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INDUSTRIAL ALL RISKS

You are in safe hands

Welcome to your Machinery Insurance Policy

Dear Esteemed customer,

On behalf of MAYFAIR INSURANCE COMPANY RWANDA Ltd I would like to thank you for choosing us as your insurer.

Our commitment is to the policyholder quality service and suitable insurance products, such as the one you have purchased.

This policy is a document. It is the evidence of the contract that we have made with each other. Please read it carefully and if you have any questions, contact your intermediary (if any) or us.

Remember that we will reward you for being claims free as per the No-Claims Discount Clause.

Yours faithfully,

General Manager / Underwriting Manager.

Mayfair Insurance Company Rwanda Ltd.



MAYFAIR INSURANCE COMPANY RWANDA LTD
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Kigali, Rwanda
P.O Box 1380 Kigali, Rwanda
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INDUSTRIAL ALL RISKS INSURANCE POLICY

TBA

In consideration of the Insured named in the schedule hereto having paid to the **MAYFAIR INSURANCE COMPANY LIMITED** (herein after called 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 the conditions precedent to the right of the Insured to recover hereunder) to indemnify the Insured Subject to the Limit of Liability:-

1. **SECTION A:-** Against loss or damage or destruction to property described in the schedule by the perils and,
2. **SECTION B:-** Against loss due to interruption of or interference with the Insureds business in consequence of any damage indemnifiable under (A) above.

Occurring at any time during the period of insurance named in the said schedule or of any subsequent period in respect of which the insured shall pay the premium required for the renewal of this policy.

Provided that the liability of the Company shall in no case exceed the said schedule or other sum or sums as may be agreed between the Company and the Insured to be substituted therefore by memorandum hereon as attached hereto signed by or on behalf of the Company.

SECTION A - MATERIAL DAMAGE

In the event of **ACCIDENTAL PHYSICAL LOSS OF OR DAMAGE TO** the property described in the Schedule not occasioned by or happening through any excluded cause.

THE INSURERS will pay to the Insured the value of the said property at the time of the happening of the loss or the amount of such damage or at their option repair or replace such property. Any indemnity due to the Insured under this section of the policy shall be reduced by the amount of the deductible shown in the Schedule for each and every claim.

Provided that the liability of the Insurers in any one period of insurance does not exceed:-

1. in respect of each item the sum insured stated in the schedule or in the whole the total sum insured hereby
2. any limit of liability shown in the schedule
3. the liability of each of the insurers individually in respect of such loss of or damage to the property shall be limited to the proportion set against its name.

DEFINITIONS OF PROPERTY UNDER THIS SECTION OF THE POLICY:

1. **BUILDING**
Buildings (including Tanks) erected or in course of erection (including foundations, landlords fixtures and fittings therein and thereon, Boundary Walls, Gates and Fences, Structural appurtenances attached thereto and conveniences belonging thereto, Architects', Quantity Surveyors' and other fees, Demolition and Debris Removal Costs), the property of the Insured or for which they are responsible and which are not otherwise more specifically insured situated anywhere in Rwanda
2. **PLANT & MACHINERY**
Machinery and Plant the property of the Insured or for which they are responsible and which are not otherwise more specifically insured situated anywhere in Rwanda
3. **OTHER CONTENTS**
Miscellaneous contents including office equipment, fixtures and fittings the property of the Insured or for which they are responsible and which are not otherwise more specifically insured situated anywhere in Rwanda
4. **STOCK IN TRADE**
Stocks of raw materials, work in progress, production equipment and finished goods the property of the Insured (including stocks and materials in trade whilst in buildings leased by the Insured) or for which the insured is responsible and which are not otherwise more specifically insured whilst anywhere in Rwanda

THIS POLICY DOES NOT COVER:-

A. LOSS OF OR DAMAGE TO

1. Property in course of construction or erection or testing, if directly or indirectly attributable to such operations.
2. Property in transit other than within the premises specified in the schedule subject to the temporary removal clause.
3. Cash, Cheques, postal orders, money orders, promissory notes, bills of exchange, jewellery, precious stones, furs, precious metals or bullion, curiosities or works of art other than as provided for under "All Other Contents Clause" hereafter.
4. Documents manuscript, business books, computer systems records, patterns, models, moulds, plans and designs other than as provided for by the "All Other Contents Clause" hereafter.

