



# Komparasi Polis

## IAR *Policy* Munich Re Version 2.3/2017 (Polis Baru)

VS

## IAR *Policy* Munich Re Version 03/1991 (Polis Lama)

disertai pembahasan, aplikasi dan studi kasus

Dibuat oleh:

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Untuk Training Bedah Polis dan Klaim Asuransi Harta Benda

Property All Risks (PAR) & Business Interruption (BI)

Specialist Insurance Training

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IAR Policy Munich Re Version 2.3/2017 (Polis Baru)	Pembahasan, aplikasi dan studi kasus	IAR Policy Munich Re version 03/1991 (Polis Lama)
<p><b><u>Nama Polis</u></b>  <b>IAR Policy Munich Re Version 2.3</b>                      Industrial All Risks Property Damage and Business Interruption                      Date of issue : August 2017</p>	<p>Sebagai referensi untuk membuat komparasi</p>	<p><b><u>Nama Polis</u></b>  <b>Industrial All Risk Policy 03/91</b>                      Industrial All Risk Policy: Material Damage and Business Interruption                      Date of issue : .... 1991</p>
<p><b><u>Struktur Polis (Contents)</u></b></p> <p><b><u>1 Schedule</u></b></p> <p><b><u>2 Insuring agreement</u></b></p> <p><b><u>3 Section 1 – Property Damage</u></b></p> <p>3.1 Indemnification                      3.2 Property insured                      3.3 Sum(s) insured                      3.4 Premium                      3.5 Deductible                      3.6 Exclusions                      3.7 Additional insurance cover                      3.8 Measurement of loss</p> <p><b><u>4 Section 2 – Business Interruption</u></b></p> <p>4.1 Indemnification                      4.2 Sum(s) insured                      4.3 Premium                      4.4 Time excess and monetary deductible                      4.5 Additional exclusions applicable to Section 2                      4.6 Indemnity period                      4.7 Measurement of loss                      4.8 Definitions</p>		<p><b><u>Struktur Polis (Contents)</u></b></p> <ul style="list-style-type: none"> <li>- Preamble</li> <li>- General Exclusions applying to all Sections (War risks, nuclear risks, willful acts or willful negligence of the <i>Insured</i> or his representatives, total or partial cessation of work)</li> <li>- General conditions applying to all sections (Definition, <i>Policy</i> Voidable, Alteration, Warranties, Reasonable Precautions, Right of Inspection, Claims Procedure, Indemnification, Interest payments, Arbitration, Subrogation, Other Insurance, <i>Period</i> of insurance, Average, Deductibles, Sum(s) Insured)</li> <li>- Section I - Material Damage                      Special Exclusions to <i>Section I</i>                      (excluded property, excluded perils, excluded costs)                      Special Conditions to <i>Section I</i>                      (Sums Insured, Basis of Loss Settlement, First Loss Insurance, Capital Additions)</li> <li>- Section II - Business Interruption                      Special Exclusions to <i>Section II</i>                      Basis of Insurance                      Definitions                      Provisions</li> <li>- Schedule</li> </ul>

**5 Exclusions applicable to all sections**

**6 Claims conditions**

- 6.1 Claims notification and the insured's claims obligations
- 6.2 Fraudulent claims (applicable to all sections)
- 6.3 Claims notification and the insured's additional claims obligations under *Section 2*
- 6.4 Business interruption payments applicable to *Section 2*

**7 General conditions applicable to all sections**

- 7.1 *Period* of insurance
- 7.2 Reasonable precautions
- 7.3 Risk inspections
- 7.4 Increase in risk
- 7.5 Time for commencing proceedings
- 7.6 Other insurances
- 7.7 Entire agreement
- 7.8 Definition
- 7.9 Several liability
- 7.10 Subrogation
- 7.11 Arbitration
- 7.12 Choice of law and jurisdiction
- 7.13 Termination of policy

**8 Definitions applicable to all sections**

**9 Optional endorsements**

### **1 Schedule**

Lihat *Schedule* Polis aslinya

Lebih terperinci, termasuk memuat ketentuan/perincian mengenai:

**Policy limit PD/BI combined per occurrence**

**Sublimits PD/BI combined per occurrence**

**Additional insurance cover sublimits**

*Application to Insured interests. Each sublimit stated in this Policy applies as part of, and not in addition to, the overall Policy limit for an Occurrence Insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all Insured loss, damage, expense, time element/business interruption or other Insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.*

**Optional endorsements BI only**

**Deductibles**

*Sections 1 and 2 for the application of the deductibles. If more than one Deductible applies, the higher Deductible shall be used. If not otherwise agreed, percentage deductibles shall apply to the total values at the time of loss at each Location involved in the loss. Other endorsements attached to this Policy may contain additional deductibles. Refer to the various endorsements for the details of such deductibles.*

### **1 Schedule**

Lihat *Schedule* Polis aslinya

## **2 Insuring agreement**

The *Insured* has submitted to the *Insurer* a *Proposal* requesting insurance cover to be provided under one or more *sections* of this *Policy* and the *Proposal* has been accepted by the *insurer*. The insurance cover provided by this *Policy* is only in respect of and subject to the wording of those *sections* to which the *Schedule* has been completed and which have been signed and dated by the *insurer*.

Subject to the *Insured* having paid or having agreed to pay the *Premium* stated in the *Schedule* to the *Insurer* and subject to the terms, provisions, conditions, warranties and exclusions contained herein or endorsed hereon the *Insurer* shall indemnify the *Insured* in the manner and to the extent stated in this *policy*. **Notwithstanding the above no claim shall be paid until the *Premium* has been received in full.**

**The *Insured* acknowledges that it owes a duty to the *Insurer* to disclose all information that is relevant and/or material to the *Insurer* so as to enable it to determine whether to provide this insurance at all or upon what terms.** Further, the *Insured* confirms it has made proper enquiries of all entities *Insured* under this *Policy* and warrants the accuracy of the information disclosed to the *insurer*. If this information proves to be inaccurate, **the *Insurer* may, at its option, avoid all liability under this *policy*.** The duty to disclose relevant or material information is not limited to questions listed in the *Proposal* form if a *Proposal* form is completed.

## **2 Insuring agreement**

Whereas the *Insured* named in the Schedule(s) hereto has made to the

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(hereinafter called "the Insurers") a written *Proposal* by completing the Questionnaire(s) which together with any other statements made in writing by the *Insured* for the purpose of this *Policy* is deemed to be incorporated herein,

now this *Policy* of insurance witnesseth that subject to the *Insured* having paid to the Insurers the *Premium* mentioned in the *Schedule* (s) and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the Insurers will indemnify the *Insured* in the manner and to the extent hereinafter provided.

## **General Conditions applying to all Sections**

### **2. Policy Voidable**

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

<p>No alteration of the terms of this <i>Policy</i> which may be agreed as between the <i>Insured</i> and the <i>Insurer</i> shall require the agreement or consent of <b>any other party</b> constituting the <i>Insured</i> under any <i>section</i>.</p> <p>In witness whereof, the duly authorised agent of the <i>Insurer</i> signs this agreement on its behalf.</p>		
<p><b>3 Section 1 – Property Damage</b></p> <p><b>3.1 Indemnification</b></p> <p>3.1.1 The <i>Insurer</i> shall indemnify the <i>Insured</i> for any <b>direct sudden and accidental physical loss of or damage</b> to the <i>Property insured</i> which the <i>Insured</i> and/or its <i>Representatives</i> <b>could not reasonably have foreseen</b> and which occurs at any time <b>during the Period of insurance</b> unless specifically excluded and which results in <i>Property insured</i> needing to be repaired or replaced, and <b>occurs at the situation</b> listed in the <i>Policy</i> schedule.</p> <p>3.1.2 The indemnity <b>shall not exceed</b> the <i>Sum(s) insured</i> specified in the <i>Schedule</i> or any limit of indemnity that may be applicable.</p>		<p><b>Section I - Material Damage</b></p> <p>The Insurers hereby agree with the <i>Insured</i> that if at any time <b>during the Period of insurance</b> the sums or any part thereof entered in the <i>Schedule</i> I whilst <b>at the premise(s)</b> described in such <i>Schedule</i> shall suffer any <b>unforeseen, sudden and accidental physical loss, destruction or damage</b> other than those specifically excluded in the General or Special Exclusions in a manner necessitating repair or replacement, the <i>Insurer</i> shall indemnify the <i>Insured</i> in respect of such loss, destruction or damage as hereinafter provided by <b>payment in cash, replacement or repair (at the Insurer's option)</b> <b>up to an amount not exceeding</b> in respect of each of the items at any <i>Location</i> specified in the <i>Schedule</i> the sum set opposite thereto (sum insured) and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the <i>Schedule</i> as <i>Insured</i> hereby.</p>
<p><b>3.2 Property insured</b></p> <p>The <i>Property insured</i> under this <i>Section</i> is</p> <p>3.2.1 <b>Real property</b> in which the <i>Insured</i> has an insurable interest and is situated at the location(s) specified in the schedule.</p> <p>3.2.2 <b>Personal property</b> situated at the location(s) specified in the schedule</p>		<p><b>Terdapat di Schedule</b></p> <p><b>B. Section I – Material Damage</b></p> <p><b><u>Property insured :</u></b></p> <p>On property as described hereunder all being the property of the <i>Insured</i> or for which the <i>Insured</i> is legally liable but excluding property not <i>Insured</i> under this <i>Section</i> according to Exclusions no. 1.1 to</p>

- 3.2.2.1 in which the *Insured* has an **insurable interest**;
- 3.2.2.2 **held in the care, custody or control** of the *Insured* in which case this *Policy* only provides cover to the extent of insured's legal liability for physical loss or damage to that property; and
- 3.2.2.3 **owned by officers and employees** of the insured.

other than **property excluded** under clause 6 of this section.

### **3.8 Measurement of loss**

- 3.8.1.2 For plans, drawings, records, data and programs for electronic and electromechanical data-processing equipment the cost of reproducing the same from duplicates or from originals;

- 1.9 the sums *Insured* for the several items hereof being understood to apply respectively to :
- Item 1 : buildings including landlord's fixtures and fittings and walls, gates and fences around and pertaining thereto
  - Item 2 : Machinery, other equipment and other items

### **3. First Loss Insurance**

- 3.1 The items mentioned hereinafter are covered on a First Loss Basis, **subject to amounts per item in the Schedule** :
- Money and stamps
  - **Employees Pedal Cycles and other Personal Effects**
  - Documents, Manuscripts and Business Books: only the value of materials as stationery together with the cost of clerical Labour expended in writing up and not the value of the information to the Insured
  - Computer Systems records : the value of materials together with the cost of clerical Labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein), but not for the value of the information contained therein to the *Insured*
  - Patterns, Models, Moulds, Plans and Designs : an amount not exceeding the cost of the Labour and materials expended in reinstatement.

