Preamble

In Consideration of the Insured named in the Schedule hereto paying to CHARTIS MEMSA Insurance Company Limited – Kuwait Branch (in this Policy called “the Company”) the Premium mentioned in the Schedule and on the basis of the proposal and declaration provided which forms part of this policy, the Company agrees subject to the terms, conditions and exclusions contained in or endorsed or otherwise expressed on this Policy to insure in the manner and to the extent hereinafter provided in the respective Sections specified in the Schedule or added hereto by endorsement signed by or on behalf of the Company during the Period of Insurance specified in the Schedule or during any subsequent period for which the Insured shall pay and the Company shall agree to accept the premium required for the renewal of this Policy.

The Insured must disclose to the Company fully and faithfully, the facts that the Insured knows or ought to know; otherwise the Insured may not receive any benefit under this Policy.

The Company shall agree to be indemnified and to pay to the Insured, on demand, the full amount of any loss or damage to the Insured Property arising during any one period of 72 consecutive hours by typhoon, storm, tempest, flood or earthquake.

IN Witness Whereof the Company has caused this Policy to be signed by its authorized representative.

SECTION I - PROPERTY ALL RISKS

Definitions for Section I

(1) “Insured Property” shall mean all real and physical property of the Insured or held by the Insured in trust or on commission and for which the Insured is legally responsible whilst situated in or at the Insured Premises stated in the Schedule, including:
   i) Landlord’s Fixtures and Fittings and Fixed Glass
   ii) Stock and materials in trade
   iii) Furniture, Fixtures, Fittings, Office and Business Equipment, Plant, Machinery (excluding Money, Securities, Curiosities and Works of Art)

(2) “Occurrence” shall mean a single event or series of events arising from a single original cause. Any loss or damage to the Insured Property arising during any one period of 72 consecutive hours by typhoon, storm, tempest, flood or earthquake shall be deemed as a single occurrence and therefore attract one Deductible as provided for herein. For the purposes of foregoing the commencement of any such 72-hour period shall be decided at the discretion of the Insured it being understood and agreed however, that there shall be no overlapping in any two or more such 72-hour periods in the event of damage occurring over a more extended period of time.

(3) “Money” shall mean currency, coin, bank notes and bullion; and travelers’ cheques, bank drafts, and money orders held for sale to the public.

(4) “Securities” shall mean all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets but does not include money.

(5) “Messenger” shall mean the Insured, a partner therein or an officer thereof or any employee thereof who is in the regular service of and duly authorized by the Insured to have the care and custody of the Insured Property outside the Insured Premises. For the avoidance of doubt, Messenger shall exclude any professional Courier or Security Escort Service engaged by the Insured to have care and custody of any Insured Property outside the Insured Premises.

(6) “Insured Premises” shall mean the interior of that portion of any building at the location specified in the Schedule which is occupied by the Insured in conducting the business as stated therein, but shall not include (1) showcases or show windows not opening directly into the interior of the Premises, or (2) public entrances, halls or stairways.
(7) “Burglary” shall mean the felonious taking of Insured Property (1) from within the Insured Premises by a person making felonious entry therein by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon or physical damage to the exterior of the premises at the place of such entry, or (2) from within a showcase or show window outside the premises by a person making felonious entry into such showcase or show window by actual force and violence, of which force and violence there are visible marks thereon.

(8) “Robbery” shall mean the taking of Insured Property (1) by violence inflicted upon a Messenger; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by the Insured or by officer, partner or employee of the Insured; (4) from the messenger or direct care and custody of a Messenger custodian who has been killed or rendered unconscious; (5) from within the Insured Premises by means of compelling a Messenger or by violence or threat of violence while outside the Insured Premises to admit a person into the premises or to furnish him with means of ingress into the Insured Premises; or (6) from a showcase or show window within the Insured Premises while regularly open for business, by a person who has broken the glass thereon from outside the Insured Premises.

(9) “Theft” shall mean taking of Insured Property without involving forcible and violent entry or exit from the Insured Premises.

(10) “Fixed Glass” shall mean fixed glass in windows, doors, partitions, shop front and showcases including fixed mirror for which the Insured is responsible.

Coverage

The Company will, at its option by payment repair reinstatement or replacement, indemnify the Insured up to the sum insured specified in the Schedule against accidental physical loss of or damage to the Insured Property from any external cause, not excluded by the Special Exclusions to Section I and/or by the General Exclusions, whilst in the Insured Premises.

Additional Cover (Subject to the sub-limits stated in the Schedule)

(1) Breakage of Fixed Glass and/or signs (including neon signs)

(2) Damage to or loss of Insured Property as a result of Robbery, Burglary or Theft.

(3) Loss of Money and Securities as a result of Robbery, Burglary or Theft only.

“Inside Insured Premises” - To pay for loss of Money and Securities by Robbery, attempted threat, Burglary (inclusive of safe burglary) or Theft within the Insured Premises during normal business hours. This is provided that, out of normal business hours, the Money and Securities shall be in locked safes or drawers.

“Outside Insured Premises” - To pay for loss of Money and Securities occurring outside the Insured Premises by Robbery, Burglary, Theft or attempted threat while being conveyed by a Messenger during normal working hours and within the State of Kuwait.

(4) Loss or damage to the Insured’s safe or strong room resulting directly from any attempt to remove the contents from such locked safe or strong room.

(5) Loss of Rent and/or Cost of Alternative Premises following accidental physical loss of or damage to the Insured Property from any external cause not excluded by the Special Exclusions to Section I and/or by the General Exclusions resulting in Total suspension of business.
This policy shall pay the Insured up to maximum 3 months of the Annual Rent specified in the Schedule provided if the Insured’s business suffers from total suspension necessitating the ceasing of operations for such length of time as would be required with the exercise of due diligence and dispatch to rebuild or replace such described property damaged or destroyed.

Period of Indemnity

The period of indemnity shall begin from the time of occurrence of the damage and continues so long as the business is interrupted by the damage up to a maximum of 3 months during any one Period of Insurance.

(6) Loss of or damage to awnings, blinds, signs or other outdoor fixtures or fittings of any description belonging to the Insured.

(7) Loss of or damage to clothing and/or personal effects of principals or employees.

Basis of Settlement

For the purpose of Section I of this Policy:-

(a) For Securities - the basis of settlement shall be the actual cash value at the close of the business on the business day proceeding the day on which the loss was discovered.

(b) For all other Insured Property except (a) above, the basis of settlement (at the option of the Company) shall be the cost of repairing replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the Insured Property when new.

Provided that in the event of loss or damage to any article which is a part of a set, measure of loss or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set. Giving consideration to the importance of said article or articles but in no event shall such loss be construed to mean total loss or set or entire property consisting of several parts.

The limit of the Company’s liability for loss shall be what it would cost at the time of loss to repair, replace or reproduce the Insured Property with like kind and quality and in no event shall exceed the applicable sum insured/limit of liability stated in the Schedule.

In the event that the lost or damaged property is not repaired, replaced or reproduced, the claim for the insured loss or damage will be settled at its Indemnity Value prior to the loss or damage, or the amount necessarily incurred to repair, replace or reproduce the Insured Property whichever is lower. For this purpose, “Indemnity Value” shall mean the reinstatement or replacement of damaged property to its former condition immediately before the occurrence of the loss or damage. The value will be calculated by deducting depreciation from the replacement or reinstatement value of the Insured Property. The limit of the Company’s liability shall not exceed the applicable sum insured or limit of liability stated in the Schedule.

The applicable sum of the Company’s liability in respect of each item stated in the Schedule is the total limit of the Company’s liability with respect to all loss of the Insured Property of one or more persons or organizations arising out of any one Occurrence. All loss incidentals to an actual or attempted or criminal act or series of related acts at the Insured Premises, whether committed by one or more persons, shall be deemed to arise out of one Occurrence.

Condition of Average

If the Insured Property at the time of loss be collectively greater in value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly.

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Proviso

(1) The Insured shall take all reasonable precautions for the safety of the Fixed Glass including salvage glass. The Company shall be entitled to any salvage glass resulting from breakage in respect of which a claim has been paid hereunder.

(2) The Company shall not be liable for any loss of or damage to the Fixed Glass hereby insured if the Insured Premises are unoccupied unless the Company shall have been previously notified of such alteration or non-occupancy.

(3) The Fixed Plate Glass insured is considered as plain and of ordinary glazing quality and without embossing, silvering, lettering bending or ornamental work of any kind and shall be compensated accordingly.

(4) The Insured shall keep a daily record of the amount of cash and/or banknotes contained in the safe, drawer, strong room, cash register and that shall be deposited in a secured place other than the said safe, drawer, strong room, cash register and shall be produced as documentary evidence in the event of a claim arising hereunder.

(5) The safe, drawer, strong room, cash register and other depository containing the Money and Securities shall be kept locked at all times after business hours. The keys of the safe/drawer/strong room/cash register shall at all times be kept in the personal custody of the Insured or a responsible official or employee and the holder of the keys shall remove all the keys from the Insured Premises whenever the Insured Premises are closed or left unattended.

Special Exclusions to Section I

The Company will not indemnify the Insured in respect of:-

(1) The Excess as specified in the Schedule arising out of each and every loss except for fire and lightning.

(2) Loss of or damage caused by or arising from:-

   (a) Any disappearance or shortage revealed only at the time of stock-taking or the making of an inventory or not traceable to a specific event

   (b) wear and tear, the process of cleaning, dyeing, altering, repairing or restoring any article, the action of light or atmospheric conditions, moth, mildew, corrosion, shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction, oxidation, fading tree roots, evaporation, changes in flavor, color, temperature, humidity or texture or any other gradual operating cause

   (c) Mechanical or electrical breakdown or derangement of machinery or equipment

   (d) short-circuiting, self-heating, leakage of electricity, over-running or excess pressure originating in a particular part, the explosion or rupture of boilers, economizers, turbines or any vessels, machinery or apparatus in which power is used in their contents

   (e) Vermin, insects, termites, scratching, denting, chipping or defacing

   (f) Erosion, settling, cracking, seepage resulting from earth movements (other than earthquake, subterranea fire or volcanic eruption), shrinkage or expansion of buildings or foundations, subsidence, landslip or ground heave

   (g) Latent defect, faulty workmanship, structural defects or faulty design of the Insured Property

   (h) The cessation, interruption or retarding of any process or operation or work whether total or partial
(i) Delay, confiscation or detention by customs or by other government officials or authorities

(j) Any cause whilst the Insured Property is being transported by rail, road, sea (including loading and unloading) or whilst in the course of transit away from the Insured Premises specified in the Schedule

(k) False programming, punching, labeling or inserting, inadvertent canceling of information or discharging of data carrying media, and loss of information caused by magnetic fields

(3) Loss or damage to:-

(a) Glass, other than Fixed Glass, gold, silver, platinum or other precious metals and alloys articles, jewelry, watches, pearls, set or unset precious stones or furs, garments trimmed with furs

(b) currency notes, deeds, bonds, bills of exchange, promissory notes, cheques, money or securities for money, medals, coins, stamps, stamp collection, or other documents of title to property contracts or other documents, business books, computer systems records, manuscripts curios (except as provided under this section), sculptures, antiques, rare books, plans patterns, moulds, models or designs

(c) Articles of a brittle nature unless such damage arises from "Fire" or Theft

(d) Property away from the Insured Premises except as provided otherwise in this Section

(e) Property undergoing the imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments

(f) Electrical equipment or wiring caused by electrical current (other than by lightning) but the Company shall be liable for damage to other Insured Property under this Section and resulting from such cause

(g) property (except signs) in the open or being processed, constructed, erected, installed, altered, dismantled, removed or re-sited including related material and suppliers

(h) Empty premises awaiting or undergoing demolition

(i) Explosives of any kind, including fireworks

(j) animals/livestock

(k) Records, films, tapes other than Fire or Theft (and then only for the value as unused materials)

(l) accessories and spare parts of machinery and/or equipment unless the machine and/or equipment is stolen at the same time

(m) 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 Policy or Policies except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies has this insurance not been effected.

(4) Shortages due to error or omission in receipts, payments or accounting or due to depreciation in value or to the use of counterfeit money.

(5) Loss due to fraud or dishonesty of the Insured, any proprietor, partner, director, or employee of the Insured.

(6) Loss due to shoplifting.
(7) Loss from any unattended vehicle

(8) Loss arising from depreciation in value or due to dishonored cheques or to the use of counterfeit money.

(9) Loss from gaming, amusement vending machines or public telephones.

(10) Loss suffered as a result of business transaction.

(11) Loss or damage to Money in the care, custody or control of professional carriers or common carriers

(12) Loss of Money (except crossed cheques, postal orders and crossed money orders) from any room left unattended and unlocked unless contained in a locked safe or locked drawers of which the key and/or combination code has been removed from such room.

(13) Loss due to Money entrusted to any person other than the Insured or proprietor, partner, director or employee of the Insured.

(14) Loss of Money from locked drawers, safes, strong rooms following the use of keys or combination numbers unless such keys or combination codes have been obtained by threat or violent means.

(15) From the loss occurring while there is a change in the condition or risk, such as when the door or window or the premises is damaged by typhoon or during a fire in the Insured Premises.

(16) Loss of or damage resulting from cracks or imperfect glass unless specifically declared as such and specifically included in the Schedule.

(17) Damage caused by or arising from any willful act or willful negligence on the part of the Insured or any person acting on his behalf.

(18) Loss of or damage due to superficial damage by scratching or window slashing unaccompanied by actual breakage through the entire thickness of the Fixed Glass.

(19) Loss of or damage relating to interruption or delay or loss of business or damage of any kind occurring during the time between the occurrence of a breakage and the replacement of the Fixed Glass.

(20) Loss of or damage relating to the cost of lettering, embossing, silvering or other ornamental work, breakage of or damage to neon/advertising signs.

(21) Consequential loss or damage of any kind or description.

(22) Loss, damage or expense recoverable under the maintenance agreement(s) of which would be so recoverable but for a breach of the Insured’s obligation under the maintenance agreement(s)

Memoranda to Section I

(1) Architects’, Surveyors’ and Consulting Engineers’ Fees

The Company will indemnify the Insured for Architects’, Surveyors’ and Consulting Engineers’ fees necessarily incurred by the Insured in the reinstatement on the Insured Property specified consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed the scale charges of the respective professional body, provided that the maximum liability of the Company under this Endorsement shall not exceed 10% of adjusted amount of claim, subject to maximum of KD 5000/- in aggregate.

(2) All Other Contents Clauses
It is agreed that the term “Other Contents” as specified in Schedule is understood to include:

(a) Documents, manuscripts and business books but only for the value of the material as stationery, together with the cost of clerical labour expended in writing up, and not for the value of the Insured of the information contained therein and for an amount not exceeding KD 1,000 in aggregate.

(b) Computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of the information to be recorded therein) and not for the value of the Insured of the information contained therein for an amount not exceeding KD 1,000 in aggregate.

(c) Patterns, models, moulds, plans and designs for an amount not exceeding KD 500 in aggregate.

3) Alteration and Repair Clause (Workmen’s Clause)

Notwithstanding General Condition 7 of this Policy, it is hereby agreed the workmen are allowed in or about the Insured Premises under this Policy to carry out alterations and repairs without prejudice to the terms of the Policy.

4) Appraision Clause

If the aggregate claim for any one loss does not exceed KD 1000 or 5% (Five percent) of the sum insured whichever is the lesser amount by item or items affected no special inventory or appraisement of the undamaged property shall be required.

5) Breach of Conditions Clause

The Conditions and Warranties of this policy shall apply individually to each of the risks insured and not collectively to them. Thus a breach of any Conditions or Warranty shall void the Section only in respect of all the risks to which that breach applied and does not affect the Section in respect of the other risks.

6) Brand and Label Clause

(a) In the event of a claim or loss or damage to the Insured Property under Section I of this Policy it is understood and agreed that any salvage of branded goods shall not be disposed of by sale without the consent of the Insured. In the event of the Insured not consenting to such sale the salvage value as agreed shall be taken into account in the settlement of loss. The Insured may at their own expenses, stamp “salvage” on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise provided any such merchandise or containers are relabelled in compliance with legal and / or statutory requirements provisions or regulations.

(b) In the event of damage affecting labels, containers or wrappers the Company shall not be liable for more than an amount sufficient to pay the cost of new labels, containers or wrappers, and the cost of reconditioning the goods, but in no case shall the Company be liable for more than the insured value of the damaged merchandise.

7) Cost of Recompiling Records and Claims Preparation Clause

This insurance hereby extends to cover the following for an amount not exceeding KD 250 in aggregate.

(a) costs of compiling records but only for the value of the materials used together with the costs for clerical labour expended in producing such records and

(b) Reasonable charges incurred by the Insured for producing and certifying any information as may be required by the Company under the terms of General Condition 9 of the Policy.
(8) **Cost of Re-writing Records Clause**

The insurance hereby extends to indemnify the Insured for cost, charges and expenses incurred in replacement or restoring documents but only for the value of the material and not for their value to the Insured, which may been destroyed, damaged, lost or mislaid.

It is understood that the said documents may consist of deeds, views, agreements, maps, plans, records, books, letters, certificates and the like, but bearer bonds, coupons, bank or currency notes or other negotiable instruments shall deemed to be excluded from this insurance.

It is further understood that the Company shall be liable for an amount not exceeding of KD 250 in aggregate.

(9) **Debris Removal**

The Company will indemnify the Insured for costs and expenses necessarily incurred by the Insured in the reinstatement of the Insured Property consequent upon its destruction or damage in removing debris, dismantling and/or demolishing, shoring up or propping, of the portion or portions of the damaged or destroyed Insured Property, provided that the maximum liability of the Company shall not exceed 5% of the adjusted amount of claim, subject to maximum of KD 2000/- in aggregate for all insured items.

(10) **Fire Brigade Charges and Fire Extinguishing Costs Clause**

It is hereby declared and agreed that notwithstanding anything in the within policy contained to the contrary, but subject to the Provisos hereinafter contained, the insurance under this Policy extends to include:-

Fire Brigade charges (if any) and the cost of replenishment of Fire Fighting Appliances (including employees’ personal effect and clothing) unless otherwise specifically insured

Provided always that the liability of the Company in respect of such costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property insured by this Policy or immediately threatening to involve such property and shall in no case exceed the sum of KD 250/- in aggregate.

(11) **Leased Property Clause**

This section extends to indemnify any other party having an interest in the Insured Property by virtue of and in accordance with the terms of a Mortgage, Leasing, Hiring or Renting Agreement, subject to the sum insured specified in the Schedule provided such Insured Property is not specifically insured.

(12) **Payment on Account Clause**

It is hereby declared and agreed that in the event of the occurrence of a loss under this insurance, the Company having admitted liability for such loss or damage, may make payment on account in respect of such loss to the Insured.

(13) **Public Authorities Clause**

This section is extended to include such additional cost or reinstatement of the destroyed or damaged property thereby insured may be incurred solely by reason of the necessity to comply with Building Regulations or other regulations under or framed in pursuance of any Act of Parliament or by laws of any public authority provided that:-

(a) The amount recoverable under this Extension shall not include:-

(i) The cost incurred in complying with any of the aforesaid regulations or by laws:-

- In respect of destruction or damage occurring prior to the granting of this Extension,
- In respect of destruction or damage not insured by the Policy,
- Under which notice has been served upon the Insured prior to the happening or destruction damage,
- In respect of undamaged property or undamaged portions of property;

(ii) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations or by laws not arisen;

(iii) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations or by laws;

(b) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the destruction or damage of within such further time as the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if aforesaid regulation or by-laws so necessitate) subject to the liability of the Company under this Extension not being thereby increased.

(c) If the liability of the Company under (any item of) the Policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this Extension (in respect of any such item) shall be reduced in like proportion;

(d) The total amount recoverable under this extension shall not exceed KD 2000 in aggregate;

(e) All the conditions of the Policy except insofar as they may hereby expressly varied shall apply as if they had been incorporated herein.

(14) Reinstatement of Sum insured

The payment of any claim under this Policy in respect of loss or damage to Section I of the Insured Property and Extensions and Sub-limit under Section I of the Schedule shall reduce the sum insured thereon. The sum insured may be reinstated by the Insured upon payment of the appropriate pro rata additional premium.

(15) Sprinkler Leakage

In consideration of the Insured named in the Schedule hereto paying to the Company, the first premium mentioned in the said Schedule, the Company agrees (subject to the Conditions contained herein or endorsed or otherwise expressed hereon which Conditions shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if after payment of the premium the Insured Property described in the said Schedule, or any part of such Insured Property, be destroyed or damaged by Water discharged or leaking from the Automatic Sprinkler Installation in the premises named in the said Schedule at any time before 12 midnight of the last day of the period of insurance named in the said Schedule or of any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal of this Policy, the Company will pay to the Insured the value of the property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof. PROVIDED THAT such discharge or leakage of water shall be accidental and shall not be occasioned by or happen through–

(a) Heat caused by fire.

(b) Repairs or alterations to the buildings or premises.

(c) Sprinkler Installation being required, removed or extended.
(d) Freezing in the event of the premises being vacant or unoccupied, or freezing due to the neglect of the Insured.

(e) The order of the Government or of any municipal, local or other competent Authority.

(f) Volcanic Eruptions, Earthquake, Subterranean Fire, Riot, Civil Commotion, War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection or Military or Usurped Power.

(g) Explosion, the blowing-up of Buildings or Blasting.

(h) Defects in construction or condition of which the Insured is aware.

AND PROVIDED that the liability of the Company shall in no case exceed the sum insured specified in the Schedule.