5. Any vehicle licensed for road use and its accessories or properties contained therein (whilst in or on such vehicles), railway locomotives and rolling stock, watercraft or aircraft or property contained therein.
6. Animals, explosives, lawns, plants, shrubs, trees, standing timber, growing crops, dams, reservoirs, canals, roadways, tunnels, bridges, docks, piers or wharves unless specified in the Schedule.
7. Mining property located beneath the surface of the ground, land including top soil, backfill, drainage or culverts.
8. Machinery during installation removal or re-sitting (including dismantling and re-erection) if directly or indirectly attributable to such operations.
9. Any boiler or other apparatus or their contents due to its own explosion or collapse as defined hereinafter. **EXPLOSION** means the sudden and violent rending or tearing apart of the permanent structure by force of internal steam or fluid pressure causing bodily displacement of the structure of any part or parts thereof and accompanied by the forcible ejection of its Contents. **COLLAPSE** means the sudden and dangerous distortion of any parts of a boiler or other apparatus by bending or crushing caused by steam or fluid pressure whether attended by rupture or not.
10. Individual tubes in boilers or other apparatus of a multi- tubular type;
11. Exchangeable parts and tools such as bits, cutters, knives, saw blades, dies, patterns, rollers, sieves, chains, belts, ropes, conveyor bands, jointing, packing materials and parts not made of metal caused by breakage whilst the machine is in operation.
12. Property undergoing or being moved for the purpose of alteration, repairs, testing, installation or servicing, including materials and supplies therefor, if directly or indirectly attributable to such operations or work being performed thereon, including property damaged in consequence, unless a loss by peril not excluded in the policy ensues or the value of the work being done does not exceed FRW.4,000,000/- and then the insurers shall be liable for such ensuing loss.
13. Machinery if directly attributable to mechanical breakdown or derangement.
14. Property the subject of conditional sale, trust agreement, instalment payment or other deferred payment plan, after delivery to customers.

B. LOSS OR DAMAGE DIRECTLY OR INDIRECTLY CAUSED BY OR ARISING FROM OR IN CONSEQUENCE OF OR CONTRIBUTED TO BY:-

1. Ionising radiations or contaminations by radioactivity from any nuclear waste from the combustion of nuclear fuel or from nuclear waste. For the purpose of this Exclusion only combustion shall include any self-sustaining process of nuclear fission.
2. Nuclear Weapons material.

C. ANY LOSS OR DAMAGE OCCASIONED BY OR THROUGH OR IN CONSEQUENCE, DIRECTLY OR INDIRECTLY, OF ANY OF THE FOLLOWING OCCURRENCES:-

War, invasion, act of foreign enemy, act of terrorism (meaning the use of violence for political end and including any use of violence for the purpose of putting the public or any section of the public in fear committed by a person or persons acting on behalf or in connection with any organization) hostilities or warlike operations (whether war be declared or not), civil war, mutiny, rebellion, insurrection, revolution, military or popular rising, military or usurped power, martial law or state of siege or any of events or causes which determine the proclamation or maintenance or martial law or state of siege, confiscation, seizure, nationalization, requisition, or destruction of or damage to the property by order of Government (de jure or de facto) or Local Authority or any process of law.

In any action, suit or other proceeding where insurers allege that by the provisions of this exclusion any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