<p><b>3.3 Sum(s) insured</b></p> <p>3.3.1 It is a requirement of this <i>Policy</i> that the <b>Sum(s) insured</b> specified in the <i>Schedule</i> in respect of the <i>Property insured</i> shall not be less than <b>the New replacement value</b> of such property.</p> <p>3.3.2 In the event of any indemnification under this <i>Section</i> the <i>Sum(s) insured</i> shall be <b>automatically reinstated</b>.</p>		<p><b>Special Conditions to Section 1</b></p> <p><b>1. Sum Insured :</b></p> <p>It is a requirement of this Insurance that the <b>sums Insured</b> stated in the <i>Schedule</i> shall not be less than the cost of reinstatement as if such property were reinstated on the first day of the <i>Period</i> of Insurance which shall mean the <b>cost of replacement of the Insured items by new items</b> in a condition equal to but not better or more extensive than its condition when new.</p> <p><b>General Conditions applying to all Sections</b></p> <p><b>16. Sum(s) Insured</b></p> <p>The <i>Sum(s) insured</i> shall not be <b>reduced</b> by any indemnity payments</p>
<p><b>3.4 Premium</b></p> <p>3.4.1 The <i>Premium</i> is to be paid by the date specified in the <i>Schedule</i> and shall be calculated by multiplying the total <i>Sum(s) insured</i> by the <i>Premium</i> rate.</p> <p>3.4.2 If during the <i>Period</i> of insurance the <i>Sum(s) insured</i> is increased or decreased the <i>Premium</i> shall be adjusted in accordance with 3.4.1 for the remaining period.</p>		
<p><b>3.5 Deductible</b></p> <p>In respect of each and every <i>Occurrence</i> or damage to <i>Property insured</i> the <i>Insurer</i> shall not be liable for the respective <i>Deductible</i> specified in the schedule. <b>If two (2) or more deductibles apply to an occurrence, the total to be deducted shall not exceed the largest Deductible applicable.</b></p>		<p><b>General Conditions applying to all Sections</b></p> <p><b>15. Deductibles</b></p> <p>This <i>Policy</i> does not cover the amounts of the deductibles stated in the <i>Schedule</i> in respect of each and every loss as ascertained <b>after the application of all other terms and conditions of the Policy including any condition of Average.</b></p>



		Warranted that the <i>Insured</i> shall not effect insurance in respect of the amounts of the deductibles stated in the Schedule.
<p><b>3.6 Exclusions</b></p> <p>The following shall be <b>excluded from the cover</b> provided by this section:</p> <p><b>3.6.1 Property excluded</b></p> <p>3.6.1.1 Property in the course of construction or erection;</p> <p>3.6.1.2 Property in transit by road, rail, air or water;</p> <p>3.6.1.3 Motor vehicles licensed for public roads, railway locomotives and rolling stock, floating equipment, ships, vessels, watercraft, aircraft and spacecraft;</p> <p>3.6.1.4 <b>Money, deeds, evidence of debt or title, valuable papers and records, securities, bullion, furs, jewellery, precious stones, precious metals, coins, stamps and vintage or classic cars;</b></p> <p>3.6.1.5 Fine art;</p> <p>3.6.1.6 Flora and fauna, including live animals, birds, fish or other living creature, standing timber, growing crops and pastures;</p> <p>3.6.1.7 Land (including topsoil, backfill, drainage or culverts), driveways, pavements, roads, runways, railway lines, dams, dikes, reservoirs, surface water, underground water, canals, rigs, wells, pipelines, cables, tunnels, bridges, docks, piers, wharves;</p>		<p><b>Special Exclusions</b></p> <p>1. The Insurers <b>shall not be liable</b> for loss destruction of or damage to</p> <p>1.1. property in the course of construction or erection</p> <p>1.2. <b>property being worked upon and actually arising from the process of manufacture testing repairing cleaning restoring alteration renovation or servicing</b></p> <p>1.3. property in transit by road, rail, air or water</p> <p>1.4. licensed road vehicles, railway locomotives and rolling stock, water craft, aircraft, spacecraft and the like</p> <p>1.5. jewelry, precious stones, precious metals, bullion, furs, curiosities, rare books or <b>works of art</b></p> <p>1.6. standing timber, growing crops, animals, birds, fish</p> <p>1.7. land (including topsoil backfill drainage or culvert), driveways, pavements, roads, runways, railway lines, dams, reservoirs, surface water, underground water, canals, rigs, wells, pipelines, cables, tunnels, bridges, docks, piers, wharves, <b>mining property underground, offshore property</b></p>



		<p>which such breakdown or derangement originates</p>
<p>3.6.2.2 Any kind of seepage or any kind of <b>pollution and/or contamination</b>, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.</p> <p>The term "any kind of seepage or any kind of pollution and/or contamination" as used in this exclusion includes (but is not limited to):</p> <ul style="list-style-type: none"> <li>▪ seepage of or pollution and/or contamination by anything, including but not limited to that which is designated by any governmental, public or regulatory body or authority as toxic, hazardous, dangerous or deleterious to persons, property or the environment under any law, ordinance, regulation or decree;</li> <li>▪ the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.</li> </ul> <p>Nothing contained in this exclusion shall override any radioactive contamination exclusion applicable to this policy. If any of the perils listed below results from seepage and/or pollution and/or contamination, then such resultant perils shall not be excluded solely by the foregoing seepage and/or</p>		<p>2.6 pollution or contamination, <b>unless caused by fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, person taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road or animal.</b></p>

<p>pollution and/or contamination exclusion clause.</p> <ul style="list-style-type: none"> <li>▪ Listed perils: <b>Fire, explosion, add further perils or delete.</b></li> </ul> <p><b>Nothing in this exclusion, however, shall extend this Policy to insure:</b></p> <ol style="list-style-type: none"> <li>1. Loss, damage, cost, expense, fine or penalty, or other sum arising from any kind of seepage or any kind of pollution and/or contamination that causes or results from a listed peril; or</li> <li>2. Loss or damage at any <i>Location</i> other than the <i>Location</i> where the listed peril took place; or</li> <li>3. Property and/or interests other than those <i>Insured</i> by this <i>Policy</i> against the listed perils.</li> </ol>		
<p>3.6.2.3 <b>Wear and tear</b>, fading, scratching, gradual deterioration or developing flaws, <b>normal upkeep or making good</b>, corrosion, rust, oxidation, <b>but this exclusion shall not extend to loss of or damage</b> to parts of the <i>Property insured</i> lost or damaged as a direct consequence of a peril not otherwise excluded;</p>		<p>2.5 all gradually operating causes, including but not limited to wear and tear, rust, corrosion, <b>mildew, mould, fungus</b>, wet or dry rot, gradual deterioration, <b>latent defect, inherent vice</b>, slowly developing deformation or distortion, <b>insects larvae or vermin</b> of any kind, microbes of any kind <b>unless sudden and unforeseen physical loss, destruction or damage ensues</b>, in which case Insurers liability shall be limited to such ensuing loss, damage or destruction</p> <p>3. The Insurers shall not be liable for the costs</p> <p>3.2 <b>of normal upkeep, normal making good, maintenance</b></p>

<p>3.6.2.4 <b>Electrical or mechanical breakdown</b>, but this exclusion shall not extend to loss of or damage to parts of the <i>Property insured</i> lost or damaged as a direct consequence of a peril not otherwise excluded;</p>		
<p>3.6.2.5 Any fault, defect, error or omission in design, plan, specification, material, manufacture or workmanship, <b>unless the loss or damage results from a direct consequence of a peril not otherwise excluded</b>;</p>		<p>3. The Insurers shall not be liable for the costs 3.1 of rectifying defective materials, faulty workmanship or design</p>
<p>3.6.2.6 Extremes or changes of temperature or humidity or colour or light or to non-existing, non-functioning or inadequate heating, air-conditioning or cooling equipment including operating error, condensation, excessive moisture, dampness, seepage, disease, deterioration, decay, <b>insect larvae or vermin</b> of any kind, infestation <b>unless the loss or damage results from a direct consequence of a peril not otherwise excluded</b>;</p>		<p>2.8 shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish, action of light 2.9 change in temperature or humidity, failure inadequate operation of any air-conditioning cooling or heating system due to operating error. The burden of proof that no operating error occurred, shall be upon the <i>Insured</i></p>
<p>3.6.2.7 <b>Mould, mildew, fungus</b>, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health and this exclusion applies regardless whether there is (i) any physical loss or damage to property insured; (ii) any <i>Insured</i> peril or cause, whether or not contributing in any sequence before, after or concurrently to the loss; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation, or</p>		

<p>steps taken to address medical or legal concerns;</p>		
<p>3.6.2.8 Exposure to weather conditions where <b>moveable</b> property is left in the open or not contained in fully enclosed buildings;</p>		<p>2.10 exposure to weather conditions where property is left in the open or not contained in fully enclosed buildings</p>
<p>3.6.2.9 (i) The removal of asbestos, dioxin or polychlorinated biphenols (hereinafter referred to as materials), from any structure or fixture or item of personal property or product, <b>unless the materials are damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, Storm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective systems</b>; (ii) demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating materials; (iii) any governmental direction or request declaring that materials present in or part of or utilised on any undamaged portion of the <i>Property insured</i> can no longer be used for the purpose for which it was intended or installed and must be removed or modified;</p>		
<p>3.6.2.10 An increase in the cost of replacement or repair due to enforcement of any ordinance, law or regulation governing or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of property insured;</p>		<p>2.7 enforcement of any ordinance or law regulating the construction, repair or demolition of any <i>Property insured</i> hereunder except as provided for in the Public Authorities Memorandum incorporated in this section</p>

<p>3.6.2.11 Loss or disappearance which is discovered only during an inventory or stocktaking or which is not traceable to a specific <i>Occurrence</i> or damage otherwise indemnifiable under this section;</p>		<p>2.3 disappearance, unexplained or inventory shortage</p>
<p>3.6.2.12 Costs arising from false or unauthorised programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media and from loss of information caused by magnetic fields;</p>		<p>3. The Insurers shall not be liable for the costs 3.3 arising from false or unauthorised programming, punching, labeling or inserting, inadvertent canceling of information or discarding of data media and from loss information caused by magnetic fields</p>
<p>3.6.2.13 Loss or damage resulting from any <b>faults or defects existing</b> at the time of commencement of this <i>Policy</i> of which the <i>Insured</i> or its <i>Representatives</i> were or ought reasonably to have been aware, irrespective of whether such faults or defects were known to the <i>Insured</i> or not;</p>		
<p>3.6.2.14 <b>Theft</b>, unless involving entry to or exit from a building <b>by forcible and violent means</b> or unless as a result of or in connection with actual or threatened assault or violence or use of force at the <i>Location</i> against the <i>Insured</i> or any employee of the <i>Insured</i> or any other person lawfully on the <i>Location</i> (burglary); and</p>		<p>2.2 dishonesty, fraudulent act, trick, device or other false pretense 2.3 disappearance, unexplained or inventory shortage</p>
<p>3.6.2.15 Normal settlement or bedding down of new structures, cracking, shrinkage or expansion of pavements, foundations, walls, floors or ceilings.</p>		