(16) Temporary Removal Clause

The Company shall indemnify the Insured against accidental physical loss of or damage to the Insured Property whilst temporarily removed for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other premises and in transit thereto and there from by road, rail or inland waterway within the State of Kuwait, subject to a maximum limit of 5% of the sum insured or KD 1000/- whichever is lower.

The amount recoverable under this extension in respect of the property so removed shall not exceed the amount which would have been recoverable had the loss occurred in that part of the premises from which the property is temporarily removed.

This extension does not apply to property if and so far as it is otherwise insured, nor does it apply to items covering stock and merchandise of every description, nor as regards losses occurring elsewhere than at the premises from which the property is temporarily removed to:

(a) Motor Vehicles and Motor Chassis

(b) Property (other than machinery and plant) held by the Insured in trust.
SECTION IIA - WORKMEN'S COMPENSATION
(The cover provided by this Section is operative only if specifically incorporated in the Schedule)

If any workman in the Insured’s employment shall sustain personal injury by accident or disease caused during the Period of Insurance and arising out of and in the course of his employment by the Insured in the Business stated in the Schedule, the Company will subject to the terms exclusions conditions and warranties, and any Endorsement if applicable, contained herein or endorsed hereon (all of which are hereinafter collectively referred to as the Terms of this Section) indemnify the Insured against all sums for which the Insured shall be liable to pay compensation either under the Legislation or at Common Law, and will in addition pay all costs and expenses incurred by the Insured with the written consent of the Company.

In the event of the death of the Insured the Company will indemnify the Insured’s legal personal representatives in accordance with the Terms of this Section in respect of liability incurred by the Insured provided that such personal representatives shall as though they were the Insured observe comply fulfill and be subject to the Terms of this Section in so far as they can apply.

PROVIDED ALWAYS that in the event of any change in the Legislation or the substitution by other legislation therefore the Company may without prejudice to the generality of its rights under General Condition 3 contain herein, cancel this Policy in accordance with such condition or allow the Policy to remain in force and charge additional premium therefore.

Avoidance of Certain Terms and Right of Recovery

Nothing in this Section IIA of the Policy or any endorsement hereon shall affect:

(a) The right of any person entitled to indemnity under this Section IIA of the Policy, or

(b) The right of any other person to recover compensation, under or by virtue of the Legislation.

BUT the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the Legislation.

Jurisdiction

The indemnity under this Section IIA of the Policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a court of tribunal of competent jurisdiction within the State of Kuwait.

Limit of Liability at Common Law

If at any time during the Period of Insurance any employee in the Insured’s immediate service shall sustain personal injury by accident or disease arising out of and in the course of his employment by the Insured in the business and if the Insured shall be liable to pay compensation for such injury under Common Law, the Company’s liability shall be limited to KD 250,000/- Any One Occurrence any one location & in the aggregate for both locations.

Special Exclusions to Section IIA

The Company shall not be liable in respect of
(1) Any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.

(2) The Insured’s liability to employees of independent contractors engaged by the Insured.

(3) Any employee of the Insured who is not a “workman” within the meaning of the Legislation.

(4) Any sum which the Insured would not have been entitled to recover from any party but for an agreement between the Insured and such party.

(5) Any injury by accident or disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war to be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power.

(6) Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

(i) Nuclear weapons material,

(ii) Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission.

(7) any injury to any employee of the Insured resulting from an accident if it is proved that the injury to the employee is directly attributable to the employee having been at the time thereof under the influence of alcohol or a drug not prescribed by a medical practitioner unless the Insured is liable under the Legislation.

(8) Any incapacity or death resulting from a deliberate self-injury or the deliberate aggravation of an accidental injury.

Special Conditions to Section IIA

(1) The Insured shall take all reasonable precautions to prevent accidents and disease to the Insured’s workman and shall comply with all statutory obligations and requirements.

(2) A. In the event of any accident which may give rise to a claim under this Section IIA of the Policy, the Insured shall give notice of the accident in accordance with the time limits set out by Legislation to the Company with full particulars.

b. In the case of any disease which may give rise to a claim under this Section IIA of the Policy, the Insured shall give notice of the discovery of the disease to the Company within 30 days of his discovery.

c. Every letter of claim writ summons and process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately the Insured shall have knowledge of any impending prosecution inquest of fatal inquiry in connection with any such accident or disease.

Every Insured shall give notice to the Commissioner for Labor in the prescribed form and to his insurer in writing of the occurrence of any accident as follows:

(i) Where the accident results in death, within 10 days of its occurrence;

(ii) where the accident results in any incapacity that renders the workman unfit for work for more than 14 days, within 18 days of its occurrence; and

(iii) Where the accident results in any incapacity that renders the workman unfit for work for 14 days or less, not later than the 15th day of the month following its occurrence.
(3) If the nature of the Business as described in the SCHEDULE is changed in such a way as to increase the risk of accident or disease to any workman in the Insured’s employment the coverage under this Policy ceases in regard to the workman affected unless the Insured, before the occurrence of any accident or discovery of disease involving the workman, obtains the written consent of the Company to such change.

(4) At any time after the happening of any accident or disease giving rise to a claim or series of claims under this Policy the Company may pay to the Insured the full amount of the Company’s liability and relinquish the conduct of any claim defense or proceedings and the Company shall not be responsible for any damage loss or liability alleged to have been caused to the Insured in consequence of any alleged act or omission of the Company in connection with such claim defense or proceedings or of the Company relinquishing such conduct nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Company shall have relinquished such conduct.

Interpretation

All references to “Legislation” in this Section IIA of the Policy shall mean the Workmen’s Compensation Act (Kuwaiti Labor Law), amendments and re-enactments thereof and any regulations made there under.

Words used in this Section IIA of the Policy shall have the same meaning as that defined in the Legislation.

Memoranda to Section IIA

(1) Non-Manual Overseas Business Trips

It is hereby declared and agreed that this Section II A of the Policy is extended to cover the Insured’s employees while on incidental non manual overseas business trips in connection with the Insured’s business.

The territorial limit of this Section IIA of the Policy but only with respect to incidental non-manual overseas business trips is amended to read as: “Worldwide excluding US State Department Sanctioned Countries”.

(2) Traveling to and from Residence/Work

This Section IIA of the Policy is extended to cover the Insured’s employee whilst traveling directly between his place of residence or place of employment and any other place for the purpose of his employment within Kuwait. Provided that any such event giving rise to a claim under this Section II A of the Policy is not result of an occurrence during or after any substantial interruption or deviation from the journey made for a reason unconnected with his employment which ordinarily have materially added to the risk of injury. It is further provided that the Insured benefits shall be assessed in accordance with the Workmen’s Compensation Act (Kuwaiti Labour Law).
SECTION IIB - PUBLIC LIABILITY

(The cover provided by this Section is operative only if specifically incorporated in the Schedule)

SECTION IIB – PUBLIC LIABILITY

The Company will indemnify the Insured against all sums which the Insured shall become legally liable to pay as compensation in respect of:

(a) Accidental bodily injury or illness to third parties.

(b) Accidental loss or damage to property belonging to third parties.

Caused on or about any of the places specified in the Schedule through the fault or negligence of the Insured or his employees whilst engaged in the course of the operations described in the schedule hereto or by any defect in the ways works machinery or plant of the Insured connected with or used in the operations specified in the Schedule.