D. LOSS OR DAMAGE CAUSED BY OR ARISING FROM:-

1. Interruption of the water supply, gas, electricity or fuel systems, or failure of the effluent disposal system to or from the premises specified in the Schedule.
2. Unexplained disappearance, shortage revealed at any stocktaking, shortage due to clerical or accounting error, shortages in the supply or delivery of materials.
3. Any fraudulent scheme, trick, device or false pretence practiced upon the Insured, or on any person or persons having care of the property at such time.
4. Infidelity or dishonesty on the part of the Insured or any of his employees.
5. Theft except from a building and then only if there is violent or forcible entry to or exit from such building.
6. Wear and tear, deterioration, rust or corrosion, erosion, mould, wet or dry rot, animals, birds, vermin, insects and larvae.
7. Inherent or latent defect, slowly developing deformation or distortion of any building, plant or machinery.
8. Delay or loss of market or any other consequential or indirect loss or interruption of business.
9. Leakage or overflow from plumbing, heating, air conditioning or other equipment or apparatus (except fire protection system), caused by freezing whilst the premises are vacant or unoccupied or during off business hours unless the insured shall have exercised all reasonable care with respect to maintaining heat in the building or unless such equipment and apparatus are drained and the water supply shut off, during such vacancy or unoccupancy.
10. Dampness or dryness of atmosphere, extremes or changes of temperature, shrinkage, evaporation, loss of weight, leakage of contents, marring, scratching, contamination, change in flavour, colour or texture or finish unless such loss is caused directly by physical damage to the property covered, or to premises containing such property, by a peril not excluded in this policy.
11. Pollution howsoever caused ("pollution" means pollution or contamination of the atmosphere or of any water, land or other tangible property).
12. Exposure to weather conditions when property is in the open and not contained in fully enclosed building.
13. Permanent or temporary dispossession of any premises resulting from the unauthorized possession of such premises by any person.
14. Electrical or magnetic injury, disturbance to or erasure of electrical apparatus, devices, fixtures, wiring, electronic recordings or other electrical or electronic equipment.
15. Hydraulic tests, experiments or overload or similar tests requiring the imposition of abnormal conditions.
16. Fault, defect, error or omission in design, plan or specification.
17. Defect in materials or workmanship.
18. (a) Errors in design, poor workmanship, or use of faulty materials in the development, processing or manufacture of the Insured's products.
(b) Manufacturing or processing operations which result in damage to stock or materials being processed, manufactured, or otherwise worked upon.
19. Coastal or river erosion, normal settling, cracking, shrinkage, expansion or bulging of roadways, foundations, walls, roofs, floors or ceilings.
20. Fumes, smog, smoke, gas or dust arising from agricultural or industrial operations or processes.
21. Solidification of and/or inadvertent escape of molten materials.

22. Weight of snow, ice and sleet.
23. Collapse of the building or machinery due to faulty design, defective workmanship and wear & tear.
24. Sand or dust
25. Interference by employees or others with customary operations.
26. Any consequential or indirect loss.

MEMORANDA - ATTACHING TO THE POLICY

1. The indemnity by Policy Section includes:-

MEMO 1 - PUBLIC AUTHORITIES CLAUSE

The Insurance by this policy extends to include such additional cost or reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reasons of the necessity to comply with Building or other Regulations under or framed in pursuance of any Ordinance or with Bye-Laws of any Municipal or local Authority provided that:-

- (1) The amount recoverable under this extension shall not include:-
 - (a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws.
 - (i) in respect of destruction or damage occurring prior to the granting of this extension.
 - (ii) in respect of destruction or damage insured by the Policy.
 - (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage.
 - (iv) in respect of undamaged property or undamaged portions of property.
 - (b) 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 Bye-Laws not arisen.
 - (c) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect the property or by the owners thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
- (2) The work or reinstatement must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Insurers under this Extension not being thereby increased.
- (3) If the liability of the Insurers 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 Insurers under this extension (in respect of any such item) shall be reduced in like proportion.
- (4) The total amount recoverable under the Policy shall not exceed the Sum Insured thereby.
- (5) All conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

MEMO 2 - DEBRIS REMOVAL (LIMIT FRW. 1,000,000)

Costs and expenses necessarily and reasonably incurred by the Insured, as a result of Damage in:-

- (i) removing debris or
 - (ii) dismantling and/or demolishing
 - (iii) Shoring up or propping of the portion or portions of the property, and/or
 - (iv) removing debris of contents of any premises forming part of the property, such contents not being the property of the Insured.
- Provided the Insurers liability by these endorsement shall not exceed the amount stated in schedule or Frw1,000,000

MEMO 3 - FEES

The sum insured on contents / machinery by this policy, is declared to include consulting engineers' fees necessarily incurred in the reinstatement or replacement of the said contents / machinery following destruction or damage by any peril hereby insured against (except in as so far as the company elects to replace wholly or in part any part of the property so damaged or destroyed) but in no case exceeding the amount of fees which are recoverable under the scale of fees published by the association of consulting engineers.

MEMO 4 - LOSS REDUCTION

Costs and expenses reasonably and necessarily incurred by the Insured in reducing losses to the property on or after the occurrence of any of the perils.

Provided that such costs and expenses will not exceed the amount of loss thereby avoided.

MEMO 5 - GENERAL INTEREST CLAUSE

Certain of the property may be the subject of agreement that require either:-

- (a) that the interest of another party is noted in the insurance, or
- (b) that the property in question is insured in the joint names of the Insured and another party or parties.