<p>Tidak ada <i>Consequential loss</i> exclusion di <i>Section 1</i></p>		<p>2.1 delay, loss of market or other <b>consequential or indirect loss</b> or damage of any kind or description whatsoever</p>
<p><b>3.7 Additional insurance cover</b> If <b>specified in the schedule</b>, the following additional insurance cover shall be provided subject to the terms contained herein:</p>		
<p><b>3.7.1 Capital additions</b> 3.7.1.1 The <i>Insurer</i> shall indemnify the <i>Insured</i> in respect of loss of or damage to real or personal <b>property acquired</b> or becoming held in the care, custody or control of the <i>Insured</i> <b>after the inception</b> of this <i>Policy</i> and not included in the schedule; 3.7.1.2 Any increase in the <i>New replacement value</i> as a result of such capital additions shall not exceed <b>5% of the Sum(s) insured</b> or any other limit of indemnity specified in the schedule. 3.7.1.3 This additional insurance cover is also subject to the <i>Insured</i> <b>advising the Insurer within three (3) months</b> of acquisition of the particulars of any such capital additions and the payment of any <b>additional Premium</b> the <i>Insurer</i> may require.</p>		<p><b>4. Capital Additions</b> The insurance by this <i>Policy</i> shall, subject to its terms and conditions extend to cover :</p> <ul style="list-style-type: none"> <li>- any <b>newly acquired</b> buildings, machinery and other equipment in so far as the same are not otherwise <i>Insured</i> and</li> <li>- <b>alterations, additions and improvements</b> to buildings, machinery and other equipment during the current <i>Period</i> of insurance at any of the premises hereby insured, provided that :             <ol style="list-style-type: none"> <li>(1) at any one <i>Location</i> this increase shall not exceed <b>5% of the total sum Insured</b> on such item;</li> <li>(2) the <i>Insured</i> <b>advise the Insurers within three months</b> of the particulars of any such capital additions and pay such <b>additional premiums</b> as the Insurers may require. .</li> </ol> </li> </ul>
<p><b>3.7.2 Expediting and preservation expenses</b> The <i>Insurer</i> shall indemnify the <i>Insured</i> up to the limit of indemnity specified in the <i>Schedule</i> <b>in respect of reasonable and necessary extra costs to pay for:</b></p>		



3.7.2.1 **Overtime**, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property insured;

3.7.2.2 **The temporary repair** of *Property insured* to expedite the permanent repair or replacement of damaged property;

3.7.2.3 **The temporary removal** of *Property insured* for cleaning, renovation or repair; and

3.7.2.4 **The temporary protection or preservation** of *Property insured* provided that such actions are necessary to prevent immediately impending physical loss or damage to *Property insured* caused by a peril *Insured* under this policy.

**3.7.3 Fire-fighting expenses**

3.7.3.1 The *Insurer* shall indemnify the *Insured* in **respect of fire-fighting expenses** necessarily and reasonably incurred by the *Insured* to prevent or minimise the extent of any loss or damage to the *Property insured* indemnifiable under this policy, **including the cost of materials** expended, costs incurred in **refilling** fire-extinguishing appliances and replacing used sprinkler heads, **wages of personnel** specifically engaged for such tasks **and all fire-fighting costs claimed against the Insured from a public authority or public fire brigade** provided always that the amount payable under this additional insurance cover shall not exceed the limit of indemnity specified in the schedule.

3.7.3.2 Payment by insurers of any amount under this additional insurance cover shall be **subject to**

<p>the proof of costs incurred as insurers may reasonably require.</p>		
<p><b>3.7.4 Removal of debris</b> The <i>Insurer</i> shall indemnify the <i>Insured</i> up to the limit of indemnity specified in the <i>Schedule</i> in respect of the costs and expenses necessarily incurred to remove and dispose of debris which remains as a direct result of physical loss or damage <i>Insured</i> by this policy.</p>		<p><b>3.2 Debris removal</b> This <i>Policy</i> covers the necessary expense for removal of debris of <i>Insured</i> property from the described premises as a result of physical loss destruction or damage <i>Insured</i> against under this policy. The Company's total liability for debris removal is limited to the amount entered in the <i>Schedule</i></p>
<p><b>3.7.5 Misdescription of property insured</b> In the event of an <b>unintentional misdescription of the <i>Location</i></b> at which <i>Property insured</i> is physically situated or the <b>unintentional failure to include any property in which the <i>Insured</i> has an insurable interest</b>, this <i>Policy</i> shall cover physical loss or damage to such property as if the errors had not occurred providing the value of the <i>Property insured</i> does <b>not exceed 10%</b> of the property values declared to this <i>Policy</i> or any other limit of indemnity specified in the <i>Schedule</i> and such error is <b>reported to the <i>Insurer</i> by the <i>Insured</i> immediately</b> following discovery.</p>		
<p><b>3.7.6 Accounting records</b> In the event of <i>Insured</i> <b>physical loss or damage to documentary records</b> created by the <i>Insured</i> to record outstanding amounts due from customers, <b>this <i>Policy</i> shall refund any shortfall directly caused by such physical loss or damage</b> providing the <i>Insured</i> takes all reasonable steps to recover such shortfall and the physical loss or damage does not occur as</p>		

<p>a result of deliberate action by an employee or officer of the insured.</p>		
<p><b>3.7.7 Brands and labels</b>                  If branded or labelled <i>Property insured</i> by this <i>Policy</i> is physically damaged and the <i>Insurer</i> elects to salvage that property, the <i>Insured</i> may remove or obliterate the brands or labels. If the <i>Insured</i> determines to take such action then it must re-label so as to comply with any applicable regulation. Further, <b>if such re-labelling or re-branding reduces the value of the property, then the insured's indemnity shall be reduced by that reduction in value.</b></p>		
<p><b>3.8 Measurement of loss</b>                  3.8.1 In the event of any loss or damage, the basis of loss settlement under this <i>Section</i> shall be as follows:                  3.8.1.1 For stock, work in progress, finished goods, raw materials and supplies the costs required to replace the damaged material at the same <i>Location</i> by material of a similar kind and quality to that immediately before the loss;                  3.8.1.2 For plans, drawings, records, data and programs for electronic and electromechanical data-processing equipment the cost of reproducing the same from duplicates or from originals;                  3.8.1.3 For all other property insured:                  3.8.1.3.1 <b>If repaired, rebuilt or replaced, at the same <i>Location</i> or at another location, within two (2) years</b> from the date of loss or damage, the lesser of the following:</p>		<p><b>Special Conditions to <i>Section 1</i></b>  <b>2. Basis of Loss Settlement :</b>                  In the event of any loss, destruction or damage the indemnification under this <i>Section</i> shall be calculated on the basis of the reinstatement or replacement of the property lost, destroyed or damaged, subject to the following provisions :  <b>2.1 Reinstatement or replacement</b> shall mean :                  1) where property is lost or destroyed, the rebuilding of any buildings or the replacement of any other property by similar property, in either case in a condition equal to but not better or more extensive than its condition when new                  2) where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new</p>

- The actual expenditure incurred by or on behalf of the *Insured* to repair, rebuild or replace on the same *Location* with new materials of like kind and quality, whichever is the lesser expenditure;
- But in no event to include any increased cost(s) resulting from the enforcement of any law, ordinance, regulation or rule regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of property on an *Insured* location;

3.8.1.3.2 If not repaired, rebuilt or replaced, at the same or another location, within two (2) years from the date of loss or damage: the *Actual cash value* at the time and place of loss.

3.8.2 If, in the event of loss or damage, it is found that the *Sum(s) insured is less than the amount required to be insured, then the amount recoverable by the Insured under this Section shall be reduced in such proportion as the Sum(s) insured bears to the amount required to be insured.*

3.8.3 The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this policy.

3.8.4 The cost of any provisional repairs shall be borne by the *Insurer* if such repairs constitute part of the final repairs and do not increase the total cost of repairs.

3.8.5 The amount payable by the *Insurer* in accordance with the above mentioned

## 2.2 Special Provisions :

- 1) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the *Insured* subject to the liability of the *Insurers* not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount which would have been payable under the *Policy* if this special provisions had not been incorporated herein shall be made.
- 2) Where any property is lost destroyed or damaged in part only the liability of the *Insurers* shall not exceed the sum representing the cost which the *Insurers* could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- 3) If at the time of reinstatement the sum representing the cost which would have been incurred in the reinstatement if the whole property covered by such item had been destroyed exceeds the sum *Insured* thereon at the commencement of any destruction of or damage then the *Insured* shall be considered as being his own *Insurer* for the difference between the sum *Insured* and the sum representing the cost of reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly.
- 4) Until the cost of reinstatement or replacement shall have been actually incurred the amount payable under each of the items shall be calculated on the basis of

<p>provisions shall be <b>reduced by the value of any salvage</b>.</p> <p>3.8.6 The <i>Insured</i> shall not be entitled to abandon any property to the insurer.</p>		<p>the <i>Actual cash value</i> of such items immediately before the loss destruction or damage with due allowance for depreciation for age, use and condition.</p>
<p><b>4 Section 2 – Business Interruption</b></p> <p><b>4.1 Indemnification</b></p> <p>4.1.1 The <i>Insurer</i> shall indemnify the <i>Insured</i> for a loss of the <i>Interest Insured</i> unless specifically excluded if at any time during the <i>Period</i> the <i>Property insured</i> under the property damage <i>Section</i> suffers loss or damage <b>indemnifiable under the property damage Section or which would have been indemnifiable under the property damage Section but for the application of a deductible</b>, thereby causing an interruption of or interference with the business insured.</p> <p>4.1.2 The indemnity for the loss of <i>Interest Insured</i> shall be in respect of</p> <p>4.1.2.1 <b>Option 1: gross profit</b>, the loss actually sustained during the <i>Period</i> resulting from a reduction in <i>Turnover</i> and <i>Increased cost of working</i> or</p> <p>4.1.2.2 <b>Option 2: Specified standing charges and net profit</b>, the amount actually not earned during the indemnity <i>Period</i> resulting from a reduction in <i>Turnover</i> and increased cost of working.</p> <p>4.1.3 The indemnity shall not exceed the <i>Sum(s) insured</i> specified in the <i>Schedule</i> or any limit that may be applicable <b>for the maximum indemnity period</b>.</p>		<p><b>Section II - Business Interruption :</b></p> <p>The Insurers agree that if during the <i>Period</i> of insurance the business carried on by the <i>Insured</i> at the premises specified in the <i>Schedule</i> is interrupted or interfered with in consequence of loss destruction or damage <b>indemnifiable under Section I</b>, then the Insurers shall indemnify the <i>Insured</i> for the amount of loss as hereinafter defined resulting from such interruption or interference provided that the liability of the Insurers in no case exceeds the total sum <i>Insured</i> or such other sum as may hereinafter be substituted therefore by Endorsement signed by or on behalf of the Insurers.</p>

#### 4.2 **Sum(s) insured**

- 4.2.1 It is a requirement of this *Policy* that the **Sum(s) insured** specified in the *Schedule* in respect of the *Interest Insured* shall be not less than
- 4.2.1.1 Option 1: the annual *Gross profit* or
- 4.2.1.2 Option 2: the annual standing charges and net profit.
- 4.2.2 Should the *Maximum indemnity Period* exceed twelve (12) months, the *Gross profit* or the *Specified standing charges* shall be proportionately increased for that period.
- 4.2.3 In the event of any indemnification under this section, the *Sum(s) insured* shall be **automatically reinstated**.

#### **Basis of Insurance**

The cover provided under this *Section* shall be limited to **loss of Gross profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working** and the amount payable as indemnity hereunder shall be

- (a) in respect of **Reduction in Turnover** : the sum produced by applying the *Rate of gross profit* to the amount by which the *Turnover* during the *Indemnity Period* shall fall short of the *Standard Turnover* in consequence of the loss destruction or damage
- (b) in respect of **Increase in Cost of Working** : the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the *Reduction in Turnover* which but for that expenditure would have taken place during the *Indemnity Period* in consequence of loss destruction or damage, but not exceeding the sum produced by applying the *Rate of gross profit* to the amount of the reduction thereby avoided.

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

provided that if the sum *Insured* by this item be less than the sum produced by applying the *Rate of gross profit* to the *Annual Turnover* (or to a **proportionately increased multiple thereof where the Maximum indemnity Period exceeds twelve months**) the amount payable shall be proportionately reduced.