Limit of Indemnity

The liability of the Company for all compensation payable in respect of or arising out of any one Occurrence or in respect of or arising out of all occurrences of a series consequent on or attributable to one source of original cause shall not exceed the amount specified in the Schedule as the Limit of Liability for any one accident and the liability of the Company in any one period of Insurance shall not exceed the amount specified in the Schedule as the Limit of Liability in any period of Insurance. In respect of a claim for compensation to which the indemnity expressed in this Section IIB of the Policy applies the Company will also indemnify the Insured against

(a) All costs and expenses of litigation recovered by any claimant from the Insured and

(b) All costs and expenses of litigation incurred with the written consent of the Company in resisting any claim.

In the event of the death of the Insured, the Company will in respect of the liability incurred by the Insured indemnify the Insured’s personal representatives in the terms of and subject to the limitations of this policy provided that such personal representatives shall as though they were the Insured observe fulfill and be subject to the terms exclusions and conditions of this Policy in so far as they can apply.

Jurisdiction

The indemnity under this Section IIB of the Policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a court of tribunal of competent jurisdiction within the State of Kuwait.

Special Exclusions to Section IIB

This insurance does not apply to:

1. Death or bodily injury of any person under Contract of Service or Apprenticeship with the Insured arising out of and in the course of this employment by the Insured.

2. Damage to property owned or occupied by or rented to or in the care, custody or control of the Insured or property as to which the Insured for any purpose is exercising physical control or is or has been working.

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(3) The ownership maintenance operation, use, loading or unloading of (a) aircraft (b) watercraft (c) locomotives or (d) motor vehicle or any mechanically propelled vehicles (except when being used on the work site as a tool of trade and not covered under a specified motor vehicle policy).

(4) Liability assumed by the Insured under any contract or agreement unless such liability would have attached in the absence of such agreement.

(5) Death, injury or destruction occasioned by or through or in consequence, directly or indirectly of war, whether or not declared, civil war, insurrection, rebellion, revolution, riot, strikes, civil commotion, or military or usurped power.

(6) Any obligation for which the Insured may be held liable under any Workmen’s Compensation Law.

(7) Claims or liability arising directly or indirectly from nuclear fission, nuclear weapons material, nuclear fusion or radioactive contamination.

(8) Loss of or damage to any property or land or building caused by vibration or by the removal or weakening of support or to injury to or illness of any person occasioned by or resulting from any such loss or damage.

(9) Liability in respect of injury illness loss or damage caused by or in connection with or arising from any commodity article or thing supplied repaired altered or treated by or to the order of the Insured.

(10) Liability in respect of injury illness loss or damage caused by or through or in consequence of pollution or contamination.

(11) Liability arising from any breach of professional duty by the Insured.

Special Conditions to Section IIB

(1) In connection with any claim or claims against the Insured arising out of one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause the Company may at any time pay to the Insured the amount of the Limit of Liability (after deduction of any sum or sums already paid as compensation) or any lesser amount for which any such claim or claims can be settled and upon such payment the Company shall relinquish conduct and control of and be under no further liability in connection with such claim or claims except for costs and expenses of litigation recoverable or incurred in respect of matters prior to the date of such payment and for which the Company may be liable hereunder.

(2) The Insured shall exercise reasonable care in the selection of competent employees and shall take all reasonable precautions to prevent accidents and to comply with all statutory or other obligations and regulations imposed by any Authority and shall take reasonable steps to maintain the Insured Premises, works, ways, machinery and plant in sound conditions. If any defect or danger shall be discovered the Insured shall forthwith take the necessary steps to remedy or remove such defect or danger and in the meantime shall cause such additional precautions to be taken as the circumstances may require. The Insured shall give to the Company immediate notice of all or any material alterations in the conduct of the said business or in the Insured Premises, ways, works, machinery or plant in connection therewith which affect the risk covered by this Policy.

(3) On the happening of any event or incident that might lead to a claim being made against the Company, the Insured must:
   a. Notify the Company in writing as soon as reasonably possible, full details of any incident which may result in a claim under this Section IIB of the Policy
   b. Forward to the Company immediately upon receipt every writ, summons, legal process or other communications in connection with matters relating to claims.
   c. Give all necessary information and assistance that the Company may require and at the Insured’s expense provide all the detailed particulars and evidence regarding the incident.
   d. Not admit liability or make any offer or promise of payment without the written consent of the Company.

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e. Take immediate action to minimize and to prevent further loss damage or bodily injury

Memoranda to Section IIB

(1) Defective Sanitary Arrangement

It is hereby declared and agreed that this Section IIB of the Policy is extended to include legal liability of the Insured arising out of bodily injury or property damage caused by or in connection with defective Drains, Sewers or any Sanitary Arrangements at the Insured’s Premises.

(2) Food Poisoning Clause

It is agreed that this Section IIB of the Policy is extended to indemnify the Insured against all sums which the Insured shall become legally liable to pay as compensation in respect of death, bodily injury or illness caused by food poisoning or arising from poisoning of any kind or foreign or deleterious matter in food or drink or other goods consumed within the Insured Premises.

The coverage provided by this extension is subject to a limit of KD 100,000 per occurrence and in the aggregate.

(3) First Aid Facilities Clause

It is hereby declared and agreed that this Section IIB of the Policy extends to cover legal liability of the Insured arising out of provision by the Insured of first aid facilities but excluding any act of negligence, omission or neglect of any duly qualified member of the medical profession or any worker of any hospital or ambulance organization.

(4) Loading And Unloading Clause

It is hereby declared and agreed that this Section IIB of the Policy is extended to cover the legal liability of the Insured in respect of injury illness or damage caused by or in connection with or arising from loading or unloading of goods from motor vehicle.

It is further noted that the coverage provided under this extension shall be excess insurance over any other valid and collectible insurance available to the Insured.

(5) Neon Sign Board Endorsement

It is hereby declared and agreed that this Section IIB of the Policy is extended to cover legal liability of the Insured arising out of accidents caused by or through the neon lights and/or advertising sign board installations which are the property of the Insured.

(6) Non-manual Overseas Business Trips

It is hereby declared and agreed that this Section IIB of the Policy is extended to cover the legal liability of the Insured but only with respect to liability arising from the Insured’s employees while on incidental non-manual overseas business trips in connection with the Insured’s business.

The territorial limit of this Section IIB of the Policy but only with respect to incidental non-manual overseas business trips is amended to read as: “Worldwide excluding US State Department Sanctioned Countries”

(7) Tenant’s Liability

Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that this Section IIB of the Policy extends to cover the Insured’s legal liability for loss or damage caused by or resulting from fire or explosion to any property damage to structures or portions thereof (including fixtures or fittings) rented to or occupied by the Insured.
The coverage provided by this extension is subject to the limit stated in the policy schedule per occurrence.
General Exclusions
(Applicable to All Sections of the Policy)

The Company will not indemnify the Insured under this Policy for: -

(1) loss of or damage to any vehicle licensed for road use, contractors constructional plant machinery and equipment, railway, locomotives and rolling stock, watercraft or aircraft or property contained therein or liability (other than the liability of the Insured which is compulsorily insurable under the Workmen’s Compensation Act (Labor Law) arising directly or indirectly from or occasioned by the ownership, maintenance, operation, use, loading or unloading thereof.

(2) loss damage or liability directly or indirectly occasioned by or through or in consequence of: -

(a)(i) permanent or temporary dispossession of any building 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 Insured Property occurring before dispossession or during temporary dispossession or which is otherwise insured by the Policy.

(b) 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 General Exclusions 2(a) and (b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

(3) 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 General Exclusion 3(b) combustion shall include any self-sustaining process of nuclear fission.

(4) any fine, or penalty imposed on the Insured or any punitive or exemplary damage awarded against the Insured.
General Conditions  
(Applicable to All Sections of the Policy)

(1) Entire Contract  
This Policy, Schedule, Endorsements, Application/Proposal Form, Declaration and attached papers  
together with other statement in writing shall be read together as one contract. Any word or expression to which  
a specific meaning has been ascribed in any part of the Schedule attached shall bear specific meaning  
wherever it may appear.

(2) Observation of Conditions  
The due observance and fulfillment of the terms conditions provisions and endorsements of this Policy  
by the Insured in so far as they relate to anything to be done or complied with by such Insured shall be  
conditions precedent to any liability of the Company to make payment under this Policy.  
Every notice of communication to be given or made under this Policy shall be delivered in writing to the  
Company.

(3) Voidance of Policy  
This Policy shall be voidable in the event of mis-description, misrepresentation or non-disclosure of  
any material particulars or facts.

(4) 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 rate for the time the Policy has been in force subject to a minimum  
charge KD 25. This Policy may also at any time be terminated at the option of the Company on 30  
days notice of the effect being given to the Insured in which case the Company shall be liable to repay  
on demand a ratable proportion of the premium for the unexpired term from the date of the cancellation.

(5) Legal Actions  
An Award given in arbitration pursuant to General Condition 15 herein shall be a condition precedent  
to any liability of the Company or any right of action against the Company.

(6) Mis-description  
If there be any material mis-description of the Business or of the Insured Premises in which such  
property is contained or any misrepresentation as to any fact material to the estimation of risk or any omission  
to state such fact the Company shall not be liable under this Policy.

(7) Alterations and Removals  
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 destruction 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 the 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 containing the Insured Property becomes unoccupied and so remains for a period of  
more than 30 days  
(c) If the Insured Property be removed to any building or place other than that in which it is herein stated  
to be insured except as is provided under “Temporary Removal” Clause under Section I of the Policy.  
(d) If the interest in the Insured Property passes from the Insured otherwise than by will or operation of  
law  
(e) If the Insured’s business be wound up or carried on by a Liquidator or Receiver or permanently  
discontinued.

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(8) Safeguards and Maintenance

The Insured shall at all times and as far as is reasonably practicable take steps to safeguard the Insured Property 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 Insured Property.

(9) Claims Procedure

Sections I & II
On the happening of any event or incident that might lead to a claim being made against the Company, the Insured must:

a. Notify the Company in writing as soon as reasonably possible, but in any case no later than 30 days, full details of any incident which may result in a claim under this Policy.

b. Forward to the Company immediately upon receipt every writ, summons, legal process or other communications in connection with matters relating to claims.

c. Give all necessary information and assistance that the Company may require and at the Insured’s expense provide all detailed particulars and evidence regarding the incident the cause and amount of the loss destruction or damage as the Company may require.

d. Not admit liability or make any offer or promise of payment without the written consent of the Company.

e. Take immediate action to minimize and to prevent further loss or damage.

Section IIA
- Special Condition 2 under Section IIA shall apply

Section IIB
- Special Condition 3 under Section IIB shall apply

(10) Forfeiture

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

(11) Time Limitation

Section I
If a claim be made and rejected and an action or suit is not commenced within six months after such rejection or in case of an arbitration taking place in pursuance of General Condition 15 of this Policy within six months after the arbitrator shall have made his award all benefits under this Policy shall be forfeited.

(12) Company’s Rights after a Loss

On the happening of any destruction or damage to any of the Insured Property, 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 the 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 powers hereunder incur any liability to the Insured or diminish their rights to rely upon any of the exceptions or conditions of this Policy in answer to any claim.

If the Insured 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.

(13) **Subrogation**

The Insured shall at the expense of the Company do and concurrence 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 its paying for or making good any loss destruction or damage or liability under this Policy whether such acts and things shall be or become necessary or required before or after their indemnification or liability by the Company.

(14) **Contribution**

If at the time of any claim arises under this Policy there is any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons, covering the same loss or liability, the Company shall not be liable to pay or contribute more than its ratable proportion of any such claim including any costs and expenses in connection therewith.

(15) **Arbitration**

(a) Any dispute, difference or question which may arise at any time hereafter between the Company and the Insured or the Insured Person or his legal personal representatives in relation to the true construction of the Policy or the rights or liabilities of the parties hereto shall be referred to arbitration in Kuwait and the Kuwaiti Law shall apply thereto.

(b) The arbitration shall be heard by a single arbitrator to be agreed by the parties hereto within fourteen (14) days of the commencement of the arbitration. In default of agreement, the arbitration shall be appointed in accordance with and subject to the provisions of the Arbitration Laws of Kuwait or any statutory modification or re-enactment thereof for the time being in force. Arbitration proceedings shall be conducted in accordance with the Rules prevailing in Kuwait.
(16) Jurisdiction

This Policy shall be governed by the laws of the State of Kuwait

(17) Notice to Agent

Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this Policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this Policy.

(18) Premium Warranty

(1) Notwithstanding anything herein contained to the contrary, and subject only and without prejudice to Sub Clause 2 hereinafter set out, it is hereby declared and agreed that it is a condition precedent to liability under this Policy, Renewal Certificate, Endorsement or Cover Note that any premium due must be paid and actually received in full by the Company, the registered broker or registered agent through whom this policy was effected: -

(a) When the period of insurance is 60 days or more, within SIXTY (60) days from the:
   (i) INCEPTION date of the coverage under the Policy, Renewal Certificate or Cover Note; OR

(ii) EFFECTIVE date of the coverage stated on each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note when the effective date of coverage stated on the Endorsement is on or after the issuance date of the Endorsement; or (iii) ISSUANCE date of each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note where the effective date of coverage under the Endorsement is before the issuance date;

(b) where the total premium under any single Policy exceeds KD 5000 and the Company has allowed payment of that premium by installments, within SIXTY (60) days from the: -

   (i) INCEPTION date of the cover under the Policy, Renewal Certificate or Cover Note for the first installment and thereafter from the agreed dates on which the subsequent installments become payable, and

   (ii) EFFECTIVE date of coverage of any Endorsement issued under such Policy, for the first installment and thereafter from the agreed dates on which the subsequent installments become payable OR

(c) when the period of insurance is LESS than SIXTY (60) days, within the period of insurance specified in the Policy, Endorsement, Renewal Certificate or Cover Note.

(2) In the event any of the above mentioned premium is not paid in full to the company, registered broker or registered agent as described above in the manner and within the time stipulated above (the "premium warranty period"), the cover under this Policy, Renewal Certificate, Endorsement or Cover Note shall be deemed to have terminated from the expiry of the premium warranty period and the Company shall be discharged from all liability there from but without prejudice to any liability incurred before that date and the Company will be entitled to a pro-rata time on risk premium subject to a minimum KD 10/-

War and Terrorism Exclusion Endorsement (applicable to Sections I, IIA, IIB)

Notwithstanding any provision to the contrary within this insurance or any endorsement there to it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly
caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

(i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) Any act of terrorism

For the purpose of this endorsement 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 organization(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.

Terrorism shall also include any act which is verified or recognized by the Government of State of Kuwait as act of terrorism.

This endorsement also excludes 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 (i) and/or (ii) above.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Property Electronic Data and Internet Endorsement (applicable to Section I only)

It is noted and agreed that this Policy is hereby amended as follows:

The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

(1) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,

(2) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.

(3) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing inability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

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

IT Clarification Agreement (applicable to Section I only)

Property damage covered under this Policy shall mean physical damage to the substance of the property.
Consequently the following are excluded from this Policy:

(A) Loss of or damage to data or software in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

(B) Loss or damage resulting from impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

Pollution Peril Exclusion (applicable to Section I only)

Against loss or damage caused by, resulting from, contributed to, or made worse by actual or threatened release, discharge, escape or dispersal of contaminants or pollutants, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to, or aggravated by all physical damage insured by this policy, unless loss or damage from a peril insured herein ensues and then this policy shall cover such ensuing damage. This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, smoke, vehicle impact, windstorm, hail, collapse, earthquake, flood or volcanic action as insured hereunder. This exclusion shall also not apply when loss of or damage is directly caused by leakage or accidental discharge from automatic fire protection systems.

Mold and Fungi Endorsement (applicable to Section I only)

(a) This policy only insure physical loss or damage to property insured by mold, mildew, fungus or spores, when directly caused by damage to Insured Property during the policy period by one of the following listed Perils:

- Fire; Earthquake; Explosion; Lightning; Windstorm; Hail; Flood; or Water Damage; Direct Impact of vehicle; Aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or Accidental discharge of fire protection equipment.

This coverage is subject to all limitations of the Policy and, in addition, to each of the following specific limitations:

(1) The said property must be insured for physical loss or damage by that Listed Peril.

(2) The Insured must report to the Company the existence and cost of the physical cost of damage by mold, mildew, fungus or spores as soon as practicable, but no latter than six (6) months after the Listed Peril first caused any physical loss or damage to such Insured Property during the policy period. This Policy does not insure any physical loss or damage by mold, mildew, fungus or spores first reported to the insurer after six (6) months period.

(b) Except as set forth in the foregoing Section (a), this Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mold, mildew, fungus, spores of any type, nature or description.

Asbestos and Silica Endorsement (applicable to Section IIA and IIB only)

All liability is excluded for:
Asbestos

Directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the manufacture of, mining of, use of, sales of, installation of, survey of, investigation of, management of, removal of, distribution of, existence of or exposure to asbestos products, asbestos fibers or asbestos dust, or property or materials containing any of the foregoing, including without limitation all liability to pay claimants’ or Insured’s legal costs and expenses or any other costs and expenses, howsoever incurred in the investigation, defense and/or settlement of any claim or Legal Proceeding against the Insured.

Silica

Directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption or exposure to silica products, silica fibers, silica dust in any form, or to any obligation of the Insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form.

Millennium Endorsement (applicable to Section IIA and IIB only)

This insurance does not indemnify the Insured, and the Company shall not be liable, in respect of any claim or liability arising in connection with:

1. Any actual or alleged failure, malfunction or inadequacy of any of the following, whether belonging to any Insured or to others:
   
   (a) Computer hardware, including microprocessors;
   (b) Computer application software;
   (c) Computer operating systems and related software;
   (d) Computer networks;
   (e) Microprocessors (computer chips) not part of any computer system; or
   (f) Any other computerized or electronic equipment or components; or

2. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1. Of this endorsement due to:

   (i) Failure or inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond; or
   (ii) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by the Insured or for the Insured to determine, rectify or test for any potential or actual problems described in Paragraph 1 of this endorsement.
PROPERTY TERRORISM INSURANCE (OPTIONAL)

Some of the words underwriters use have a special meaning in this insurance. If a word is in **bold** type, please read the definitions section.

**BASIS OF INSURANCE**

All information provided by the insured or their agent in connection with this insurance forms the basis of and is incorporated into this insurance.

If the insured has not notified the underwriters about or has misrepresented any material facts or circumstances relating to this insurance which are known by the insured or could reasonably be expected to have been known by the insured, or makes any claim knowing it to be fraudulent, or in the case of any fraud or false statement, this insurance will become void from the start of this insurance.

**COVER**

The **buildings** and **contents** declared to underwriters, which belong to the insured or for which the insured is legally responsible, are insured while at the named location(s) specified in the schedule against direct physical loss or physical damage, occurring during the period of insurance and caused by an **act of terrorism**, subject to the following terms, exclusions and conditions.

**DEFINITIONS**

For the purpose of this insurance:

1. **Act of terrorism** means an activity that

   i. is committed for political, religious, ideological or similar purposes and involves a violent act or the unlawful use of force or an unlawful act dangerous to human life or tangible property, and

   ii. is carried out by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), but not including a sovereign government (de jure or de facto), and

   iii. appears to be intended to:

      a. intimidate or coerce a civilian population, or
      b. disrupt any segment of the economy of a Government, State or Country, or
      c. overthrow, influence, or affect the conduct of any government de jure or de facto by intimidation or coercion, or
      d. affect the conduct of a Government by mass destruction, assassination, kidnapping or hostage taking.

2. **Buildings** means a roofed and walled structure, including any signs, glass, interior decorations and fixtures and fittings, lifts, fixed fuel tanks, driveways, footpaths, walls, gates, satellite dishes and their fittings and masts.
3. **Contents** means fixtures and fittings (including interior decorations), machinery and equipment, office furniture, stock (including finished goods manufactured by the insured or held for sale).

4. **Actual cash value** means the cost to repair or replace the **buildings or contents**, with a proper deduction for obsolescence, wear and tear.

5. **Electronic data** means facts, concepts and information converted to a form useable for communication, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

6. **Occurrence** means each and every loss or series of losses arising out of and directly caused by one **act of terrorism**. Multiple **acts of terrorism** which occur within a period of 72 consecutive hours and appear to have a related purpose or common leadership will be deemed to be one event. No such period of 72 hours may extend beyond the expiry of this insurance unless the insured shall not first sustain direct physical loss or damage by an **act of terrorism** before the expiry of this insurance and within the aforesaid period of 72 consecutive hours, nor shall any period of 72 consecutive hours commence before the start of this insurance.

7. **Pollutant and contaminant** includes but is not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence, or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

8. **Underwriters** means the insurance company whose policy number is specified immediately above the Schedule of this policy.

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**EXCLUSIONS**

This insurance does not cover:

1. Loss, damage, cost or expense of whatsoever nature directly or indirectly occasioned by, happening through or in consequence of any of the following:
   a) any **act of terrorism** involving the emission, discharge, dispersal, release or escape of any chemical or biological agent.
   b) any threat or hoax of an **act of terrorism**.
   c) any **act of terrorism** by electronic means including computer hacking or the introduction of any form of corrupting, harmful or otherwise unauthorised instructions or code.
   d) pollution or contamination, however such pollution or contamination may have been caused.
   e) vandalism and malicious mischief, strikes, labour unrest, riots or civil commotion.
   f) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
   g) confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
   h) nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss of market, loss of income, or loss of use except to the extent such coverage is provided hereunder by Loss of Income Extension specifically included for coverage under this policy.

3. Depreciation, reduction in functionality, increased cost of working, theft, looting, mysterious disappearance or unexplained loss or any other consequential loss.

4. Any building or property contained therein, if such building has been unoccupied for more than thirty consecutive days.

