

**PROPERTY ALL RISKS  
INSURANCE**

In consideration of the Insured named in the Schedule having paid or agreed to pay to the .....  
(hereinafter called the Company) the first premium shown in the Schedule.

The Company hereby agrees subject to the terms, exceptions, limits and conditions contained herein or endorsed hereon (hereinafter referred to as the Terms of the Policy) that if during the Period of Insurance or during any further period in respect of which the Insured shall have paid and the Company shall have accepted the premium required the Property Insured or any part thereof shall be accidentally physically lost destroyed or damaged the Company will pay to the insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof.

PROVIDED THAT the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon and in the whole the total sum insured hereby or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto to signed by or on behalf of the Company.

IN WITNESS WHEREOF the undersigned acting on behalf of and under the authority of the Company has hereunto set his hand on .....

SIGNED .....

The Company will not indemnify the Insured in respect of:

1. (a) electrical or mechanical breakdown or derangement of plant machinery or equipment.
- (b) deterioration of property due to change in temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system.
- (c) subsidence, ground, heave, landslip, erosion, settling or cracking

**UNLESS EITHER (i)** caused by:

- fire lightning
- explosion  
(for the purpose of this Exception "explosion" shall not mean the bursting or disruption of turbines, compressors, transformers, rectifies, switchgear, engine, cylinders, fly-wheels or other moving parts subject to centrifugal force or boilers economizers or other vessels machinery or apparatus in which pressure is used
- aircraft or other aerial devices or articles dropped therefrom, impact by vehicles watercraft locomotives or rolling stock
- earthquake
- riot or malicious acts (other than any act excluded by reason of Exception 6 (a) herein)
- strikers, locked-out workers or persons taking part in labor disturbances
- storm, tempest, flood

**OR (ii)** resulting in:

the occurrence of any of the events in (i) above then the Company will only indemnify the Insured under the Terms of the Policy in respect of the resultant loss, destruction or damage.

**2.** Loss destruction or damage to:

- (a)** property in course of manufacture if such loss destruction or damage is sustained while the property is being actually worked on and directly resulting from such work
- (b)** underground property, property in course of construction of erection
- (c)** boilers, economizers, turbines or other vessels machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture
- (d)** plant machinery or equipment during installation, dismantling or the stripping down and assembly in respect of any re-siting operations
- (e)** electrical equipment or wiring caused by electrical current (other than lightning)
- (f)** money cheques, bullion negotiable instruments and securities of all kinds
- (g)** animals, land growing crops or standing timber
- (h)** dams, reservoirs, piers, wharves, jetties, bridges or tunnels
- (i)** any vehicle licensed for road use, railway locomotives and rolling stock, watercraft or aircraft or property contained in watercraft or aircraft.
- (j)** property whilst in transit other than at any premises described in the Schedule
- (k)** documents, manuscripts, business books or computer systems records for the value to the Insured of the information contained therein

HOWEVER the Company will indemnify the Insured in respect of loss destruction or damage to:

- i.** documents, manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labor expended in writing up
- ii.** computer systems records but only for the value of the materials together with the costs and expenses necessarily incurred by the Insured in reproducing such records (excluding any cost or expense in connection with the production of information to be recorded therein)

- 3.**
  - (a)** consequential loss of any kind or description whatsoever
  - (b)** loss resulting from dishonesty fraudulent action trick device or other false pretence
  - (c)** loss resulting from theft unless accompanied by violence to persons or threat of violence or forcible and violent entry to or exit from the premises
  - (d)** loss resulting from unexplained or mysterious disappearance or shortage revealed at any periodic inventory or shortages in the supply or delivery of materials or loss or shortage due to clerical or accounting error
  - (e)** the cost of replacing or rectifying defective materials, workmanship, design or defect or omission in design, plan or specification.
  - (f)** contamination, pollution, wear and tear, corrosion, vermin, fungus, rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish or action of light
  - (g)** the cost of normal upkeep or normal making good
  - (h)** the freezing or solidification of molten material
- 4.** loss, destruction or damage by storm, tempest, water, hail, frost or snow to property:
  - (a)** in the open (other than building structures and plant designed to exist and operate in the open)
  - (b)** contained in open-sided buildings

UNLESS so described and specifically insured as a separate item in the Schedule.
- 5.** the amount stated in the Schedule as the Deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss destruction or damage the subject of indemnity under this Policy
- 6.** any loss destruction or damage directly or indirectly occasioned by or through or in consequence of:
  - (a)** war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion, military rising, insurrection, rebellion, revolution military or usurped power or martial law

- (b)** acts or terrorism committed by a person or persons acting on behalf of or in connection with any organization

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

- (c)** the use of explosives, arms, firearms or other war weapons
- (d)**
  - i.** permanent or temporary dispossession resulting from confiscation, nationalization, commandeering or requisition by any lawfully constituted authority
  - ii.** permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

provided that the Company is not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy.