		<p><b>General Conditions applying to all Sections</b></p> <p><b>16. Sum(s) Insured</b></p> <p>The <i>Sum(s) insured</i> shall not be reduced by any indemnity payments</p>
<p><b>4.3 Premium</b></p> <p>4.3.1 The <i>Premium</i> is to be paid by the date specified in the <i>Schedule</i> and shall be calculated by multiplying the total <i>Sum(s) insured</i> by the <i>Premium</i> rate.</p> <p>4.3.2 If the <i>Insured</i> declares at the latest six (6) months after the expiry of any <i>Period</i> of insurance that the <i>Gross profit</i> earned during the accounting <i>Period</i> of twelve (12) months most closely concurrent with any <i>Period</i> of insurance, as certified by the insured's auditors, was less than the <i>Sum(s) insured</i> thereon, a pro rata return of <i>Premium</i> not exceeding one-third of the <i>Premium</i> paid on such <i>Sum(s) insured</i> for such <i>Period</i> of insurance shall be made in respect of the difference.</p> <p>4.3.3 If any loss or damage has occurred giving rise to any payment under this section, then the amount of any such payment before application of the time excess or <i>Monetary Deductible</i> shall be added to the <i>Gross profit</i> as certified by the insured's auditors and any return of <i>Premium</i> shall be based on the difference between such sum and the sum(s) insured.</p>		<p><b>Provisions</b></p> <p><b>Memo 2 - Return of Premium</b></p> <p>If the <i>Insured</i> declares at the latest six months after the expiry of any <i>Policy</i> year that the <i>Gross profit</i> earned during the accounting <i>Period</i> of twelve months most nearly concurrent with any <i>Period</i> of insurance, as certified by the Insured's auditors, was less than the sum <i>Insured</i> thereon, a pro rata return of <i>Premium</i> not exceeding one third of the <i>Premium</i> paid on such sum <i>Insured</i> for such <i>Period</i> of insurance shall be made in respect of the difference.</p> <p>If any loss destruction or damage has occurred giving rise to a claim under this Policy, such return shall be made in respect only of so much of said difference as is not due to such accident.</p>
<p><b>4.4 Time excess and monetary deductible</b></p> <p>In respect of each and every <i>Occurrence</i> or of damage to property insured, the <i>Insurer</i> shall not be liable for the amount obtained by</p>		

multiplying the average daily value of the loss of *Interest Insured* sustained during the *indemnity Period* (as defined in 4.6 of this section) by the number of days specified in the *Schedule* as the time excess or for the amount of any *Monetary Deductible* specified in the schedule, whichever is higher.

**4.5 Additional exclusions applicable to Section 2**

The following shall be excluded from the cover provided by this section:

- 4.5.1 Loss of *Interest Insured* due to an interruption of or interference with the *Business Insured* resulting from
  - 4.5.1.1 Any restrictions of access or otherwise to *Property insured* imposed by civil authority and/or government whether central or local;
  - 4.5.1.2 Erasure, loss, distortion or corruption of information on computer systems or other records or software programs unless resulting from an *Occurrence* or damage indemnifiable under the property damage section;
  - 4.5.1.3 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
    - 4.5.1.3.1 Planned or rescheduled shutdown,
    - 4.5.1.3.2 Strikes or other work stoppage,
    - 4.5.1.3.3 Any other reason other than physical loss or damage *Insured* by this policy.

**Special Exclusions to Section II**

1. This *Policy* does not cover any loss resulting from interruption of or interference with the business directly or indirectly attributable to:
  - 1.1. any restrictions on reconstruction or operation imposed by any public authority
  - 1.2. the Insured's lack of sufficient capital for timely restoration or replacement of property lost, destroyed or damaged
  - 1.3. loss of business due to causes such as suspension, lapse or cancellation of a lease license or order etc. which occurs after the date when the items lost destroyed or damaged are again in operating condition and the business could have been resumed, if said lease license or order etc. had not lapsed or had not been suspended or cancelled.
2. This *Policy* does not cover the *Deductible* stated in the *Schedule* to be borne by the Insured.



<p>4.5.2 The amount of any <b>fin</b>es or damages for breach of contract, for late or non-completion of orders, or for penalties of whatever nature.</p>		
<p><b>4.6 Indemnity period</b></p> <p>The indemnity <i>Period</i> shall be the <i>Period</i> during which the <i>Interest Insured</i> is affected by an interruption of or interference with the <i>Business Insured</i> beginning on the date of the <i>Occurrence</i> of loss or damage and not exceeding the <i>Maximum indemnity Period</i> specified in the schedule.</p>		<p><b>Definitions</b></p> <p><b>4. Indemnity Period</b></p> <p>The <i>Period</i> beginning with the <i>Occurrence</i> of loss destruction or damage and ending not later than the <i>Maximum indemnity Period</i> thereafter during which the results of the business shall be affected in consequence thereof.</p>
<p><b>4.7 Measurement of loss</b></p> <p>In the event of an interruption of or interference with the business insured, the basis of loss settlement under this <i>Section</i> shall be as follows:</p> <p><b>4.7.1 Option 1: Loss of Gross profit</b></p> <p>4.7.1.1 In respect of loss of gross profit, the <i>Insurer</i> shall pay the amount obtained by multiplying the <i>Rate of gross profit</i> with the amount by which the actual <i>Turnover</i> during the indemnity <i>Period</i> falls short of the <i>Turnover</i> which would have been achieved had the loss or damage not occurred.</p> <p>4.7.1.2 If the annual <i>Sum(s) insured</i> hereunder is less than the amount obtained by multiplying the <i>Rate of gross profit</i> by the <i>Annual Turnover</i> or to be a proportionately increased multiple thereof where the <i>Maximum indemnity Period</i> exceeds twelve (12) months, the <i>Turnover</i> calculated for the equivalent period, the amount payable shall be reduced proportionately.</p>		<p><b>Basis of Insurance</b></p> <p>The cover provided under this <i>Section</i> shall be limited to <b>loss of Gross profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working</b> and the amount payable as indemnity hereunder shall be</p> <p>(a) in respect of <b>Reduction in Turnover</b> : the sum produced by applying the <i>Rate of gross profit</i> to the amount by which the <i>Turnover</i> during the Indemnity <i>Period</i> shall fall short of the <i>Standard Turnover</i> in consequence of the loss destruction or damage</p> <p>(b) in respect of <b>Increase in Cost of Working</b> : the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in <i>Turnover</i> which but for that expenditure would have taken place during the Indemnity <i>Period</i> in consequence of loss destruction or damage, but not exceeding the sum produced by applying the <i>Rate of gross profit</i> to the amount of the reduction thereby avoided.</p> <p><b>less any sum saved</b> during the Indemnity <i>Period</i> in respect of such of the charges and expenses of the</p>

**4.7.2 Option 2: Specified standing charges and net profit**

4.7.2.1 In respect of *Specified standing charges* and net profit, the *Insurer* shall pay the amount obtained by multiplying the percentage by which the actual *Turnover* during the indemnity *Period* falls short of the *Turnover* which would have been achieved had the interruption of or interference with the *Business Insured* not occurred by the amount of *Specified standing charges* and *Net profit* incurred during the interruption or interference.

4.7.2.2 If the *Sum(s) insured* hereunder is less than the amount obtained by multiplying the *Rate of gross profit* by the *Annual Turnover* or, if the indemnity *Period* exceeds twelve (12) months, the pro rata *Turnover* for that period, the amount payable shall be reduced proportionately.

**4.7.3 Increased cost of working**

4.7.3.1 In respect of increased cost of working, the *Insurer* shall pay the **additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *Turnover* which, without such expenditure, would have occurred during the *Maximum indemnity Period* after expiry of the time excess.**

4.7.3.2 The indemnity shall not exceed the amount of loss of *Interest Insured* thereby avoided.

**4.7.4 Calculation of *Rate of gross profit* and *Annual Turnover***

business payable out of *Gross profit* as may cease or be reduced in consequence of loss destruction or damage

provided that if the sum *Insured* by this item be less than the sum produced by applying the *Rate of gross profit* to the *Annual Turnover* (or to a **proportionately increased multiple thereof where the *Maximum indemnity Period* exceeds twelve months**) the amount payable shall be proportionately reduced.

- 4.7.4.1 In calculating the *Rate of gross profit* and annual turnover, the following aspects shall be taken into consideration:
- 4.7.4.1.1 **The trend** of the business insured;
- 4.7.4.1.2 **The results of the *Business Insured*** during the financial year preceding the date of the loss or damage or, in the event of the loss or damage occurring during the first year of commercial operation, the *Turnover* during the following financial year;
- 4.7.4.1.3 **Any circumstances affecting the *Business Insured*** either before or after a loss or damage or which would have affected the *Business Insured* had the loss or damage not occurred;
- 4.7.4.1.4 **Any benefits from deferred sales** or from increased production and/or profits as a consequence of an interruption of or interference with the *Business Insured* which the *Insured* may receive during a *Period* of six (6) months immediately following the re-commissioning of *Insured* plant and/or machinery after a loss or damage;
- 4.7.4.1.5 **Allowance for the time spent** on any overhauls, inspections or modifications which would have been carried out during the *Period* the *Business Insured* was affected by any interruption or interference;
- 4.7.4.1.6 Any money paid or payable in respect of goods which are sold or services which are rendered **elsewhere than at the location(s)** for the benefit of the *Business Insured*

### Definitions

#### 5. Rate of Gross Profit

The *Rate of gross profit* earned on the *Turnover* during the financial year immediately before the date of loss destruction or damage

Annual Turnover

The *Turnover* during the twelve months immediately before the date of loss destruction or damage

Standard *Turnover* :

The *Turnover* during that *Period* in the twelve months immediately before the date of loss destruction or damage which corresponds with the *Indemnity Period* appropriately adjusted where the *Indemnity Period* exceeds twelve months to which such adjustments shall be made as may be necessary to provide for **the trend** of the business and for **variations in or other circumstances affecting the business** either before or after loss destruction or damage or which would have affected the business had the loss destruction or damage not occurred, **so that the figures thus adjusted shall represent as nearly as** may be reasonably practicable the results which but for the loss destruction or damage would have been obtained during the relative *Period* after the loss destruction or damage.

### Provisions

#### **Memo 1 - Benefits from other Premises**

If during the *indemnity Period* goods are sold or services are rendered elsewhere than at the premises for the benefit of the business either by the *Insured* or by others acting on his behalf, the money paid or payable in respect of such sales or

<p>either by the <i>Insured</i> or by another party acting on its behalf;</p> <p>4.7.4.1.7 <b>Any amount saved</b> during the indemnity <i>Period</i> in respect of any charges and expenses of the business payable out of the <i>Gross profit</i> that may cease or be reduced in consequence of loss or damage.</p> <p>4.7.4.2 <b>The final figures shall represent as closely as</b> may be deemed reasonable the results which the <i>Business Insured</i> would have achieved had the interruption of or interference with the <i>Business Insured</i> not occurred.</p>		<p>services shall be taken into account in arriving at the <i>Turnover</i> during the indemnity period.</p>
<p><b>4.8 Definitions</b> (applicable to all sections and endorsements unless otherwise stated)</p> <p><b>Annual turnover</b> The <i>Turnover</i> which, had the interruption of or interference with the <i>Business Insured</i> not occurred, would have been achieved <b>during the twelve (12) months</b> preceding either the date when the <i>Business Insured</i> is no longer affected or when the indemnity <i>Period</i> ends, whichever is the earlier.</p> <p><b>Business insured</b> The commercial operation of the <i>Property insured</i> specified in the <i>Schedule</i> to this section.</p> <p><b>Gross profit</b> The amount by which the value of the <i>Turnover</i> and the value of the closing stock exceed the value of the opening stock and the amount of the specified working expenses. The value of the opening and closing stocks shall be calculated in accordance with the insured's normal accounting methods, due provisions being made for depreciation.</p>		<p><b>Definitions</b></p> <p><b>Annual Turnover</b> The <i>Turnover</i> <b>during the twelve months</b> immediately before the date of loss destruction or damage</p> <p><b>1. Gross Profit</b> The amount by which</p> <ul style="list-style-type: none"> <li>- the sum of the amount of the <i>Turnover</i> and the amounts of the closing stock and work in progress shall exceed</li> <li>- the sum of the amounts of the opening stock and works in progress and the amount of the <i>UnInsured Working Expenses</i>.</li> </ul>

**Interest Insured**

Either the *Gross profit* including any *Increased cost of working* or the *Specified standing charges* and *Net profit* including any *Increased cost of working*.

