

TERRORISM INSURANCE

Property Damage Wording

Insuring Clause

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures buildings and contents against physical loss or physical damage by an Act of Terrorism, as herein defined, occurring during the period of this Policy as stated in the Schedule attaching to and forming part hereof, (hereinafter referred to as the "Schedule").

For the purpose of this Insurance, an act of terrorism means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

LOSSES EXCLUDED

This Policy DOES NOT INSURE AGAINST:-

1. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority.
3. Loss by seizure or illegal occupation.
4. Loss or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Assured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of 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.
6. Loss or damage by chemical or biological release or exposure of any kind.
7. Loss or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.
8. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless physical loss or damage is caused directly by an Act of Terrorism.

9. Loss or increased cost occasioned by any Public or Civil Authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
10. Any consequential loss or damage caused by any other ensuing cause.
11. Loss of use, delay or loss of markets, however caused or arising, and despite any preceding loss insured hereunder.
12. Loss or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service.
13. Loss or increased cost as a result of threat or hoax, in the absence of physical damage due to an act of terrorism.
14. Loss or damage caused by or arising out of burglary, house - breaking, theft or larceny or caused by any person taking part therein.

PROPERTY EXCLUDED

THIS POLICY DOES NOT COVER: -

1. Land or Land Values.
2. Power Transmission or feeder lines not on the Assured's premises.
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days.
4. Aircraft or any other Aerial device, or watercraft.
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declare hereon and solely whilst located at the property insured herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in Transit not on the Assured's premises.

ONUS OF PROOF

In any claim and/or action, suit or proceeding to enforce a claim for loss under this policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this policy applies and the quantum of loss shall fall upon the Assured.

OTHER INSURANCE

This Policy does not cover any loss or damage, 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 other insurance policy or policies either primary or excess.

TERRITORIAL LIMITS

This Policy insures property owned by the Assured and located as described in the Schedule.

SUM INSURED

The Underwriters hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence and in the annual aggregate.

DEDUCTIBLE

Each occurrence shall be adjusted separately and from the amount of each such adjusted loss; the sum stated in the Schedule shall be deducted.

OCCURRENCE

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Assured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this policy unless the Assured shall first sustain direct physical damage by an Act of Terrorism prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

DEBRIS REMOVAL

This Policy also covers, within the sum insured, expenses incurred in the removal of debris of property covered hereunder which may be directly destroyed or damaged by an Act of Terrorism.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

CONDITIONS

1. DUE DILIGENCE

The Assured (or any agent, sub or co-contractor of the Assured) shall at all times and at his own expense use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to precautions to protect or remove the property and interests insured herein) to avoid or diminish any loss herein insured.

2. PROTECTION MAINTENANCE

It is agreed that any protection provided for the safety of the insured property shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

3. VALUATION

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions: -

- (a) The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
- (b) Until replacement has been effected the amount of liability under this policy in respect of loss shall be limited to the actual cash value at the time of loss;
- (c) If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

The Underwriters' liability for loss under this Policy including this endorsement shall not exceed the smallest of the following amounts: -

- (i) The amount of the Policy applicable to the destroyed or damaged property,
- (ii) The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use,
- (iii) The amount actually and necessarily expended in replacing said property or any part thereof.

4. INCORRECT DECLARATION PENALTY

If the values declared as stated in the Schedule are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Assured shall co-insure for the balance.

5. NOTIFICATION OF CLAIMS

The Assured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give immediate written advice thereof to the Underwriters and or the Broker, named for that purpose in the Schedule, who is to advise Underwriters within 72 hours of such knowledge of any occurrence.

6. PROOF OF LOSS

The Assured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Assured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If Underwriters have not received such proof of loss within two years of the expiry date of this policy, they shall be discharged from all liability hereunder.

7. SUBROGATION

If the Underwriters become liable for any payment under this Policy in respect of loss or damage the Underwriters shall be subrogated, to the extent of such payment, to all the rights and remedies of the Assured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Assured. The Assured shall give to the Underwriters all such assistance in his power as the Underwriters may require to secure their rights and remedies and, at Underwriters' request shall execute all documents necessary to enable Underwriters effectively to bring suit in the name of the Assured including the execution and delivery of the customary form of loan receipt.

8. SALVAGE AND RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

9. FALSE OR FRAUDULENT CLAIMS

If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

10. ABANDONMENT

There shall be no abandonment to the Underwriters of any property.

11. INSPECTION AND AUDIT

The Underwriters shall be permitted but not obligated to inspect the Assured's property at any time. Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Assured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Assured's books and records at any time during the Policy period and extensions thereof and within two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

12. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of Underwriters.

13. RIGHTS OF THIRD PARTIES EXCLUSION

This Policy is effected solely between the Assured and Underwriters.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy. The Contract (Rights of Third Parties) Act 1999 is expressly excluded from this Policy.

This clause shall not affect the rights of the Assured.

14. NON-CANCELLATION

Policy non-cancellable by either Underwriters (other than for non-payment of premium) or the assured.

15 JURISDICTION

United States of America Federal Law (or state law as applicable) will govern this Policy. Any disputes arising hereunder will be exclusively subject to United States of America Federal jurisdiction (or state jurisdiction as applicable).

16 ARBITRATION

If the Assured and Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the Assured and Underwriters shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit their differences to the umpire and the award in writing of any two, duly verified, shall determine the same.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

17 SERVICE OF SUIT (USA)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States district Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon Mendes & Mount and/or nominees as stated in the Schedule and, that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorised and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision thereof, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance and hereby designate the above-named as the person to whom the said officer is authorised to mail such process or a true copy thereof.

18 SEVERAL LIABILITY

The Underwriters' obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. The Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

SCHEDULE

ASSURED'S NAME AND
MAILING ADDRESS:

DESCRIPTION OF PROPERTY
INSURED:

LOCATION OF PROPERTY
INSURED:

TOTAL DECLARED VALUE
OF PROPERTY INSURED:

PERIOD OF POLICY: From:
 To:
 Both dates inclusive, local standard time at the location of the insured
 property.

SUM INSURED:

DEDUCTIBLE:

PREMIUM: