be limited by the expiration of this Policy.

2) For property under construction, the period:

a) starting on the date that production, business operation or service would have commenced if physical damage of the type insured had not happened; and

b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.

c) not to be limited by the expiration of this Policy.

The Rate of Gross Profit and Standard Sales will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

C. The PERIOD OF LIABILITY does not include any additional time due to the Insured's inability to resume operations for any reason, including but not limited to:

1) making changes to the buildings, structures, machinery or equipment except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section.

2) restaffing or retraining employees.

If two or more Periods of Liability apply such periods will not be cumulative.

J. 4. TIME ELEMENT EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure:

A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

1) physical loss or damage not insured by this Policy on or off of the **insured location**.

2) planned or rescheduled shutdown.

3) strikes or other work stoppage.

4) any other reason other than physical loss or damage insured under this Policy.

B. Any increase in loss due to:

1) suspension, cancellation or lapse of any lease, contract, license or orders.

2) damages for breach of contract or for late or noncompletion of orders.

3) fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.

4) any other consequential or remote loss.

C. Any loss resulting from physical loss or damage to finished goods manufactured by the Insured, or the time required for their reproduction.

K. 5. TIME ELEMENT COVERAGE EXTENSIONS

This Policy also insures TIME ELEMENT loss, as provided by the TIME ELEMENT COVERAGES of this Policy, for the TIME ELEMENT COVERAGE EXTENSIONS described below.

SUPPLY CHAIN TIME ELEMENT COVERAGE EXTENSIONS

K.1. A. CIVIL OR MILITARY AUTHORITY

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY if an order of civil or military authority prohibits access to the **insured location** provided such order is the direct result of physical damage of the type insured at the **insured location** or within five statute miles/eight kilometres of it.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

1) starting at the time of such physical damage; but

2) not to exceed the time limit shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section,

this period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

K.2. B. CONTINGENT TIME ELEMENT EXTENDED

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to property of the type insured at **contingent time element locations** located within the TERRITORY of this Policy.

As respects CONTINGENT TIME ELEMENT EXTENDED:

1) Time Element loss recoverable under this Extension is extended to include the following TIME ELEMENT COVERAGE EXTENSIONS:

CIVIL OR MILITARY AUTHORITY

CONTINGENT TIME ELEMENT EXTENDED

DELAY IN STARTUP

EXTENDED PERIOD OF LIABILITY

INGRESS/EGRESS

ON PREMISES SERVICES

SERVICE INTERRUPTION TIME ELEMENT

2) The Insured will influence and cooperate with the **contingent time element location** in every way and take any reasonable and necessary action to mitigate the loss payable hereunder.

3) TIME ELEMENT EXCLUSIONS C does not apply.

CONTINGENT TIME ELEMENT EXTENDED Exclusions: As respects CONTINGENT TIME ELEMENT EXTENDED, the following additional exclusions apply:

This Policy does not insure loss resulting from:

1) lack of incoming or outgoing transmission of voice, data or video.

K.3. C. INGRESS/EGRESS

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured due to the necessary interruption of the Insured's business due to partial or total physical prevention of ingress to or egress from an **insured location**, whether or not the premises or property of the Insured is damaged, provided that such prevention is a direct result of physical damage of the type insured to property of the type insured.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following additional exclusions apply:

This Policy does not insure loss resulting from:

1) lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video.

2) picketing or other action by strikers except for physical damage not excluded by this Policy.

This Policy does not provide coverage under this Extension for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

K.4. D. SERVICE INTERRUPTION TIME ELEMENT

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the period of service interruption at **insured locations** when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.

This Extension will apply when the period of service interruption is in excess of 24 hours.

Additional General Provisions:

1) The Insured will immediately notify the suppliers of services of any interruption of such services.

2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

SERVICE INTERRUPTION TIME ELEMENT Exclusions: As respects SERVICE INTERRUPTION TIME ELEMENT, the following applies:

1) The exclusions in the EXCLUSIONS clause in the PROPERTY DAMAGE section do not apply except for:

   a) A1, A2, A3, A6, B1, B2, and

   b) B4 with respect to incoming or outgoing voice, data or video, and

   c) D1 except with respect to fungus, mould or mildew.

As used above, the period of service interruption:

1) is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.

2) is limited to only those hours during which the Insured would or could have used service(s) if it had been available.

3) does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

K.5. A. COMPUTER SYSTEMS NON PHYSICAL DAMAGE

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the period of interruption directly resulting from the failure of the Insured's **electronic data processing equipment or media** to operate, provided that such failure is the direct result of a malicious act directed at the NAMED INSURED.

This Extension will apply when the period of interruption is in excess of 48 hours.

As used above, the period of interruption:

1) is the period starting when the Insured's **electronic data processing equipment or media** fails to operate and ending when with due diligence and dispatch, the Insured's **electronic data processing equipment or media** could be restored to the same or equivalent operating condition that existed prior to the failure.

2) does not include the additional time to make changes to the Insured's **electronic data processing equipment or media**.

K.6. B. DELAY IN STARTUP

GROSS EARNINGS or GROSS PROFIT and EXTRA EXPENSE are extended to cover the Actual Loss Sustained incurred by the Insured during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations directly resulting from physical loss or damage of the type insured to insured property under construction at an **insured location** or property covered by OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION.

K.7. C. EXTENDED PERIOD OF LIABILITY

The GROSS EARNINGS coverage is extended to cover the reduction in sales resulting from:

1) the interruption of business as covered by GROSS EARNINGS;

2) for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss happened; and

3) commencing with the date on which the liability of the Company for loss resulting from interruption of business would terminate if this Extension had not been included in this Policy.

EXTENDED PERIOD OF LIABILITY Exclusions: As respects EXTENDED PERIOD OF LIABILITY, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or noncompletion of orders, or fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended period of liability.

Coverage under this Extension does not apply for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

K.8. D. ON PREMISES SERVICES

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to the following property located within 1,000 feet/300 metres of the **insured location**:

1) Electrical equipment and equipment used for the transmission of voice, data or video.

2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines.

K.9. E. PROTECTION AND PRESERVATION OF PROPERTY TIME ELEMENT

This Policy covers the Actual Loss Sustained by the Insured for a period of time not to exceed 48 hours prior to and 48 hours after the Insured first taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending insured physical loss or damage to such insured property.

This Extension is subject to the deductible provisions that would have applied had the physical loss or damage happened.

K.10. F. RELATED REPORTED VALUES

If reported TIME ELEMENT values include:

1) **locations** used by the Insured (such as branch stores, sales outlets and other plants) but not listed on a schedule under this Policy; and

2) a TIME ELEMENT loss would result at such **locations**,

3) from insured physical loss or damage at an **insured location**,

then this Policy provides coverage for such resulting TIME ELEMENT loss in accordance with the coverage applicable at such **insured location**.

K.11. G. SOFT COSTS

This Policy covers the Actual Loss Sustained incurred by the Insured of **soft costs** during the PERIOD OF LIABILITY arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an **insured location**.

LOSS ADJUSTMENT AND SETTLEMENT

L. 1. REQUIREMENTS IN CASE OF LOSS

The Insured will:

1) give immediate written notice to the Company of any loss.

2) protect the property from further loss or damage.

3) promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **actual cash value**, replacement value and amount of loss claimed.

4) give a signed and sworn proof of loss to the Company within 90 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state the knowledge and belief of the Insured as to:

   a) the time and origin of the loss.

   b) the Insured's interest and that of all others in the property.

   c) the **actual cash value** and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property.

   d) any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy.

   e) by whom and for what purpose any **location** insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground.

5) include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.

6) further, the Insured, will as often as may be reasonably required:

   a) exhibit to any person designated by the Company all that remains of any property;

b) submit to examination under oath by any person designated by the Company and sign the written records of examinations; and

c) produce for examination at the request of the Company:

(i) all books of accounts, business records, bills, invoices and other vouchers; or

(ii) certified copies if originals are lost,

at such reasonable times and places that may be designated by the Company or its representative and permit extracts and machine copies to be made.

M. 2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency as described in the CURRENCY clause in the DECLARATIONS section of this Policy, unless directed otherwise by the Insured.

In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

A. As respects the calculation of deductibles and limits of liability, the rate of exchange published in the Financial Times, London Edition on the date of loss.

B. As respects loss or damage to insured real and personal property:

1) the cost to repair or replace such property will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in the Financial Times, London Edition.

2) if such property is not replaced or repaired, the conversion will be based on the rate of exchange published in the Financial Times, London Edition as of the date of loss.

C. As respects TIME ELEMENT loss the conversion will be based on the average of the rate of exchange published in the Financial Times, London Edition on the date of loss and the rate of exchange published in the Financial Times, London Edition on the last day of the Period of Liability.

If the Financial Times, London Edition was not published on the stipulated date, the rate of exchange will be as published on the next business day.

N. 3. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of insured physical loss or damage determined by the Company's representatives to be in excess of the applicable Policy deductible, the Company will advance mutually agreed upon partial payment(s), subject to the Policy's provisions. To obtain such partial payments, the Insured will submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation.

O. 4. COLLECTION FROM OTHERS

The Company will not be liable for any loss to the extent that the Insured has collected for such loss from others.

P. 5. SUBROGATION

The Insured is required to cooperate in any subrogation proceedings. The Company may require from the Insured an assignment or other transfer of all rights of recovery against any party for loss to the extent of the Company's payment.

The Company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Company in such proceedings, will be payable to the Insured in the proportion that the amount of:

1) any applicable deductible; and/or

2) any provable uninsured loss,

bears to the entire provable loss amount.

Q. 6. COMPANY OPTION

The Company has the option to take all or any part of damaged property at the agreed or appraised value. The Company must give notice to the Insured of its intention to do so within 30 days after receipt of Proof of Loss.

R. 7. ABANDONMENT

There may be no abandonment of any property to the Company.

S. 8. ARBITRATION

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996. (*Applicable to commercial entities only*)

T. 9. SUIT AGAINST THE COMPANY

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:

1) the Insured has fully complied with all the provisions of this Policy; and

2) legal action is started within twelve months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be started within the shortest limit of time permitted by such laws.

U. 10. SETTLEMENT OF CLAIMS

The amount of loss for which the Company may be liable will be paid within 30 days after:

A. proof of loss as described in this Policy is received by the Company; and

B. when a resolution of the amount of loss is made either by:

1) written agreement between the Insured and the Company; or

2) the filing with the Company of an award as provided in the ARBITRATION clause of this section.

GENERAL PROVISIONS

V. 1. CANCELLATION

This Policy may be:

A. cancelled at any time at the request of the Insured by surrendering this Policy to the Company or by giving written notice to the Company stating when such cancellation will take effect; or

B. cancelled by the Company by giving the Insured not less than:

1) 60 days' written notice of cancellation; or

2) 10 days' written notice of cancellation if the Insured fails to remit, when due, payment of premium for this Policy.

Return of any unearned premium will be calculated on the customary short rate basis if the Insured cancels and on a pro-rata basis if the Company cancels this Policy. Return of any unearned premium will be made by the Company as soon as practicable.

W. 2. INSPECTIONS

The Company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property. The Company does not address life, safety or health issues.

The Company's:

A. right to make inspections;

B. making of inspections; or

C. providing recommendations or other information in connection with any inspections,

will not constitute an undertaking, on behalf of or for the benefit of the Insured or others. The Company will have no liability to the Insured or any other person because of any inspection or failure to inspect.

When the Company is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

X. 3. PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS

If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy will be read so as to eliminate such conflict or deemed to include such provisions for **insured locations** within such jurisdictions.

Y. 4. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to the benefit of the Insured within such jurisdiction, effective the date of the change specified in such statute.

Z. 5. MISREPRESENTATION AND FRAUD

This entire Policy will be void if, whether before or after a loss, an Insured has:

A. wilfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an Insured.

B. made any attempt to defraud the Company.

C. made any false swearing.

AA.6. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

A. The Company will pay for loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.

B. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:

1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.

