

Introduction

Whereas the Insured has made to the company a written proposal and declaration which together with any other statements made in writing by the Insured for the purpose of this Policy shall be the basis of and deemed to be incorporated in this contract

Now this policy witnesses that in consideration of the Insured having paid or agreed to pay to the company the premium and subject to the terms exceptions and conditions contained herein or endorsed hereon the company will indemnify the Insured in the manner and to the extent hereinafter provided in respect of events occurring during the Period of Insurance.

Section 1: Electronic equipment and ancillary machines (physical damage)

In the event of any sudden and unforeseen physical loss or damage to any part of the items described in the Schedule from any cause whatsoever other than those specifically excepted the company will pay for all such loss or damage up to an amount not exceeding in respect of each of the items the sum set opposite thereto in the Schedule and not exceeding in all the total Sum Insured.

This insurance applies whilst the insured items are within the precincts of the situation and working or at rest or being dismantled moved reassembled or reinstalled for the purpose of cleaning adjustment inspection repair overhaul or relocation but only after completion of successful initial commissioning at the situation.

Section 1: Exceptions

The company shall not be liable for:

- 1 the deductibles stated in the Schedule to be borne by the Insured in respect of each and every occurrence of loss or damage to each and every item. If more than one item is lost or damaged in one occurrence the Insured shall not however be called upon to bear more than the highest single deductible which is applicable to such items;
- 2 the cost of replacement of spent lost or damaged expendable or replaceable parts (including bulbs, valves, tubes, X-ray tubes, picture tubes, fuses, batteries, belts, chains, tapes, ribbons, cards) unless necessitated by loss or damage insured by this section of the Policy
- 3 loss or damage due to faults or defects known to the Insured or any of his responsible employees at the time of arrangement of this insurance and not disclosed to the company;
- 4 wasting or wearing away or wearing out of any part of an insured item caused by or naturally resulting from ordinary use or working or gradual deterioration;
- 5 loss or damage caused by rust corrosion or oxidation or atmospheric moisture or temperature unless directly resulting from damage covered by this section of the Policy to insured air conditioning equipment described in section 1 of the Schedule;
- 6 scratching of painted or polished surfaces;
- 7 consequential loss of any kind or description whatsoever.

Section 1: Special conditions

1 Sum Insured – Average

The Sum Insured for each item must not be less than the new replacement cost which shall mean the cost of replacement of the insured item by a new item of the same kind and capacity including packing, freight, customs duties and dues if any, and installation charges.

If at the time of loss or damage to any item insured under this Policy it is found that the Sum Insured is less than the new replacement cost then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the Sum Insured bears to the New Replacement Cost.

Every item if more than one insured under this Policy shall be separately subject to this condition.

Average

The meaning of subject to Average:

- 1 This insurance policy contains a provision making it 'subject to Average'.
- 2 That provision will have effect only if the property insured under the Policy is underinsured at the time of loss.
- 3 If the property insured under the Policy is underinsured at the time of loss, the following rules apply:
 - (a) if you suffer a total loss, the provision will have no effect;

(b) if you suffer a partial loss, the maximum amount that you may recover will bear the same proportion to your actual loss as the amount for which the property is insured bears to the full value of the property;

(c) whatever your loss, in no case will you be entitled to recover more than the amount for which the property is insured.

e.g. your property is worth \$20,000. You insured it for \$10,000. You suffer a loss of \$5,000. If your policy is 'subject to Average' the maximum amount that you may recover will be \$2,500.

2 Bases of indemnity

(a) where damage to an insured item can be repaired the company will pay all expenses necessarily incurred to restore the damaged item 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 and customs duties and dues if any.

If the repairs are executed at a workshop owned by the Insured the company will 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 but the value of any salvage will be taken into account.

If the cost of repairs as detailed in (a) equals or exceeds the actual value of the insured item immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) below.

(b) where an insured item is totally lost or destroyed the company will at their own option either:

(i) pay the actual value of the item immediately before the occurrence of the loss including costs for ordinary freight erection and customs duties if any such actual value to be calculated by deducting proper depreciation from the new replacement cost of the item, or

(ii) supply an equivalent replacement item similar in type, capacity and condition to the insured item immediately before the occurrence of the loss and pay any costs for ordinary freight and erection.

The company will also pay any normal charges for the removal of the item destroyed but less the value of any salvage.

The company will not pay the cost of any:

(a) alterations, additions, improvements or overhauls;

(b) provisional repairs unless such repairs constitute part of the final repairs and do not increase the total repair costs;

(c) extra charges incurred for overtime, nightwork, work on public holidays, express freight or air freight unless specially agreed upon by endorsement.

3 Repairs

Upon notification of a claim being given to the company in accordance with general condition 1 the Insured may proceed with the repair of any minor damage provided that such repair work is without prejudice to any question of liability of the company and that any damaged part requiring replacement is kept for inspection by the company. In all other cases of damage the company shall have the opportunity of inspecting the damage before any alterations, repairs or replacements are commenced. If an inspection by a representative of the company does not take place within seven days from the date of notification of the claim the Insured shall be entitled to proceed with repairs or replacement.

The liability of the company shall cease for any insured item which has sustained damage and is operated without being repaired to the satisfaction of the company.

General exceptions

The company shall not be liable for:

1 any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, confiscation, nationalisation, requisition or destruction by or under the order of any Government or Public Authority;

2 loss, destruction or damage caused by or arising from the acts of persons taking part in riots or civil commotions or strikes, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation;

3 loss destruction or damage caused directly or indirectly by or arising from earthquake subterranean fire volcanic eruption landslip or subsidence;

4 (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;

(b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission;

5 loss, destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

In any action to suit or other proceeding where the company allege that by reason of general exception 1 above that any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

General conditions

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 the Policy or Schedule shall bear that specific meaning wherever it may appear.

1 Notice and Claims

On the happening of any event which might give rise to a claim under this Policy the Insured shall:

- (a) notify the company or their nearest representative as soon as possible by telephone or telegram as well as in writing giving an indication of the nature and extent of loss or damage;
- (b) take all reasonable steps within his power to minimise the extent of loss or damage;
- (c) preserve any damaged or defective parts and make them available for inspection by a representative of the company;
- (d) supply at the request of and free of expense to the company all such proof information and other evidence with respect to the claim as the company may reasonably require;
- (e) notify the Police of any loss or damage due to theft or any attempt thereat. The company shall not be liable for loss or damage of which no notice has been received by the company within fourteen days of its occurrence.

2 Alteration of risk

Notice in writing shall be given as soon as possible to the company of every change materially varying any of the facts or circumstances existing at the commencement of this insurance and the scope of cover, Sum Insured and/or the premium shall if necessary be adjusted accordingly.

3 Precautions

The Insured shall at his own expense take all reasonable precautions to prevent loss or damage and to comply with statutory requirements and manufacturers' recommendations relating to the safeguarding and operation of the insured items.

4 Observance of terms and conditions

The due observance and fulfilment of the terms and conditions of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal and declaration shall be conditions precedent to any liability of the company to make any payment under this Policy.

5 Payments

Where the Insured named in the Schedule comprises more than one party any payment under this Policy shall be made to the party named in the Schedule for this purpose or an authorised personal representative whose receipt shall be a full and sufficient discharge to the company.

6 Reinstatement of Sum Insured

Following the occurrence of loss or damage to any item insured under any section of this Policy, the Sum Insured in respect of such item shall immediately stand reduced by the amount paid or payable in respect of such loss or damage. Nevertheless the Sum Insured shall be reinstated to the full amount stated in the Schedule in respect of such item from the time of the occurrence of the loss or damage provided that an additional premium calculated on a pro-rata basis from the date of the occurrence to the expiry of the Policy shall be paid by the Insured upon any amount so reinstated.

7 Fraudulent Claims

If any claim is in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on behalf of the Insured to obtain benefit under this Policy all benefit hereunder shall be forfeited.

8 Inspection

Representatives of the company shall at all reasonable times have the right to inspect and examine any item insured by this Policy.

9 Assignment

The company shall in no case be bound to accept notice of any transfer of the interest in this insurance and nothing contained in this Policy shall give any right against the company to any person other than the Insured or a transferee approved by the company in writing.

10 Cancellation

This Policy may be terminated at any time at the request of the Insured in which case the company will retain the customary short period Premium for the time the Policy has been in force. The company may cancel this Policy by sending seven days' notice in writing to the Insured at his last known address and in such event will return to the Insured a proportionate part of the Premium corresponding to the unexpired Period of Insurance.

11 Subrogation

The Insured shall at the expense of the company do 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 or remedies or of obtaining relief or indemnity from parties other than those insured under this Policy to which the company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the company.

12 Contribution

If at the time of any loss or damage happening to any of the insured items there is any other existing insurance or insurances effected by the Insured or by any other person or persons on his behalf covering such items either alone or together with any other property the company shall not be liable to pay or contribute more than their rateable proportion of such loss or damage.