**Increased cost of working**

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of *Interest Insured* which, without such expenditure, would have taken place.

**Monetary deductible**

The amount to be deducted from any payment otherwise to be made by the *Insurer* to the insured.

**Maximum indemnity period**

The maximum period(s) stated in the *Schedule* in respect of which cover is afforded for the *Interest Insured* by this operational business interruption section.

**Net profit**

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

**Rate of gross profit**

The percentage of *Gross profit* which, had the interruption of or interference with the *Business Insured* not occurred, would have been earned on the *annual turnover*.

Note : The amount of the opening and closing stocks and works in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Basis of Insurance**

(b) in respect of **Increase in Cost of Working** : the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in *Turnover* which but for that expenditure would have taken place during the *Indemnity Period* in consequence of loss destruction or damage, but not exceeding the sum produced by applying the *Rate of gross profit* to the amount of the reduction thereby avoided.

**4. Indemnity Period**

The *Period* beginning with the *Occurrence* of loss destruction or damage and ending not later than the *Maximum indemnity Period* thereafter during which the results of the business shall be affected in consequence thereof.

**5. Rate of Gross Profit**

The *Rate of gross profit* earned on the *Turnover* during the financial year immediately before the date of loss destruction or damage

<p><b>Specified standing charges</b> Any fixed costs specified in the <i>Schedule</i> which continue to be payable in full during the indemnity <i>Period</i> (as defined in 4.6).</p> <p><b>Specified working expenses</b> Any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies unless required for the upkeep of operations and any costs for packaging, carriage, freight, intermediate storage, <i>Turnover</i> tax, purchase tax, licence fees and royalties, insofar as such costs are dependent on turnover.</p> <p><b>Turnover</b> The amount of money (less discounts allowed) paid or payable to the <i>Insured</i> for goods, products or services sold, delivered or rendered in the course of the business insured.</p>		<p><b>2. Uninsured Working Expenses</b> The variable expenses of the business which are not <i>Insured</i> by this <i>Policy</i> :</p> <p>2.1 <i>Turnover</i> and purchase taxes 2.2 purchase (less discounts received) 2.3 carriage, packing and freight.</p> <p><b>3. Turnover</b> The money (less discounts allowed) paid or payable to the <i>Insured</i> for goods sold and delivered and for services rendered in the course of the business at the Premises.</p>
<p><b>5 Exclusions applicable to all sections</b></p> <p>1. <b>Unless otherwise stated</b> in any <i>Section</i> of this policy, the <i>Insurer</i> shall not indemnify the <i>Insured</i> in respect of any loss or damage directly or indirectly resulting from or aggravated by or in connection with</p> <ol style="list-style-type: none"> <li>1. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, conspiracy, military or usurped power, confiscation, nationalisation, commandeering, requisition or destruction or damage by or under the order of any government de jure or de facto or by any public or local authority;</li> <li>2. The acts of any person or persons acting on behalf of or in connection with any organisation with activities directed towards</li> </ol>		<p><b>General Exclusions applying to all Sections</b> The Insurers will not indemnify the <i>Insured</i> in respect of loss (including consequential loss) destruction, damage or expense whatsoever directly or indirectly caused by or arising out of or aggravated by</p> <p><b>Exclusions:</b></p> <ol style="list-style-type: none"> <li>1. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war: mutiny, <b>civil commotion assuming the proportions of or amounting to a popular rising</b>, military rising, insurrection, rebellion, revolution, military or usurped power, confiscation, requisition or nationalization, acts of <b>Terrorism committed by a person acting on behalf of or in connection with any organisation.</b></li> </ol>

the overthrowing or influencing of any government de jure or de facto by force or violence;

3. Any act of *Terrorism* including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4. Ionising radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;
5. The radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
6. Any weapon or device employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter.

2. In any action, suit or other proceeding in which the *Insurer* alleges that by reason of the provisions of exclusions 5.1.1, 5.1.2 and 5.1.3 above any loss or damage is not covered by this policy, the burden of proving that such loss or damage is covered shall be upon the insured.

"Terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any *Section* of the public in fear. (original 03/1991)

Modified after riots 1998 to become:

war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war:

riot strike, locked-out workers, malicious acts, looting, mutiny, civil commotion, military rising, insurrection, rebellion, revolution, military or usurped power, confiscation, requisition or nationalization, acts of terrorism,

"Terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any *Section* of the public in fear.

- 2.1. ionizing , radiation's or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 2.2. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
3. willful act or willful negligence of the *Insured* or of his representatives
4. total or partial cessation of work

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of Exclusion 1) and 2) above any loss, destruction, damage, expense or liability is not covered by this insurance the burden of proving that such loss, destruction, damage,

3. Notwithstanding any provision to the contrary within the *Policy* or any endorsement thereto, it is understood and agreed as follows:
  1. This *Policy* does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic data* from any cause whatsoever (including but not limited to computer virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing in any sequence before, after or concurrently to the loss.
  2. However, in the event that a peril listed below results from any of the matters described in paragraph 5.3.1 above, this policy, subject to all its terms, conditions and exclusions, shall cover physical damage occurring during the *Period to Property insured* by this *Policy* directly caused by such listed peril.
    - Listed perils: **Fire, explosion, add further perils or delete.**
4. Notwithstanding any provision to the contrary within the *Policy* or any endorsement thereto, it is understood and agreed as follows: Should *Electronic data* processing media *Insured* by this *Policy* suffer physical loss or damage *Insured* by this policy, then the **basis of valuation shall be the cost of the blank media plus the costs of copying the *Electronic data* from back-up or from originals of a previous generation.** These costs shall not include research and engineering nor any costs of recreating, gathering or assembling such electronic data. If the media is not repaired, replaced or restored, the basis of valuation shall be the cost of



the blank media. However, this *Policy* does not insure any amount pertaining to the value of such *Electronic data* to the *Insured* or any other party, even if such *Electronic data* cannot be recreated, gathered or assembled.

**6 Claims conditions**

6.1 Claims notification and the insured’s claims obligations  
(applicable to all sections)

*The Insurer shall not be liable under this Policy unless the Insured fully complies with 6.1.1.1 to 6.1.1.7.*

6.1.1 In the event of any incidence of loss or damage or circumstances which might give rise to a claim under this policy, the *Insured* shall

6.1.1.1 *Notify the Insurer in writing immediately*, from when the *Insured* has knowledge about such loss or damage or circumstance, indicating the nature and extent of the loss or damage;

6.1.1.2 Take all such measures as may be reasonable for the purpose of *minimising loss* or damage;

6.1.1.3 Ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;

6.1.1.4 Do and concur in doing and permit to be done all such things as may be necessary to *establish the cause and extent of the loss or damage*;

6.1.1.5 Preserve all parts affected and *make them available for inspection* by the

**7. Claims Procedure**

7.1 In the event of any *Occurrence* which might give rise to a claim under this Policy, the *Insured* shall

- *immediately notify the Insurers* by telephone or telegram as well as in writing about the nature and extent of loss, destruction or damage
- take all steps within his power to *minimize the extent of the loss*, destruction or damage
- preserve the parts affected and *make them available for inspection* by a representative or surveyor of the Insurers
- *furnish all such information and documentary evidence* as the Insurers may require

*Insurer's agent* as long as the *Insurer* may require;

- 6.1.1.6 **Inform the police** authorities of loss or damage due to fire, theft or burglary or actions by any malicious person and render all reasonable assistance to the police authorities;
- 6.1.1.7 **Furnish any information and documentary evidence** that the *Insurer* may require together with, if required, a statutory declaration of the truth of the claim.
- 6.1.2 **The *Insurer* shall reimburse the *Insured* for any charges properly and reasonably incurred in pursuance of its duties in relation to clauses 6.1.1.2 and 6.1.1.3 above in addition to any loss recoverable under any *Section* of this *Policy* providing the charges do not exceed 25% in total of the final adjusted claim.**
- 6.1.3 **Upon notifying the insurer, the *Insured* may repair any minor damage** or replace any parts of the *Property insured* that have sustained minor damage. In all other cases, the *Insurer's agent* shall be given the opportunity to inspect the loss or damage before any repairs are effected and if the *Insurer's agent* does not carry out the inspection within a *Period* of time which could be considered reasonable under the circumstances, the *Insured* shall be entitled to proceed with the repair or replacement.
- 6.1.4 The liability of the *Insurer* under this *Policy* in respect of any lost or damaged part or parts of the *Property insured* shall cease **if such part or parts are not repaired or replaced in**

- immediately **inform the police** authorities in case of loss or damage due to theft or burglary or malicious damage.

**Upon notification being given to the Insurers** under this condition, a representative of the Insurers shall have the opportunity of inspecting the loss, destruction or damage before any repairs or alterations are effected. If a representative of the Insurers does not carry out the inspection within a *Period* of time which could be considered as adequate under the circumstances the *Insured* is entitled to proceed with the repairs or replacement.