Such requirements are deemed to be complied with within the terms of this Policy to the extent required in any such agreements. The nature of the interest or joint insurance shall be disclosed in the event of:-

- (i) damage to property which is the subject of such agreements or
- (ii) a requirement by the other party that proof of insurance in the joint names be provided.

MEMO 6 - SEVENTY TWO HOURS CLAUSE

All Damage occurring within 72 (seventy-two) consecutive hours of an earthquake and arising solely from seismic activity is deemed to be one event for the purpose of determining Insurers' liability.

EXTENSIVE CLAUSES APPLICABLE TO THIS POLICY

1. MUNICIPAL PLANS SCRUTINY FEE CLAUSE

The insurance on a building under any item of this policy is declared to include Municipal Plans Scrutiny Fees, provided that the total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.

2. COST OF RE-ERECTION CLAUSE

The insurance by this Policy extends to include the cost of re-erection fitting and fixing machinery and plant in consequence of destruction or damage by any of the perils hereby insured against, provided that the total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.

3. DESIGNATION OF PROPERTY CLAUSE

For purpose of determining where necessary the column heading or item under which any property is insured the Insurers agree to accept the designation under which such property has been entered in the Insured's books.

4. ALTERATIONS AND REPAIRS CLAUSE

Workmen are allowed in or about any premises herein referred to carrying out alterations and repairs without prejudice to the terms of this insurance.

5. REINSTATEMENT OF LOSS CLAUSE

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro rata basis from the date of such loss to the expiry of the current period of insurance, and such additional premium being received from the amount of claim payable, it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured.

6. ALL OTHER CONTENTS CLAUSE

It is agreed that the terms "All Other Contents" is understood to include:-

- (a) Money and Stamps not otherwise specifically insured for an amount not exceeding Frw.
- (b) Documents, manuscripts and business books but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up, and not for the value to the Insured of the information contained therein not exceeding Frw.
- (c) Patterns, Models, Moulds, Plans and Designs, for an amount not exceeding Frw. respect of any one Pattern, Model, Mould, Plan or Design, and so far as they are not otherwise insured.
- (d) Employees' Pedal Cycles, Clothing, Tools and other Personal Effects for an amount not exceeding Frw. in respect of any one Employee
- (e) Computer systems records but only for the value of 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 information to be recorded therein) and cost of research incurred when making up business books/computers systems records not exceeding Frw.

7. TENANTS CLAUSE

It is hereby declared and agreed that should a tenant in the within described building do or omit to do, without the knowledge of the Insured, anything which would vitiate the within policy condition and/or Warranties, this Policy will not be held to be void on that account provided that the Insured shall notify the Insurers the happening or existence of such act or omission as soon as the same shall come to his or her knowledge and shall on reasonable demand pay the additional charge for any increase of hazard thereby created according to the established scale or rates, for the time such increased hazard may be, or shall have been assumed by the Insurers during the continuance of this insurance.

8. TEMPORARY REMOVAL CLAUSE

Subject to the following provisions the property insured (other than stock-in-trade or merchandise) by this policy is covered whilst temporarily removed for cleaning, renovating, repair or other similar purposes to any premises not in the Insured's occupation and in transit thereto and therefrom by road, rail, air or inland waterway all in Rwanda. The amount recoverable under the extension in respect of each item aforesaid shall not exceed :-

- (a) 10 percent of the amount of the item after deduction from the sum insured the value of any stock in trade or merchandise insured by the said item or
- (b) the amount which would have been recoverable had the loss occurred at the premises from which the property is temporarily removed.

This extension does not apply to:-

- (i) Motor Vehicle and Motor Chassis
- (ii) Property held by the insured in trust, other than machinery and plant
- (iii) Property if and so far as it is otherwise insured.

9. **BREACH OF CONDITIONS AND WARRANTIES**

The warranties and special memoranda attached to this Policy shall apply to the items concerned individually as if each were insured by a separate Policy. The breach of any warranty or special memorandum shall void the Policy only in respect of the item or items to which the breach applies and not in respect of the remaining items.

10. **PUBLIC UTILITIES**

The insurance by this Policy extends to cover telephone, gas, water and electric instruments, meters, piping, cabling and the like and accessories thereof, including, similar property in adjoining yards or roadways or underground, all the property of the Insured or of others for which the Insured are responsible.

11. **MISDESCRIPTION CLAUSE**

In the event of there being any misdescription of the building or occupation of any of the buildings claims will be payable subject to the appropriate additional premium being paid, if necessary, with effect from inception.