2) foreclosure, notice of sale, or similar proceedings with respect to the property.

3) change in the title or ownership of the property.

4) change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate 10 days after the Company sends to the Lender or Mortgagee written notice of cancellation, unless:

1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender or Mortgagee, or its agent.

2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.

D. The Company may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice 60 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.

E. The Company has the right to invoke this Policy's SUSPENSION clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.

F. If the Company pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.

G. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to ARBITRATION, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.

H. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

BB. 7. OTHER INSURANCE

A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.

B. In no event will this Policy apply as contributing insurance.

C. The Insured is permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.

D. The Insured is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.

E. If this Policy is deemed to contribute with other insurance, the limit of liability applicable at each **location**, for the purposes of such contribution with other insurers, will be the latest amount described in this Policy or the latest **location** value on file with the Company.

CC. 8. POLICY MODIFICATION

This Policy contains all of the agreements between the Insured and the Company concerning this insurance. The Insured and the Company may request changes to this Policy. This Policy can be changed only by endorsements issued by the Company and made a part of this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not:

A. create a waiver, or change any part of this Policy; or

B. prevent the Company from asserting any rights under the provisions of this Policy.

DD.9. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any **aggregate during any policy year** limit.

EE. 10. SUSPENSION

On discovery of a dangerous condition, the Company may immediately suspend this insurance on any machine, vessel or part thereof by giving written notice to the Insured. The suspended insurance may be reinstated by the Company. Any unearned premium resulting from such suspension will be returned by the Company.

FF. 11. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.

GG. 12. ASSIGNMENT

Assignment of this Policy will not be valid except with the written consent of the Company.

HH. 13. DEFINITIONS

The following terms when appearing in **boldface** in this Policy mean:

actual cash value:

the amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

aggregate during any policy year:

the Company's maximum amount payable during any policy year.

contaminant:

anything that causes **contamination**.

contamination:

any condition of property due to the actual or suspected presence of any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mould or mildew.

contingent time element location:

A. any **location**:

1) of a direct customer, supplier, contract manufacturer or contract service provider to the Insured;

2) of any company under a royalty, licensing fee or commission agreement with the Insured;

B. any **location** of a company that is a direct or indirect customer, supplier, contract manufacturer or contract service provider to a **location** described in A1 above,

not including **locations** of any company directly or indirectly supplying to, or receiving from, the Insured, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

date or time recognition:

the recognition, interpretation, calculation, comparison, differentiation, sequencing, accessing or processing of data involving one or more dates or times, including the Year 2000.

day equivalent:

an amount equivalent to the number of days stated times the following:

A. the 100% daily Time Element value that would have been earned following the **occurrence** at the **location** where the physical damage happened, plus

B. that proportion of the 100% daily Time Element value at all other **locations** where TIME ELEMENT loss ensues that was directly affected by use of such **location**.

earth movement:

any natural or man-made earth movement including, but not limited to earthquake or landslide, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical loss or damage by fire, explosion, sprinkler leakage, or **flood** resulting from **earth movement** will not be considered to be loss by **earth movement** within the terms and conditions of this Policy.

electronic data processing equipment or media:

any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether the property of the Insured or not.

fine arts:

paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.

flood:

flood; surface waters; rising waters; storm surge, sea surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not; or sewer back-up resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made, contributing

concurrently or in any other sequence of loss. Physical loss or damage from **flood** associated with a storm or weather disturbance whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of this Policy. However, physical loss or damage by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be loss by **flood** within the terms and conditions of this Policy.

insured location:

A. as scheduled on this Policy.

B. covered as a **miscellaneous unnamed location**.

C. covered under the terms and conditions of the AUTOMATIC COVERAGE or ERRORS AND OMISSIONS provisions.

irreplaceable:

an item which cannot be replaced with other of like kind and quality.

location:

A. as specified in the Schedule of Locations, or

B. if not so specified in the Schedule of Locations:

1) a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing),

a) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet/15 metres wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this definition.

miscellaneous unnamed location:

a **location** owned, leased or rented by the Insured, but not specified in the Schedule of Locations.

normal:

the condition that would have existed had no physical loss or damage happened.

occurrence:

the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by one discrete event of physical loss or damage, except as respects the following:

A. **terrorism**: **occurrence** shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all acts of **terrorism** during a continuous period of seventy-two (72) hours.