- 7.2 The *Insured* shall not be entitled to **abandon** any property to the Insurers whether taken possession of by the Insurers or not.
- 7.3 **No claim shall be payable under this *Policy* unless the terms of this Condition have been complied with.**

<p>accordance with the relevant technical manufacturer's standards.</p>		
<p><b>6.2 Fraudulent claims (applicable to all sections)</b></p> <p>6.2.1 If <b>an Insured</b> makes any claim that is fraudulent or any false declaration or statement in support thereof, <b>this Policy between the Insurer and the Insured making such a claim shall become void and the Insurer shall not be liable to make any payment hereunder to that party.</b></p> <p>6.2.2 For the avoidance of doubt, <b>the Insured making such fraudulent claim shall not be entitled to any return of Premium</b> in the event that this <i>Policy</i> is treated as void.</p>		<p><b>7.4 Fraud</b></p> <p>If a claim is fraudulent in any respect or if fraudulent means are used by the <i>Insured</i> or by anyone acting on his behalf to obtain any benefit under this <i>Policy</i> or if any loss or destruction of or damage to the <i>Property insured</i> or to property used by the <i>Insured</i> at the Premises for the purpose of the Business is caused by the willful act or with the connivance of the <i>Insured</i> <b>all benefit under this Policy shall be forfeited.</b></p>
<p><b>6.3 Claims notification and the insured's additional claims obligations under Section 2</b></p> <p>When complying with Clause 6.1., the <i>Insured</i> must also comply with the additional obligations specified in this clause if a claim is made under <i>Section 2</i>. <b>The Insurer shall not be liable under Section 2 unless all obligations are complied with.</b></p> <p>6.3.1 The <i>Insured</i> shall be <b>obliged to keep</b> for the <i>Period</i> of insurance <b>complete records of the business insured</b>, including – without limitation – inventories, production and balance sheets <b>for the three (3) preceding years</b>. All records shall be held in safe keeping and, as a precaution against them being simultaneously destroyed, the <i>Insured</i> shall keep separate sets of such records.</p> <p>6.3.2 In the event of a claim being made under <i>Section 2</i>, the <i>Insured</i> shall at its own expense deliver to the <i>Insurer</i> <b>not later than thirty (30)</b></p>		

<p>days after the interruption of or interference with the <i>Business Insured</i> or within such further periods as the <i>Insurer</i> may allow in writing a written statement setting forth particulars of the claim.</p> <p>6.3.3 The <i>Insured</i> shall at its own expense produce and furnish to the <i>Insurer</i> such books of account and other business books or other evidence as may reasonably be required by the <i>Insurer</i> for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.</p>		
<p><b>6.4 Business interruption payments applicable to Section 2</b></p> <p>6.4.1 Subject to Clause 6.4.3 below, the <i>Insurer</i> shall pay the <i>Insured</i> any amount due under this Section within thirty (30) days after final determination of the amount due.</p> <p>6.4.2 The <i>Insured</i> may, thirty (30) days after the <i>Insurer</i> has been duly notified of the loss of <i>Interest Insured</i> and has acknowledged its liability, claim as advance payment(s) the minimum amount(s) the <i>Insurer</i> agrees are payable.</p> <p>6.4.3 The <i>Insurer</i> shall be entitled to postpone payment beyond the <i>Period</i> set out in 6.4.1 above if</p> <p>6.4.3.1 there are doubts as to the insured's right to receive payment, in which case payment shall not become due until such time as the necessary proof is furnished by the <i>Insured</i> or the <i>Insurer</i> accepts liability;</p>		<p><b>General Conditions applying to all Sections</b></p> <p><b>8. Indemnification</b></p> <p>8.1 The Insurers shall indemnify adjusted losses within 30 days after receipt of loss adjuster's final report or equivalent proof or loss</p> <p>8.2 Liability having been admitted, payments on account not exceeding the minimum amount justified by the prevailing circumstances shall be effected</p> <p>8.3 The Insurers shall be entitled to withhold indemnification</p> <ul style="list-style-type: none"> <li>▪ if there are doubts regarding the Insured's right to receive the indemnity, pending receipt by the Insurers of the necessary proof</li> <li>▪ if in connection with the claim an examination by the police or an inquiry</li> </ul>

<p>6.4.3.2 as a result of any loss or damage or any interference with or interruption of the business insured, <b>police or criminal investigations</b> have been initiated against the insured, in which case payment shall not become due until the completion of such investigations, provided always that if the <i>Insured</i> is convicted of any offence in respect of any claim for indemnity under this policy, the insurance cover under this <i>Section</i> shall be void.</p> <p><b>The Insurer shall not be liable to pay interest on indemnity withheld other than interest for default.</b></p>		<p><b>under criminal law</b> has been instituted against the Insured, pending completion of such examination or inquiry.</p> <p><b>9. Interest payments</b></p> <p><b>The Insurers shall not be liable to pay interest other than interest for default.</b></p>
<p><b>7 General conditions applicable to all sections</b></p> <p><b>7.1 Period of insurance</b></p> <p>7.1.1 The <i>Period</i> specified in the schedule.</p>		<p><b>General Conditions applying to all Sections</b></p> <p><b>13. Period of Insurance</b></p> <p>The <i>Period</i> of insurance is one year. Inception and expiry shall both be 12 o'clock noon at dates entered in the schedule. <b>The insurance is automatically renewed for a year</b>, unless <i>Insurer</i> or <i>Insured</i> request in writing the termination at expiry date, giving 30 days notice.</p>
<p><b>7.2 Reasonable precautions</b></p> <p>7.2.1 <b>The Insured shall take at its own expense all reasonable precautions</b> and comply with all reasonable recommendations made by the insurer, to prevent loss of or damage to the <i>Property insured</i> or any liability arising under this <i>Policy</i> and comply with all relevant statutory requirements and manufacturers' recommendations.</p>		<p><b>5. Reasonable Precautions</b></p> <p><b>The Insured shall</b> take all reasonable precautions to prevent loss, destruction or damage, e.g. take <b>at his own expense all reasonable precautions</b>, comply with all reasonable recommendations of the Insurers to prevent loss, destruction or damage, comply with statutory requirements and manufacturers' recommendations.</p>

<p><b>7.3 Risk inspections</b></p> <p>7.3.1 The <i>Insurer</i> or the <i>Insurer's agent</i> shall have <b>the right to inspect and examine and/or survey the Property insured</b> at any reasonable time and the <i>Insured</i> shall provide the <i>Insurer</i> or the <i>Insurer's agent</i> with all relevant details and information. Any such survey or examination <b>shall not waive any duty of the Insured to disclose relevant information</b> to the insurer.</p>		<p><b>6. Right of Inspection</b></p> <p><i>Representatives</i> of the Insurers shall at any reasonable time have <b>the right to inspect and examine the risk</b> and the <i>Insured</i> shall provide the <i>Representatives</i> of the Insurers with all details and information necessary for the assessment of the risk. Said inspection / examination <b>shall not impose any liability on the insurers</b> and shall not be taken as guarantee for the <i>Insured</i> of the safety standard of his operation.</p>
<p><b>7.4 Increase in risk</b></p> <p>7.4.1 The <i>Insured</i> shall <b>notify the Insurer of any material increase in risk</b> to the <i>Property insured</i> which occurs during the operation of this policy.</p> <p>7.4.2 Notification shall take place <b>within thirty (30) days</b> from the date that the <i>Insured</i> becomes aware of the increase or from the date that the <i>Insured</i> ought reasonably to have become aware of the increase, whichever is the sooner.</p> <p>7.4.3 <b>A material increase in risk is</b> one which is material to a prudent underwriter when determining whether to accept risk and/or determine terms.</p> <p>7.4.4 Upon becoming aware of an increase in risk, the <i>Insured</i> shall, at its own expense, take any reasonable precautions which are necessary to prevent loss or damage.</p> <p>7.4.5 The <i>Insurer</i> <b>shall not be liable for any loss of or damage to Property insured resulting from an increase in risk</b> unless the <i>Insurer</i> has agreed to the increase in risk, in which case the scope of cover and <i>Premium</i> shall, if necessary, be</p>		<p><b>3. Alteration</b></p> <p>3.1 <i>Section 1</i> of this <i>Policy</i> shall be avoided with respect to any of the <i>Property insured</i> in regard to which there be <b>any alteration</b> after the commencement of this insurance</p> <p>3.1.1 by removal or</p> <p>3.1.2 <b>whereby the risk</b> of loss destruction or damage <b>is increased</b> or</p> <p>3.1.3 whereby the interest of the <i>Insured</i> ceases except by will or operation of law <b>unless admitted by the Insurer in writing.</b></p> <p>3.2 <i>Section 2</i> of this <i>Policy</i> shall be voided if after the commencement of this insurance</p> <p>3.2.1 the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or</p> <p>3.2.2 the interest of the <i>Insured</i> ceases other than by death or</p> <p>3.2.3 any alteration be made either in the Business or in the Premises or property therein whereby the risk of loss destruction or damage is increased</p>

<p>adjusted by the <i>Insurer</i> to reflect the increase in risk.</p>		<p>unless admitted by the <i>Insurer</i> in writing.</p> <p><b>4. Warranties</b></p> <p>Every warranty to which this <i>Policy</i> is or may be made subject shall from the time the warranty attaches, apply continue to be in force during the whole currency of this <i>Policy</i> and non-compliance with any such warranty in so far as it increases the risk of any loss, destruction or damage shall be a bar to any claim in respect of such loss, destruction or damage.</p>
<p><b>7.5 Time for commencing proceedings</b></p> <p>No suit, action or proceeding for the recovery of any claim shall be sustained in any court of law or equity unless legal action is started within twenty-four (24) months after inception of the loss.</p> <p>If under the insurance laws of the jurisdiction in which the <i>Property insured</i> is located, such twenty-four (24) months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.</p>		
<p><b>7.6 Other insurances</b></p> <p>If there is any other insurance in place that applies or would apply in the absence of this policy, this <i>Policy</i> will apply only after such other insurance, whether collectible or not.</p>		<p><b>12. Other insurance</b></p> <p>If at the time any claim arises under this <i>Policy</i> there is any other insurance covering the same loss, damage or destruction the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss damage or destruction.</p>
<p><b>7.7 Entire agreement</b></p> <p>This <i>Policy</i> shall form the entire agreement between the <i>Insurer</i> and the <i>Insured</i> and there are no understandings or agreements between</p>		<p><b>1. Definition</b></p> <p>Definition The Schedule(s) the Section(s) and the Endorsement(s) and the Questionnaire(s) shall be deemed to be incorporated in and form part</p>

<p>the <i>Insurer</i> and the <i>Insured</i> other than those expressed in this policy.</p> <p><b>7.8 Definition</b></p> <p>This <i>Policy</i> and the <i>Schedule</i> shall be read together as one contract and <b>any word or expression</b> to which a specific meaning has been attached in any part of this <i>Policy</i> or of the <i>Schedule</i> <b>shall bear such meaning wherever it may appear.</b></p>		<p><b>of this Policy</b> and the expression "this Policy" wherever used in this contract shall be read as including the Schedule(s) the Section(s) and the Endorsement(s) and Questionnaire(s).</p> <p><b>Any word or expression</b> to which a specific meaning has been attached in any part of a <i>Section</i> or of the Endorsement or Questionnaire <b>shall bear such meaning wherever it may appear</b> in such Section, Endorsement or Questionnaire.</p>
<p><b>7.9 Several liability</b></p> <p>The subscribing underwriters' obligations under contracts to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing underwriters are not responsible for the subscription of any co-subscribing underwriter who for any reason does not satisfy all or part of its obligations.</p>		
<p><b>7.10 Subrogation</b></p> <p>7.10.1 If the insured, or any other person or organisation to or for whom the <i>Insurer</i> makes payment under this policy, has rights to recover damages from another, those rights are transferred to the <i>Insurer</i> to the extent of the insurer's payment.</p> <p>7.10.2 In the event of subrogation recovery, any monies recovered (including, but not limited to, fees, expenses, or interest) shall be distributed to the <i>Insurer</i> and the <i>Insured</i> in the following order:</p>		<p><b>11. Subrogation</b></p> <p>The <i>Insured</i> shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those <i>Insured</i> under this Policy) to which the Insurers shall be or would become entitled or subrogated upon their paying for or making good any loss, destruction, damage or liability under this policy, whether such acts and things shall be or become necessary or required before or after the <i>Insured's</i> indemnification by the Insurers.</p>



7.10.3 To the *Insured* and/or the *Insurer* for amounts they paid as an expense necessary to obtain the recovery;

7.10.4 Any further recovery shall be divided between the *Insurer* and the *Insured* in the same proportion as each has borne or paid for the underlying loss.  
For the purposes of this clause 7.10.4, the portion of the loss borne or paid by the *Insured* shall only include the insured's *Deductible* or *self-Insured retention* as agreed within this policy.