12. **LANDLORDS CLAUSE**

Anything done by the occupier of a building herein described whereby the danger of destruction or damage is increased without the authority or knowledge of the Insured shall not prejudice the position of the Insured under this policy provided that the Insured will immediately in their becoming aware thereof give notice in writing to the Insurers and on demand pay such additional premium as the Insurers may require.

13. **CAPITAL ADDITIONS CLAUSE**

The insurance by this policy extends to cover alterations additions and improvements (but not appreciation in value in excess of the Sum Insured) to property specified under the policy for an amount not exceeding in the aggregate 10% of the Total Sum Insured it being understood that the Insured undertakes to advise the Insurers each quarter of any such alterations additions and improvements and to pay the appropriate additional premium thereon.

14. **APPRAISEMENT CLAUSE**

If the aggregate claim for any one loss does not exceed Frw.10,000,000/- or 10% of the Sum Insured whichever is the lesser amount by the item or items affected no special inventory or appraisal of the undamaged property shall be required.

If two or more buildings be included in a single item this provision shall apply to the range of buildings insured by this item.

For the purpose of this clause the term item, shall be held to apply to the Total Sum Insured on building and/or contents by the item or items affected.

15. **FIRE BRIGADES CLAUSE**

It is hereby declared that subject to a reasonable limit:-

(i) following an outbreak of fire at or adjacent to the premises at which the property insured is situated, the Company will reimburse the insured with costs reasonably incurred in preventing, controlling or extinguishing such fire affecting (or threatening to affect) the property insured in circumstances which have (or would have) given rise to a valid claim under the Policy.

(ii) if any Municipality or Local Authority is duly empowered to charge the insured, by virtue of their ownership or occupation of the property, with the cost of Fire Brigade services rendered in

extinguishing a fire or with the cost of water used in such extinguishment, the charges so raised will be reimbursed to the insured by the Company.

Provided that the total amount recoverable under any item of this Policy does not exceed the sum insured hereby.

16. VEHICLE LOAD CLAUSE

In the event of the Insured's vehicle being left overnight with a load whilst in and/or on the premises described in the specification hereto the Company shall indemnify the Insured in respect of such load in the event of loss or damage by any perils insured against by this Section.

17. GOODS IN TRUST

This insurance extends to include goods held by the Insured in trust or on commission or for which they are responsible or for which they have instructions to insure.

18. MORTGAGE CLAUSE

It is hereby specially agreed that this insurance as to the interest of the mortgagee as regards the buildings, landlords' fixtures and rent insured only, shall not be invalidated by any act or neglect of the mortgagor or owner of the property insured, nor by any misrepresentation or non-disclosure by the Mortgagor or owner of the property insured, at the time when the insurance is effected or renewed or during the currency thereof, nor by the alienation of the property nor by the occupation thereof for purposes more hazardous than are permitted by this Policy, provided that such act, neglect, misrepresentation, non-disclosure, alienation, or occupation shall have been effected without the knowledge or privity of the mortgagee. Provided also that the mortgagee shall notify to the Company the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as the same shall come to the mortgagee's knowledge and shall, on reasonable demand pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be or shall have been assumed by the Company during the continuance of this insurance.

19. SUBROGATION WAIVER CLAUSE

In the event of a claim arising under this policy the insurer accepts to waive any rights, remedies or relief to which they might become entitled by subrogation against:-

- (a) any company being parent and/or subsidiary to the insured as defined in current Companies Act Legislation.
- (b) any company which is a subsidiary and/or parent company of which the insured are themselves a subsidiary, in each case within the meaning of the current Companies Act Legislation.

20. SPONTANEOUS COMBUSTION

It is hereby declared and agreed that notwithstanding anything herein contained to the contrary, the insurance of this policy is extended to include destruction or damage to the Insured property caused by its own spontaneous fermentation heating or combustion.

21. ACCIDENTAL ERROR AND OMISSION

This policy extends to cover the insured for any amount not exceeding 25% of the sum insured hereby for any one item, in respect of inadvertent under - insurance or incorrect valuation by "bona fide" error, accidental omission to insure any extension or addition to building and/or contents (other than stock-in-trade if insured on a declaration basis) during the currency of this policy.

This extension applies on condition that the insured will give notice to the company immediately any of the aforesaid happenings come to their notice and on reasonable demand undertake to pay any additional premium which may become due as a result thereof annually in terms of the adjustment provisions contained herein.