- (e)** the destruction of property by order of any public authority

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of Exceptions 6. (a), 6. (b), 6. (c) and 6. (d) above any loss destruction or damage is not covered this insurance the burden of proving that such loss, destruction or damage is covered shall be upon the Insured.

- 7.** any loss, destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:
  - (a)** nuclear weapons material
  - (b)** ionizing, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel solely for the purpose of this Exception 7. (b), combustion shall include any self-sustaining process of nuclear fission.
- 8.** any loss destruction or damage directly or indirectly caused by water below the surface of the ground including such water which exerts pressure on or seeps or leaks through a building sidewalk driveway, foundation, swimming pool or other structure.

## **POLICY CONDITIONS**

### **1. DEFINITION**

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.

### **2. MISDESCRIPTION**

If there be any material misdescription of any of the Property Insured or of any building or place in which such property is contained or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact the Company shall not be liable under this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.

### **3. ALTERATION**

Under any of the following circumstances the insurance under this Policy ceases to attach as regards the property affected unless the Insured before the occurrence of any loss or damage obtains the sanction of the Company signified by endorsement upon the Policy by or on behalf of the Company.

- (a)** if the trade or manufacture carried on be altered or if the nature of occupation of or other circumstances affecting the building insured or containing the Insured Property be changed in such a way as to increase the risk of loss or damage
- (b)** if the building insured or containing insured property becomes unoccupied and so remains for a period of more than 30 days
- (c)** if the Property Insured be removed to any building or place other than that in which it is herein stated to be insured
- (d)** if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.

**4. CANCELLATION**

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

**5. SAFEGUARDS AND MAINTENANCE**

The Insured shall at all times and as far as is reasonably practicable take steps to safeguard the Property Insured and maintain it in a proper state of repair. The Insured shall also take steps to enforce the observance of all statutory provisions, manufacturer's recommendations and other regulations relating to the safety use and inspection of the Property Insured.

**6. CLAIMS**

On the happening of any loss, destruction or damage the Insured shall forthwith give notice thereof in writing to the Company and shall within 15 days after such loss, destruction or damage or such further time as the Company may in writing allow at his own expense deliver to the Company a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property lost, destroyed or damaged and of the amount of such loss, destruction or damage thereto respectively having regard to their value at the time of the loss, destruction or damage together with details of any other insurances or any property hereby insured the Insured shall also give to the Company all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this Condition have been complied with.

In the case of property lost or stolen or if willful or malicious damage is suspected the Insured shall immediately notify the police and render all reasonable assistance in causing the discovery and punishment of any guilty person and in tracing and recovering lost or stolen property.

**7. INSURERS RIGHTS AFTER A LOSS**

On the happening of any loss destruction or damage to any of the Property Insured the Company may:

- (a) enter and take and keep possession of the building or premises where the loss or damage has happened.
- (b) take possession of or require to be delivered to them any property of the Insured in the building or on the premises at the time of the loss or damage
- (c) keep possession of any such property and examine sort arrange remove or otherwise deal with the same
- (d) sell any such property or dispose of the same for account of whom it may concern

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that they make no claim under this Policy or if any claim is made until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of their power hereunder incur any liability to the Insured or diminish their right to rely upon any of the conditions of this Policy in answer to any claim.

If the Insured or any person on their behalf shall not comply with the requirements of the company or shall hinder or obstruct the company in the exercise of their powers hereunder all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

**8. FORFEITURE**

If any claim upon this Policy be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or if the loss destruction or damage be occasioned by the willful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

**9. TIME LIMITATION**

If a claim be made and rejected and an action or suit b e not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of Condition 15 of this Policy) within three months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.

**10. REINSTATEMENT**

If the Company elects or becomes bound to reinstate or replace any property the Insured shall at his own expense produce and give to the Company all such plans, documents, books and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon.

**11. SUBROGATION**

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

**12. MARINE**

This insurance does not cover any loss or damage to property which at the time of the happening of such loss or damage is insured by or would but for the existence of this Policy be insured by any Marine or Policies except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this insurance not been effected.

**13. CONTRIBUTION**

If at the time of any loss or damage happening to any Property Insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, the Company shall not be liable to pay or contribute more than their rateable proportion of such loss, destruction or damage.

**14. AVERAGE**

If the Property Insured shall at the time of any loss, destruction or damage be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable proportion of the loss accordingly Every Item if more than one of the Policy shall be separately subject to this Condition.

**15. ARBITRATION**

All differences arising out of this Policy shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two 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. An umpire shall sit with the arbitrators and preside at their meetings and making of an award shall be a condition precedent to any right of action against the company. If the Company shall disclaim liability for any claim hereunder and such claim shall not within three months from the date of such disclaimer have been referred to arbitration under the provision herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

**16. OBSERVANCE OF CONDITIONS**

The due observance and fulfillment of the terms conditions and endorsements of this Policy by the Insured in so far as they relate to anything to be done or complied with by them shall be conditions precedent to any liability of the Company to make payment under this Policy.