

Deterioration of stock in cold storage

Policy endorsement

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Introduction

It is hereby agreed and declared that if during the Period of insurance stated in the Machinery Insurance section any stored goods listed in the Schedule shall be lost or damaged directly due to an Accident as defined hereinafter the company will indemnify the Insured against such loss or damage for an amount not exceeding the Sums Insured specified in the Schedule.

Provided always that at the time of the accident the goods are stored in chambers refrigerated by items of machinery insured under the Machinery Insurance section or which at the time of the event giving rise to damage are elsewhere on the Insured's premises but which would but for the event have been placed in the said chamber.

Definitions

Accident shall mean:

- 1 A rise or fall in the temperature of a refrigerated chamber as a direct result of accidental breakdown defect or stoppage of the refrigeration machinery described in the Schedule of this Policy from any cause other than those excepted by the Machinery Insurance section and not otherwise excluded in this endorsement.
- 2 The accidental escape of refrigerant gas or liquid into the refrigerated chambers.
- 3 Failure of the public electricity supply not otherwise excluded in this endorsement.
- 4 Failure of fuses and overload devices protecting the refrigeration machinery.

Exceptions

The company shall **not** be liable for:

- 1 The deductible stated in the Schedule;
- 2 Any loss arising as a result of shrinkage inherent defects or diseases;
- 3 Any loss arising from improper storage or stowage collapse of packing material;
- 4 Penalties for delay or detention or consequential loss or damage or liability of any nature whatsoever;
- 5 Loss arising from any failure of the public electricity supply occasioned by or resulting from:
 - 5.1 fire extinguishing of a fire or subsequent demolition smoke soot direct lightning chemical explosion (other than explosions of flue gas in boilers);
 - 5.2 earthquake subsidence landslide avalanche hurricane cyclone subterranean fire volcanic eruption flood inundation storm tempest windstorms or similar natural disasters;
 - 5.3 aircraft or other aerial devices or articles dropped therefrom impact from water-borne craft;
 - 5.4 water discharged or leaking from any pipe or water system;
 - 5.5 theft burglary or attempts thereat;
 - 5.6 riot strike lock-out civil commotion malicious persons acting on behalf of or in connection with any political organisation;
 - 5.7 the deliberate act of any public electricity supply authority;
 - 5.8 the exercise by any public electricity supply authority of its power to withhold or restrict supply;
 - 5.9 shortage of fuel or water for generating public electricity supply.

Sum Insured and claims

- 1 The Sum Insured shall not be less than the replacement cost of the goods stored in the refrigeration chambers.
- 2 Any claims which are admitted under this endorsement shall be settled on the basis of the cost to the Insured of replacement of the goods immediately prior to the Accident. The proceeds from any sale of damaged goods shall be deducted from the claim.
- 3 If in the event of loss or damage it is found that the Sum Insured is less than the amount required to be insured then the amount recovered by the Insured under this Policy shall be reduced in such proportion as the Sum Insured bears to the amount required to be insured.

Loss minimisation

- 1** In the event of an Accident which may give rise to a claim under this endorsement the Insured shall:
 - 1.1 take all reasonable precautions to minimise the loss or damage and to prevent any further loss or damage;
 - 1.2 immediately notify the company by telephone and subsequently confirm such notification in writing.
 - 2** Any reasonable expenses incurred by the Insured in preventing or minimising loss or damage caused by the deterioration putrefaction or contamination of the stored goods shall be payable by the company:
 - 2.1 insofar as they will reduce the extent of the company's liability or;
 - 2.2 insofar as the Insured could reasonably consider it expedient to incur such expenses but was unable to obtain the company's prior approval. The company shall however be notified of the measures taken as soon as possible.
- Provided always that the company's liability shall not exceed the limit of the Sum Insured.
- This endorsement is subject otherwise to the terms, conditions and exceptions of the policy to which it is attached.

Schedule

Compartment no.	Refrigerated by item no. of this machinery breakdown schedule		Description of goods stored in compartments	Sum insured
	Item(s)	Number(s)		