5. Aircraft, watercraft, locomotives or rolling stock or vehicles designed for road use.

6. Transmission and distribution lines and their supporting structures outside of the named location.

7. Any animal, plant or tree.

8. Loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data.

9. Any claim where, but for the existence of this insurance, the insured would be entitled to be paid under any other policy, except for any excess beyond the amount which would have been covered under such other policy.

The basis upon which a claim will be settled is as follows:

A. In respect of buildings, machinery and equipment the underwriters shall pay:

   The reasonable cost of rebuilding, repairing or replacing damaged property, which may be carried out upon another site subject to underwriters’ liability not being increased, to a condition substantially the same as but not better than the condition of the damaged building, machinery and equipment immediately prior to the loss, subject to the rebuilding, repairs and replacement being carried out.

   If the buildings, machinery and equipment are not repaired, rebuilt or replaced within a reasonable period of time the underwriters will only pay the actual cash value.

B. In respect of contents the underwriters shall pay:

   i. on finished goods sold and awaiting collection, the regular selling price, less all discounts and charges to which such goods would have been subject had no loss occurred

   ii. on all other stock, the value of raw materials and labour expended plus the applicable proportion of overhead charges

   iii. for property of others, the amount for which the insured is legally liable but in no event to exceed the actual cash value

   iv. on film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, an amount not exceeding the cost of such media in unexposed or blank form plus the costs of copying electronic data from back up or from originals of a previous generation. These costs will not include research and engineering or any costs of recreating, gathering or assembling such electronic data. If the media is not repaired or replaced the basis of valuation shall be the cost of the blank media. This insurance does not insure any amount pertaining to the value of such electronic data to the insured or any other party

   v. on documents other than iv) above an amount not exceeding the cost of blank material plus the cost of labor incurred by the insured for transcribing or copying such records. This insurance does not insure any amount pertaining to the value of such documents to the insured or any other party.

   vi. on all other property, the actual cash value.

All amounts will be computed at the time of loss, and in no event will the underwriters be liable for more than the sum insured shown in the schedule.
FEES AND ASSOCIATED COSTS

This insurance includes cover for the necessary and reasonable additional expenses the insured incurs in reinstating or repairing the insured buildings following damage insured under this insurance in respect of:

i. Fees to architects, surveyors, consulting engineers and others;

ii. the cost of clearing the named location and making the site and insured building safe;

iii. the cost of complying with any government or local authority requirement following damage provided such requirements had not been served upon the insured before the damage.

The most underwriters will pay for the above expenses is the amount shown in the schedule.

The underwriters will not pay for any costs or expenses arising from any discharge and/or seepage of pollutant and contaminant.

CONDITIONS

NOTICE AND PROOF OF LOSS

It is a condition precedent to underwriters liability that in the event of loss or damage or circumstances arising that may give rise to a claim under this insurance notice is to be given to the underwriters through the insured's broker or agent as soon as reasonably possible.

IF THE INSURED MAKES A CLAIM UNDER THIS INSURANCE HE MUST GIVE THE UNDERWRITERS SUCH RELEVANT INFORMATION AND EVIDENCE AS MAY REASONABLY BE REQUIRED AND CO-OPERATE FULLY IN THE INVESTIGATION OR ADJUSTMENT OF ANY CLAIM. IF REQUIRED BY THE UNDERWRITERS, THE INSURED MUST SUBMIT TO EXAMINATION UNDER OATH BY ANY PERSON DESIGNATED BY THE UNDERWRITERS.

ONUS OF PROOF

In any claim, and in any action, suit or other proceeding to enforce a claim for loss under this insurance the burden of proving that such loss is not excluded from this insurance or that the insured is not in breach of any of its conditions will be upon the insured.

DUE DILIGENCE

It is a condition precedent to underwriters' liability that the insured (or any of the insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

Change in circumstance

The insured must notify the underwriters immediately of any change in circumstance during the period of insurance which will materially affect this insurance. This includes but is not limited to any significant change in operating

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conditions, values at risk and any changes in suppliers or the management, ownership or control of the insured’s business. The underwriters may then vary the terms and conditions of this insurance. If the insured is in any doubt whether a change is material he should consult his broker or agent.

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<tr>
<th>INSPECTION</th>
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<tbody>
<tr>
<td>The underwriters have the right, at their expense, to inspect at any reasonable time the insured property shown in the schedule. Any such inspection will not constitute a guarantee of safety.</td>
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<tr>
<th>JOINT INSURED</th>
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<tr>
<td>The underwriters’ total liability for any loss or losses sustained by any one or more of the insureds under this insurance will not exceed the sum insured shown in the schedule. The underwriters shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the insureds or any one or more of the insureds.</td>
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<tr>
<th>THIRD PARTIES</th>
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<tr>
<td>This insurance is effected solely between the insured and the underwriters. Nothing in this policy is intended to give any third party any benefits under this insurance or the right to enforce a term of this insurance.</td>
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<tr>
<th>PROTECTIONS</th>
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<td>The insured must ensure that all physical protections notified to the underwriters are in full and effective operation at all appropriate times. The insured must ensure that all fire alarm and security systems notified to the underwriters are fully activated whenever the named location is left unattended. The insured must also advise the underwriters as soon as reasonably possible if for any reason a system is not working properly. The underwriters may then vary the terms and conditions of this insurance. All systems must be regularly serviced under contract by a reputable company at least annually.</td>
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<th>UNDER INSURANCE</th>
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<td>If, at the time that any insured property is lost or damaged, the total value of all insured property at that location is greater than the declared value for that location by more than 10%, then the insured shall be entitled to recover no more hereunder than such proportion of the loss or damage as the declared value bears to the total value of all insured property at that location.</td>
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<tr>
<th>ASSIGNMENT</th>
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<td>No assignment of or change of interest in this insurance or in any amount payable under it will be binding on or recognized by underwriters.</td>
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<tr>
<th>NO BENEFIT TO BAILEE</th>
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<td>This insurance will not work in any way to the benefit of any bailee or any person to whom insured property is entrusted for any purpose, including carriage and storage.</td>
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<tr>
<th>SUBROGATION</th>
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<tr>
<td>The underwriters shall be entitled to take over and deal with in the name of the insured (but at the underwriters’ expense) the defense or settlement of any claim and to bring proceedings in the insured’s name to recover for the underwriters’ benefit the amount of any payment made under this insurance, including their own costs and expenses. The underwriters shall be entitled to exercise all rights and remedies of the insured who shall give all assistance in his power as the underwriters may require.</td>
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<tr>
<td><strong>ABANDONMENT</strong></td>
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<tr>
<td><strong>CONFIDENTIALITY</strong></td>
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<tr>
<td><strong>LAW AND JURISDICTION</strong></td>
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<tr>
<td><strong>INTERPRETATION OF TERMS</strong></td>
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<tr>
<td><strong>ARBITRATION</strong></td>
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<tr>
<td><strong>PREMIUM PAYMENT WARRANTY AND CANCELLATION</strong></td>
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</table>
If the insured cancels that amount of the premium which has been earned by the insurer shall be computed in accordance with the customary short rate table and procedure, subject to a twenty five percent (25%) minimum earned amount; if the insurer cancels, the computation shall be on a pro-rata basis. Premium adjustment may be made as soon as practicable after cancellation becomes effective.

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<td>All adjusted claims of which amount is mutually agreed upon shall be due and payable thirty (30) days after the presentation and acceptance of Proofs of Loss at the office of the Underwriters.</td>
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