B. **earth movement**: **occurrence** shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all **earth movement(s)** during a continuous period of seventy-two (72) hours.

off-shore:

away from the shore but not connected to the shore by dock, piers or any other physical connection other than pipelines.

period of operational testing:

the period of time beginning 24 hours prior to the earlier of the following:

A. introduction, into a system, of feedstock or other materials for processing or handling;

B. commencement of fuel or energy supply to a system,

and ending with the earlier of the following:

A. the expiration date or cancellation date of this Policy.

B. if specified, the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

physical loss or damage to electronic data, programs or software:

the destruction, distortion or corruption of electronic data, programs or software.

soft costs:

costs over and above those that are **normal** at an **insured location** undergoing renovation or in the course of construction, limited to the following:

A. construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.

B. commitment fees, leasing and marketing expenses - the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).

C. additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.

D. property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

terrorism:

any act, involving the use or threat of: force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution, or any similar act,

when the effect or apparent purpose is:

A. to influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or

B. to further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.

transmission and distribution systems:

transmission and distribution systems including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, data, and video. Such systems shall include poles, towers and fixtures, overhead conductors and devices, underground and underwater conduit, underground and underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

valuable papers and records:

written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, all of which must be of value to the Insured.

wind:

direct action of wind including substance driven by wind. **Wind** does not mean or include anything defined as **flood** in this Policy.

Communicable Disease Exclusion Clause:

1. Notwithstanding any provision, clause or term of this Insurance Contract to the contrary, this Insurance contract excludes any loss, cost, damage, liability, claim, fines, penalty or expense or any other amount of whatsoever nature, whether directly or indirectly and/or in whole or in part, related to, caused by, contributed to by, resulting from, as a result of, as a consequence of, attributable to, arising out of, arising under, in connection with, or in any way involving (this includes all other terms commonly used and/or understood to reflect or describe nexus and/or connection from one thing to another whether direct or indirect):

1.1 a Communicable Disease and/or the fear or threat (whether actual or perceived) of a Communicable Disease and/or the actual or alleged transmission of a Communicable Disease regardless of any other cause or event contributing and/ or occurring concurrently or in any sequence thereto, and

1.2 a pandemic or epidemic, as declared by the World Health Organisation or any governmental authority.

2. As used herein, Communicable Disease means: any infectious, contagious or communicable substance or agent and/or any infectious, contagious or communicable disease which can be caused and/or transmitted by means of substance or agent where:

2.1 the disease includes, but is not limited an illness, sickness, condition or an interruption or disorder of body functions, systems or organs, and

2.2 the substance or agent includes, but is not limited to, a virus, bacterium, parasite, other organism or other micro-organism (whether asymptomatic or not); including any variation or mutation thereof, whether deemed living or not, and

2.3 the method of transmission, whether direct or indirect, includes but not limited to, airborne transmission, bodily fluid transmission, transmission through contact with human fluids, waste or the like, transmission from or to any surface or object, solid, liquid or gas or between organisms including between humans, animals, or from any animal to any human or from any human to any animal, and

2.4 the disease, substance or agent is such:

2.4.1 that causes or threatens damage or can cause or threaten damage to human health or human welfare, or

2.4.2 that causes or threatens damage to or can cause or threaten damage to, deterioration to, contamination of, loss of value of, loss of marketability of or loss of use or usefulness of, tangible or intangible property.

For avoidance of doubt, Communicable Disease includes but is not limited to Coronavirus Disease 2019 (Covid -19) and any variation or mutation thereof.