7.10.5 To the *Insured* for any remaining recovery.

**7.11 Arbitration**  
All disputes and differences arising under or in connection with this *Policy* shall be referred to arbitration under **ARIAS (UK) Arbitration Rules**.  
The arbitration tribunal shall consist of **three (3) arbitrators**, one (1) to be appointed by the insured, one (1) to be appointed by the *Insurer* and the third to be appointed by the two appointed arbitrators.  
The third member of the tribunal shall be appointed as soon as practicable (and no later than twenty-eight [28] days) after the appointment of the two (2) party-appointed arbitrators. The tribunal shall be constituted upon the appointment of the third arbitrator.  
The arbitrators shall be lawyers with not less than ten (10) years' experience of insurance or reinsurance law.  
Where a party fails to appoint an arbitrator within fourteen (14) days of being called upon to do so or where the two (2) party-appointed

**10. Arbitration**  
If any difference shall arise as to the amount to be paid under this *Policy* (liability being otherwise admitted) such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties; if they cannot agree upon a **single Arbitrator** to the decision of **two Arbitrators**, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the Arbitrators do not agree, of **an Umpire to be appointed** in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.

Modified in accordance with POJK (AAUI)  
\*Nomor Clause disesuaikan

arbitrators fail to appoint a third within twenty-eight (28) days of their appointment, then upon application ARIAS (UK) shall appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.

The tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders of directions.

The seat of arbitration shall be Enter name of city. If there is no preference choose London.

#### 7.12 Choice of law and jurisdiction

This Policy shall be governed by the law of Enter applicable law. If there is no preference choose England and Wales. and except where subject to the provisions of the arbitration clause, the courts of Enter jurisdiction. If there is no preference choose England and Wales. shall have sole jurisdiction in any dispute.

#### DISPUTE CLAUSE

24.1. In the event of any dispute arising between the *Insurer* and the *Insured* as consequence of the interpretation of liability or amount of indemnity of this Policy, the dispute shall be settled amicably by the complaint handling and resolution unit of the Insurers within 60 (sixty) calendar days from the dispute arose. The dispute arises since the *Insured* has expressed disagreement in writing on the subject matter of the dispute.

24.2. If the dispute could not be settled amicably as provided in item 1 above, both the *Insurer* and the *Insured* shall make statement of disagreement in writing. Then the *Insured* shall choose to settle the dispute through out of the court or court settlement by selecting either one of the following dispute settlement clauses as stated below.

##### A. ALTERNATIVE DISPUTE RESOLUTION BODY

It is hereby declared and agreed that the *Insured* and the *Insurer* shall settle the dispute through the Indonesian Insurance Mediation and Arbitration Board (BMAI) subject to the terms and procedures of BMAI or any other alternative insurance dispute resolution body which is registered in the Financial Services Authority.

##### B. COURT

It is hereby declared and agreed that the *Insured* and the *Insurer* shall settle the dispute through the Court (Pengadilan Negeri) within the territory of the Republic of Indonesia.

		<p>ARTICLE 25 CONCLUSION</p> <p>25.1. This <i>Policy</i> has complied with prevailing laws and regulations including regulations of Financial Service Authority</p> <p>25.2. Other matters which may not be sufficiently stipulated in this <i>Policy</i> shall be subject to the provisions of the Commercial Code (Kitab Undang-Undang Hukum Dagang) and or prevailing Laws and Regulations.</p> <p>Terjemahan ini merupakan terjemahan dari dokumen berbahasa Inggris. Jika terdapat perbedaan penafsiran dalam versi Bahasa Indonesia ini, maka versi Bahasa Inggris yang akan dijadikan sebagai acuan.</p>
<p><b>7.13 Termination of Policy</b></p> <p>This <i>Policy</i> may be terminated at any time at the request of the <i>Insured</i> in writing to the <i>Insurer</i> or the insured's agent, if so appointed, and <b>the <i>Premium</i> hereon shall be adjusted on a pro rata temporis basis</b>, or as otherwise agreed.</p> <p>This <i>Policy</i> may also be terminated by or on behalf of the <i>Insurer</i> by thirty (30) days' notice given in writing to the <i>Insured</i> or the insured's agent, if so appointed, at its last known address, and the <i>Premium</i> hereon shall be adjusted on the basis of the <i>Insurer</i> retaining pro rata premium.</p> <p>Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed to the last known address.</p>		

## **8 Definitions applicable to all sections**

The terms – written in *italics* – used in this *Policy* shall have the following meanings unless they are defined differently in any *Section* or endorsement hereof or the context so requires.

### ***Actual cash value***

The cost to repair or replace at the time of loss or damage with material of like kind and quality, less allowance for physical deterioration, physical depreciation, obsolescence and depletion.

### ***Computer virus***

Any set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instruction or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. This definition includes but is not limited to ‘trojan horses’, ‘worms’ and ‘time or logic bombs’.

### ***Consequential loss***

Any financial loss of any kind or description whatsoever, including but not limited to loss of profit, loss of business opportunity, losses due to delay, lack of performance, loss of contract or penalties.

### ***Deductible***

The amount to be deducted from any payment otherwise to be made by the *Insurer* to the insured.

### ***Depreciation***

The method to account for assets whose value is considered to decrease over time.

### ***Earthquake***

Any natural or man-made earth movement including, but not limited to earth movement or landslide, regardless of any other cause or event contributing in any sequence before, after or concurrently to the loss.

### ***Electronic data***

Any facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronic controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

### ***Fine art***

Paintings/pictures/sketches of any kind whether created by applying water/oil/acrylic based paints, charcoal, pencil or collage; art photographs; tapestries; sculptures; statuary; antiques; valuable rugs; rare glassware and windows; antique jewellery; porcelains; and similar property containing intrinsic rarity, historical or artistic value.

**Flood**

Surface waters; rising waters; waves; water inundation; *Storm* surge; 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 there from; or sewer-backup resulting from any of the foregoing; excluding *Storm* as defined in the definition *Section* of this *Policy* regardless of any other cause or event contributing in any sequence before, after or concurrently to the loss.

**Insured**

All the parties named as the *Insured* in this policy.

**Insurer**

The party named as such in this policy.

**Insured's agent**

An individual, firm or company, appointed by the *Insured* to act on its behalf.

**Insurer's agent**

An individual, firm or company, appointed by the *Insured* to act on its behalf.

**Location**

The location(s) of the *Property insured* as listed in the schedule.

**New replacement value**

The costs which would be incurred to replace the *Property insured* at the *Location* with new items of similar kind and quality at any time during the period.

**Occurrence**

The sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. Where the term applies to disasters, accidents or losses from the perils of tornado, storm, hail, flood, earthquake, riot, civil commotion, strike, lockout, vandalism and malicious mischief, in so far as such perils are covered under this policy, one *Occurrence* shall be further limited to all individual losses arising during a continuous *Period* of seventy-two (72) hours. When filing proof of loss, the *Insured* may elect the moment at which such seventy-two (72) hour *Period* shall be deemed to have commenced, which shall not be earlier than when the first loss to *Property insured* or interests *Insured* under this *Policy* occurs. However, the *Insurer* shall not be liable hereunder for individual losses or the sum of all individual losses:

1. Directly occasioned by disasters, accidents or losses occurring before this *Policy* becomes effective; or
2. Arising from an event which is in progress at the time this *Policy* becomes effective, even if such loss occurs after this *Policy* becomes effective; or

3. Directly occasioned by disasters, accidents, or losses occurring after the expiration of this policy, except such individual losses arising from an event which is in progress at the time this *Policy* expires.

**Period**

The *Period* during which cover is provided by this *Policy* as specified in the schedule.

**Policy**

The proposal, the definitions, the conditions, the exclusions, the *Schedule* and the sections of this *Policy* as well as any endorsement attached thereto.

**Premium**

The *Premium* payable under this *Policy* calculated in accordance with its terms.

**Premium rate**

The rate referred to as such in the *Schedule* agreed between the *Insured* and the insurer.

**Property insured**

The *Property insured* as specified in the *Schedule* to this policy.

**Proposal**

The written information submitted to the *Insurer* by the *Insured* seeking insurance cover under this policy.

**Representatives**

The directors, officers or any other individuals that have the authority to exercise administrative or executive control over the execution of a contract or over an operation or business.

**Schedule**

The *Schedule* to the section(s) of this *Policy* in which reference is made to it.

**Section**

Any *Section* of this *Policy* including the *Schedule* thereto.

**Storm**

A weather condition (including one that has been declared by any meteorological authority to be a hurricane, typhoon, tropical *Storm* or cyclone) that results in loss or damage to *Property insured* directly or indirectly by:

1. The force of wind caused by or resulting from a storm; or
2. Any material, object or debris that is carried, propelled or in any manner moved by a storm; or
3. Hail, lightning, or tornado(es) that are a result of actions or effects of a storm; or
4. Rain, whether the rain is driven by wind or not, that enters the *Insured* building or structure through (an) opening(s) created by the force of wind from a storm.

**Sum(s) insured**

The amount of insurance cover specified in the *Schedule* in respect of any particular item of *Property insured* or *Interest Insured* or the total amount of insurance cover specified in the *Schedule* as the context may require.

**Terrorism**

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

**Tsunami**

Sea wave produced by a submarine *Earthquake* such as a subduction of crustal plates or by submarine volcanic eruption.

**Volcanic eruption**

The issuance of molten or hot rock or steam, gas or liquid from a vent or vents in the earth's crust.

**9 Optional endorsements**

**300 Machinery breakdown endorsement**

1. It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in this *Policy* or endorsed thereon, and subject to the *Insured* having paid the agreed additional premium, this *Policy* is extended to include direct, sudden and unforeseen physical loss or damage sustained to or destruction of any machinery, including by or happening through any mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind up to the separate limit or sublimit contained in the schedule. Exclusion 3.6.2.4 contained in the *Policy* shall be deleted as far as applicable.

It is a requirement of this *Policy* that the *Sum(s) insured* specified in the *Schedule* in respect of machinery shall not be less than the *New replacement value* of such property. In the event of any indemnification under this *Section* the *Sum(s) insured* shall be automatically reinstated.

2. For the purpose of this cover machinery means any mechanical, electrical and electronic equipment.
3. In the event of any loss or damage, the basis of loss settlement under this endorsement shall be as follows:  
The *Insurer* will at its option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing same, subject to the following conditions:

1. For machinery older than five (5) years (to be calculated from the date of manufacture) and for mobile units of any age (to be calculated from the date of manufacture) the basis of settlement is *Actual cash value* (as defined in this policy).
2. Conditions regarding *Actual cash value* settlement  
For damage which can be repaired the costs necessarily incurred to restore the machinery to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the sum(s) insured. If the repairs are carried out at a workshop owned by the insured, the *Insurer* shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced.  
If the cost of repairs equals or exceeds the *Actual cash value* of the machinery immediately before the *Occurrence* of loss or damage, that property shall be regarded as a total loss.  
In the event of a total loss the *Insurer* shall pay the *Actual cash value* of the machinery *Insured* immediately before the occurrence, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the sum(s) insured.  
The *Insurer* shall also pay any reasonable costs to dismantle damaged equipment.  
Where parts are no longer available estimated cost of similar parts currently available or if unavailable no more than the manufacturers or suppliers latest list price.
3. For all other machinery (to be calculated from the date of manufacture), the basis of settlement is new replacement value.
4. The following shall be excluded from the cover provided by this endorsement:
  1. Mechanical, electrical and electronic equipment prior to the successful completion of their performance acceptance tests;
  2. Goods in process if loss or damage arises from the process of manufacture, testing, repairing, cleaning, restoring, alteration, renovation or servicing;
  3. Any malfunction of hardware, software or embedded chips as well as any loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic data* and computer virus; but this shall not exclude liability for loss of or damage to other parts of the *Property insured* as a consequence thereof;
  4. Costs arising from false or unauthorised programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media and from loss of information caused by magnetic fields;



5. *Consequential loss* or any costs to reduce it, except as provided in *Section 2* (business interruption);
6. The cost of carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
7. Loss of or damage which the *Insured* knew or reasonably should have known to be defective before the loss or damage occurred;
8. Damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul;
9. Damage caused during installation, erection or relocation;
10. Damage to foundations, brickwork, and refractory materials other than as a result of *Insured* damage;
11. Damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded;
12. Damage caused by a deliberate act, neglect or omission on the insured's part;
13. Loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement;
14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement;
15. Loss or damage caused directly or indirectly from fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, flood, impact by aircraft or other aerial devices, theft or attempted theft, malicious damage, earthquake, subsidence, landslip earth movement, subterranean fire, volcanic eruption, impact by land vehicles or watercraft;
16. Loss of or damage to exchangeable tools, e.g. dies, moulds, engraved cylinders, parts which by their use and/or nature suffer a high rate of wear or depreciation, e.g. refractory linings, crushing hammers, objects made of glass, belts, ropes, wires, rubber tyres, operating media, e.g. lubricants, fuels, catalysts; and
17. Wear and tear, rust, corrosion, erosion, cavitation, boiler scale, incrustation, deterioration, settling, gradual cracking, gradually developing deformation or distortion, gradual deterioration due to atmospheric conditions or due to other causes, but this exclusion shall be limited to the items immediately affected and shall not exclude liability for loss or damage to other parts of the *Property insured* as a consequence thereof.
18. Enter text or delete.
19. Enter text or delete.
20. Enter text or delete.

21. Enter text or delete.

Sublimit: Enter sublimit.

All other terms and conditions of this *Policy* remain unchanged.

**301 Fine art endorsement**

1. This *Policy* is extended to cover the actual physical loss or damage sustained by the *Insured* to fine arts whilst situated at the location(s) covered by this policy.
2. The *Fine art* exclusion at 3.6.1.5 shall not apply but all other exclusions shall apply and the *Fine art* definition shall apply to this endorsement.
3. This additional coverage excludes loss or damage
  1. if the fine arts cannot be replaced with other property of similar type and quality, unless it is notified to the *Insurer* prior to the commencement of the *Policy* or, if purchased after the commencement, within two (2) weeks of that purchase; or
  2. caused by repairing, restoration or retouching process.

Sublimit: Enter sublimit.

All other terms and conditions of this *Policy* remain unchanged.

**302 Professional accountants clause endorsement**

Any particulars of details contained in the insured's book of account or other business books or documents which may be required by the *Insurer* under this *Policy* for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the *Insured* and their report shall be prima facie evidence of the particulars and details to which such report relates.

The *Insurer* shall pay to the *Insured* the reasonable charges payable by the *Insured* to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the *Insurer* under this *Policy* and reporting that such particulars or details are in accordance with the insured's book of account or other business books or documents provided that the sum of the amount payable

under this clause and the amount otherwise payable under the *Policy* shall in no case exceed the liability of the *Insurer* as stated.

Sublimit: Enter sublimit.

All other terms and conditions of this *Policy* remain unchanged.

### 303 Public authorities endorsement

This *Policy* is extended to include such additional cost of reinstatement of the *Property insured* subject to a covered loss or damage as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or with bye-laws of any public authority, excluding the cost incurred by complying with any of such legislation regulations or bye-laws (i) under which notice has been served upon the *Insured* prior to the happening of any covered loss or damage, (ii) in respect of loss or damage not *Insured* by this policy, (iii) in respect of undamaged *Property insured* or undamaged portions of property insured.

Sublimit: Enter sublimit.

All other terms and conditions of this *Policy* remain unchanged.

### 350 Civil authority interruption endorsement

This *Policy* is extended to cover the actual loss sustained by the *Insured* during the *Period* of time, not exceeding fourteen (14) consecutive calendar days, when access to covered locations is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage sustained from a peril covered under *Section 1* of this *Policy* to *Property insured* against under *Section 1* of this *Policy* which is located within one (1) statute mile of the covered locations to which access is prohibited.

The *Insurer* shall not be liable under this extension for more than the sublimit specified under the *Schedule* for civil authority interruption, which shall apply to all loss arising out of any one occurrence.

All other terms and conditions of this *Policy* remain unchanged.

### 351 Contingent business interruption endorsement

This extension is subject to the exclusions, conditions and limitations of this *Policy* to which this extension is attached.

In consideration of the *Premium* paid this *Policy* is extended to cover the actual loss sustained by the *Insured* during the *Period* of insurance as a direct result of actual loss or damage sustained from a peril named under *Section 1* of this *Policy* to property owned or controlled by the following direct suppliers or direct receivers:

Enter names of direct suppliers or direct receivers.

The *Insurer* shall not be liable under this extension for more than the sublimit specified under the *Schedule* of this *Policy* for contingent business interruption, which shall apply to all loss arising out of any one occurrence. All other terms and conditions of this *Policy* remain unchanged.

**352 Denial of access endorsement**

This *Policy* is extended to cover the actual loss sustained by the *Insured* during the *Period* of time, not exceeding fourteen (14) consecutive calendar days, when access to covered locations is prevented as a direct result of actual loss or damage sustained from a peril covered under *Section 1* of this *Policy* to *Property insured* against under *Section 1* of this *Policy* which is located one (1) statute mile of the covered locations to which access is prevented.

The *Insurer* shall not be liable under this extension for more than the sublimit specified under the *Schedule* of this *Policy* for denial of access, which shall apply to all loss arising out of any one occurrence.

All other terms and conditions of this *Policy* remain unchanged.

**353 Service interruption endorsement**

This extension is subject to the exclusions, conditions and limitations of this *Policy* to which this extension is attached.

In consideration of the *Premium* paid, it is understood and agreed that if this *Policy* covers business interruption such coverage shall extend to actual loss sustained resulting from necessary interruption of *Business Insured* caused by actual direct physical loss or damage sustained, as covered by this *Policy* to which this extension is attached to gas, electric, water and telephone facilities supplying the insured's location(s). Transmission and distribution lines, however, shall be limited to within one thousand (1,000) feet of the insured's location.

The *Insurer* shall not be liable under this extension for more than the sublimit specified under the *Schedule* of this *Policy* for service interruption, which shall apply to all loss arising out of any one occurrence.

All other terms and conditions of this *Policy* remain unchanged.

**354 Discontinuance of business clause endorsement**

If the *Business Insured* is discontinued after the *Occurrence* of the *Insured* event, the indemnity shall be paid for the *Period* (up to the maximum indemnity period) which would normally have been required to bring the *Business Insured* back to normal. In the event that the *Insured* controls the circumstances because of which the *Business Insured* is discontinued, the said indemnity, shall not be payable in full. The *Insurer* shall only indemnify the *Insured* for that part of the said indemnity which equals unavoidable *Insured* expenses actually incurred.

All other terms and conditions of this *Policy* remain unchanged.

### 355 Gross earnings endorsement

In consideration of the *Premium* paid, and subject to the exclusions, conditions and limitations this *Policy* to which this extension is attached, and also to the following additional conditions, exclusions, and limitations, this *Policy* is extended to cover actual loss sustained resulting from necessary interruption of *Business Insured* caused by actual direct physical loss or damage sustained, as covered by this *Policy* to which this extension is attached, to *Property insured* by this policy.

In the event of such direct physical loss or damage, the *Insurer* shall be liable for the actual loss sustained by the *Insured* resulting directly from such necessary interruption of the business insured, but not exceeding the reduction in gross earnings, as defined hereafter, less charges and expenses which are not necessary during the interruption of the business insured, for a *Period* of indemnity not to exceed the lesser of:

a. Such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the *Property insured* as has been destroyed or damaged,

or

b. Eighteen (18) calendar months,

Commencing with the date of such direct physical loss or damage and not limited by the expiration of this policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the *Insured* with the same operational capability as existed immediately before the loss.

#### Conditions:

##### 1. Direct damage

No claim shall be payable under this extension unless and until a claim has been paid, or liability admitted, in respect of direct physical loss or damage to *Property insured* under this *Policy* to which this extension is attached and which gave rise to the interruption of the business insured.

This condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a *Deductible* in said *Policy* which excludes liability for losses below a specified amount.

##### 2. Resumption of operations

If the *Insured* could reduce the loss resulting from the interruption of the business insured,

a. By complete or partial resumption of operation of the property insured,

and/or

b. By making use of merchandise, stock (raw, in process or finished), or any other property at the insured's locations or elsewhere,

and/or

c. By using or increasing operations elsewhere,

Then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

3. Expenses to reduce loss

This extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the *Insured* to reduce loss under this extension; but in no event to exceed the amount by which loss under this extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

**Exclusions:**

This extension does not insure against:

1. Increase in loss resulting from interference at the insured's location(s), by strikers or other persons, with rebuilding, repairing or replacing the *Property insured* or with the resumption or continuation of operation.
2. Increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the interruption of the business insured, and then the *Insurer* shall be liable for only such loss as affects the insured's earnings during, and limited to, the *Period* of indemnity covered under this endorsement.
3. Increase in loss caused by the enforcement of any ordinance or law regulating the use reconstruction, repair or demolition of any *Property insured* hereunder.
4. Loss of market or any other consequential loss.

**Limitations:**

1. The *Insurer* shall not be liable for more than the smaller of either:
  - a. Any specific *Sum(s) insured* for the interruption of the *Business Insured* stated in the schedule,
  - or
  - b. The *Sum(s) insured* stated in the schedule, where such includes the interruption of the business insured, if such is a combined limit,in respect of such loss, regardless of the number of locations suffering an interruption of the *Business Insured* as a result of any one occurrence.

**Definitions:**

1. Gross earnings are for the assessment of *Premium* and for adjustment in the event of loss defined as,  
The sum of:
  - a. Total net sales value of production or sales of merchandise,  
and
  - b. Other earnings derived from the operations of the *Business Insured*  
less the cost of
  - c. Raw stock from which production is derived,
  - d. Supplies consisting of materials consumed directly in the conversion of such raw stock into finished stock, or in supplying the services sold by the insured,
  - e. Merchandise sold including packaging materials therefore,
  - f. Materials and supplies consumed directly in supplying the service(s) sold by the insured,
  - g. Service(s) purchased from outsiders (not employees of the insured) for resale which do not continue under contract,
  - h. The difference between the cost of production and the net selling price of finished stock which has been sold but not delivered.No other costs shall be deducted in determining gross earnings.  
In determining gross earnings due consideration shall be given to the experience of the *Business Insured* before the date of loss or damage and the probable experience thereafter had the loss not occurred.
2. Raw stock  
Materials in the state in which the *Insured* receives it for conversion into finished stock.
3. Stock in progress  
Raw stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the insured's location(s) but which has not become finished stock.
4. Finished stock  
Stock manufactured by the *Insured* which in the ordinary course of the *Business Insured* is ready for packing, shipment or sale.
5. Merchandise  
Goods kept for sale by the *Insured* which are not the product of manufacturing operations conducted by the insured.

6. Normal

The condition that would have existed had no loss occurred.

All other terms and conditions of this *Policy* remain unchanged.

**Catatan:**