3. For further avoidance of doubt, any contingent or other business interruption loss, cost, damage, loss of income, loss of use, increased cost of working and/or extra expense arising out of or attributable to:

3.1 any partial or complete closure of and/or slowdown in, including but not limited to any closure by or under the advisories of public, military, government or civil authorities, or any denial of access to reinsured premises, or customer and or supplier premises (including service / utility providers), or

3.2 change in consumer behaviour, or

3.3 an absence of infected employees or employees suspected of being infected

shall not be covered by this Insurance Contract

4. For still further avoidance of doubt, loss, cost, damage, liability, claim, fines, penalty or expense or any other amount excluded hereby, includes but is not limited to any cost to identify, clean-up, detoxify, disinfect, decontaminate, mitigate, remove, evacuate, repair, replace, monitor, sanitize or test: (1) for a

Communicable Disease or (2) any tangible or intangible property covered by this Insurance Contract that is affected by such Communicable Disease.

5. It is clarified that (1) no other prior, concurrent or subsequent provision, clause, term or exception of this Insurance Contract (including (but not limited to) any prior, concurrent or subsequent endorsement and/or any provision, clause, term, buy back or exception that operates, or is intended to operate, to extend the coverage of, or protections provided by, this Insurance Contract by whatever name called like any coverage extension, additional coverage, global extension, exception to any exclusion); (2) any change in the law, clause or similar provision; (3) any follow the fortunes clause or similar provision; and/or (4) no change in the law or any regulation (to the extent permitted by applicable law), shall operate to provide any insurance, coverage or protection under this Insurance Contract that would otherwise be excluded through the exclusion set forth in this Clause.

6. If the Insurer alleges that by reason of this Clause any amount is not covered by this Insurance Contract the burden of proving the contrary shall rest in the Insured.

Claim Clause/ Settlement of Claim:

1) Claim Intimation: Connect with us via: Toll-free no.: 1800 2666,

Email ID: customersupport@icicilombard.com, on our website: https://coclaims.icicilombard.com/claimstracker/CommercialClaims/ccplandingpage.aspx.
Register the claim and submit claim related documents along with claim form. You will receive a claim reference number as your reference point for future correspondence.

2) File an FIR: In case of third-party property damage/bodily injury, fire etc. if applicable as per policy terms and conditions.

3) Surveyor Appointment: Your Claims Manager (CSM) will contact you and appoint a licensed surveyor basis claim eligibility within 24 hours of reporting the claim

4) Documents: submit documents to the assigned CSM/Surveyor.

List of documents which are necessary and relevant to the claim are as below:

1. Claim bill / Claim Form duly filled up
2. Photographs / Video of damaged property/item under claim
3. Document/s in support of admissibility of the claim, for instance, Service Engineer's Report, Fire Brigade Report, etc.
4. FIR / Final Police investigation report wherever applicable
5. For items which are to be repaired or reinstated, repair/ replacement quotation, invoice and payment proofs for each and every item as claimed.
6. For items which are under claim & not to be repaired or reinstated, documents substantiating the quantum & value of the items under claim
7. Offer for retention of salvage, if any
8. KYC / NEFT Details as per AML guidelines
9. Invoice copy / Goods Receipt Note / Monetary Claim on carrier / Damage Certificate

10. Any other document which may be specified by the surveyor post completion of initial survey

5) Assessment Approval: Repair/Replacement details submitted in support of the claim will be assessed and approved by CSM/surveyor

6) Salvage: The amount that is assessed which the damaged asset will fetch in the open market *(wherever applicable)*.

7) Turnaround Time (TAT): Assessment sheet /Survey report will be furnished within 15 days of receipt of claim form and documents. Claim will be decided within 7 days of receipt of the assessment sheet / survey report (This condition will not apply in case of policies issued on the property/building on reinstatement value basis) *(Applicable to Retail policyholder)*.

Grievances Clause

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre (IGCC) at their toll free no. 1800 4254 732 / 155255.
You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in, or on the Company's website at www.icicilombard.com.

The details of Insurance Ombudsman are available below:-

S no.	Name of office of insurance Ombudsman	Territorial Area of jurisdiction
1	AHMEDABAD Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@cioins.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
2	BENGALURU Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Soudha Building,PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@cioins.co.in	Karnataka
3	BHOPAL Insurance Ombudsman Office of the Insurance Ombudsman, 1st floor,"Jeevan Shikha", 60-B,Hoshangabad Road, Opp. Gayatri Mandir, Bhopal – 462 011.	Madhya Pradesh, Chattisgarh.

	Tel.: 0755 - 2769201 / 2769202 Email: bimalokpal.bhopal@cioins.co.in	
4	BHUBANESHWAR Insurance Ombudsman Office of the Insurance Ombudsman, 62, Forest park, Bhubaneswar – 751 009. Tel.: 0674 - 2596461 /2596455 Email:bimalokpal.bhubaneswar@cioins.co.in	Odisha.
5	CHANDIGARH Insurance Ombudsman Office Of The Insurance Ombudsman, Jeevan Deep Building SCO 20-27, Ground Floor Sector- 17 A, Chandigarh – 160 017. Tel.: 0172 - 4646394 / 2706468 Email: bimalokpal.chandigarh@cioins.co.in	Punjab, Haryana (excluding Gurugram, Faridabad, Sonepat and Bahadurgarh), Himachal Pradesh, Union Territory of Jammu & Kashmir, Ladakh & Chandigarh.
6	CHENNAI Insurance Ombudsman Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24333678 Email: bimalokpal.chennai@cioins.co.in	Tamil Nadu, Pondicherry Town and Karaikal (which are part of Pondicherry).
7	DELHI Insurance Ombudsman Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 – 23237539 Email: bimalokpal.delhi@cioins.co.in	Delhi & following District of Haryana – Gurugram, Faridabad, Sonepat and Bahadurgarh
8	ERNAKULAM Insurance Ombudsman Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@cioins.co.in	Kerala, Lakshadweep, Mahe-a part of Puducherry.
9	GUWAHATI Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road,	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh,

	Guwahati – 781001(ASSAM). Tel.: 0361 - 2632204 / 2602205 Email: bimalokpal.guwahati@cioins.co.in	Nagaland and Tripura.
10	HYDERABAD Insurance Ombudsman Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Email: bimalokpal.hyderabad@cioins.co.in	Andhra Pradesh, Telangana, Yanam and Part of Territory of Puducherry.
11	JAIPUR Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141- 2740363/2740798 Email: Bimalokpal.jaipur@cioins.co.in	Rajasthan.
12	KOLKATA Insurance Ombudsman Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@cioins.co.in	West Bengal, Sikkim, Andaman & Nicobar Islands.
13	LUCKNOW Insurance Ombudsman Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 4002082 / 3500613 Email: bimalokpal.lucknow@cioins.co.in	Districts of Uttar Pradesh : Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhabdra, Fatehpur, Pratapgarh, Jaunpur,Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.
14	MUMBAI Insurance Ombudsman Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 69038800/27/29/31/32/33Email:	Goa, Mumbai Metropolitan Region Excluding (Navi Mumbai & Thane).

	bimalokpal.mumbai@cioins.co.in	
15	NOIDA Insurance Ombudsman Office of the Insurance Ombudsman, Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P-201301. Tel.: 0120-2514252 / 2514253 Email: bimalokpal.noida@cioins.co.in	State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur
16	PATNA Insurance Ombudsman Office of the Insurance Ombudsman, 2nd Floor, Lalit Bhawan, Bailey Road, Patna 800 001. Tel.: 0612-2547068 Email: bimalokpal.patna@cioins.co.in	Bihar, Jharkhand.
17	PUNE Insurance Ombudsman Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-24471175 Email: bimalokpal.pune@cioins.co.in	Maharashtra, Area of Navi Mumbai and Thane (excluding Mumbai Metropolitan Region).
18	THANE Insurance Ombudsman Office of the Insurance Ombudsman, 2nd Floor,Jeevan Chintamani Building, Vasantrao Naik Mahamarg, Thane (West) Thane - 400604 Email: bimalokpal.thane@cioins.co.in	Area of Navi Mumbai, Thane District, Raigad District, Palghar District and wards of Mumbai M/East, M/West, N, S and T

The updated details of Insurance Ombudsman are available on IRDAI website: www.irdai.gov.in on the website of General Insurance Council: www.generalinsurancecouncil.org.in, website of the Company www.icicilombard.com or from any of the offices of the Company