22. **WORKMEN ON PREMISES CLAUSE**

It is hereby declared and agreed that Workmen (including painters) are temporarily allowed on the within described premises for the purposes of making and/or structural alterations and/or additions. Warranted that power driven machines if used be restricted to a total of 5 h.p.

23. **OTHER INSURANCE AND DECLINATURE**

Warranted not insured with any other Company nor declined by this or other Company or underwriters.

24. **REPLACEMENT VALUE CLAUSE**

(Applicable to property other than merchandise and/or stock)

In the event of damage to property, the basis upon which the amount payable hereunder is to be calculated shall be cost of replacing or reinstating property equal to but not better nor more extensive than its condition when new, at the time of such replacement provided that:-

- (a) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the insurer not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable under the policy if this clause had not been incorporated herein shall be made.
- (b) Until expenditure has been incurred by the insured in replacing or reinstating the property destroyed or damage the insurers shall not be liable for any payment in excess of the amount which would have payable under the policy if this clause had not been incorporated herein.

25. **85% CONDITION OF AVERAGE**

Whenever a Sum Insured is declared to be subject to the special condition of average then if such shall at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against, the less than 85% of the value of the property insured in that amount, the Insured shall be considered being his own Insurer for the difference between the sum Insured and the full value of the property insured at the time of such destruction or damage and shall bear a rateable share of the loss accordingly.

26. **ELECTRICAL CLAUSE III**

It is hereby declared and agreed that cover under the within mentioned policy is extended to include loss or damage by fire to the property insured from or occasioned by over-running excessive pressure, short-circuiting, arcing self-heating or leakage of electricity, including all loss or damage by lighting to the property insured is covered, subject to the terms and conditions of this policy, but it is expressly understood that no liability exists under this policy for loss or damage to any electrical machine, apparatus or any portion of the electrical installation unless caused by fire or lighting.

27. **ARCHITECTS' QUANTITY SURVEYORS' AND OTHER FEES**

The sum insured on the building/s is declared to include Architects' Quantity Surveyors' and other fees for estimates, plans specifications, quantities, tenders and supervision necessarily incurred in the reinstatement or replacement of the property consequent upon destruction or damage by any perils hereby insured against (excepting in so far as the company elects to reinstate or replace wholly or in part any property so damaged or destroyed) but in no case exceeding the amount of fees which are recoverable under the scales of fees published by the Royal Institute of British Architects and/or Royal Institute of Chartered Surveyors and/or the Association of Consulting Engineers but subject to any amendments authorised by legislation applicable to the Republic of Rwanda.

It is understood and agreed that the amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

28. LANDLORDS FIXTURES AND FITTINGS

The insurance by this policy extends to include all landlords fixtures and fittings in or on the buildings insured.

29. RENT RECEIVABLE CLAUSE

The company will be answerable for payment of the aforesaid rent, but in no case exceeding the actual Rent Receivable by the insured of the aforesaid premises at the time of the fire or on such part of the same as may be then let, in the event of same being untenanatable during the whole term above specified, in consequence of damage by fire. The amount payable under this policy shall be in proportion which the amount insured bears to the actual Rent of the Premises, and in the case of the Premises not being untenanatable during the whole of the item aforesaid, the company shall only be liable to pay to the insuree such proportion of the amount so payable as aforesaid as the period of time during which the said Premises may be untenanatable bears to the whole time above specified, but the same shall not exceed the time which would be required by a Builder to put the Premises into tenantable conditions.

30. RENTAL VALUE CLAUSE

The Company will be answerable for payment of the aforesaid Rental Value, but in no case exceeding the actual Rental Value of the said Premises in the event of the same being untenanatable during the whole term above specified, in consequence of damage or destruction by fire. The amount payable under this Policy shall be in the proportion which the amount insured bears to the actual Rental Value of the Premises, and in case of the premises not being untenanatable during the whole of the term aforesaid, the Company shall only be liable to pay to the insured such proportion of the amount so payable as aforesaid as the period of time during which the said Premises may be untenanatable bears to the whole time above specified, but the same shall not exceed the time which would be required by a builder to put the Premises into tenantable condition.

31. RENT PAYABLE

The Company will be answerable for payment of the aforesaid Rent, but in no case exceeding the actual Rent Payable by the Insured to the Owner or landlord of the said premises in the event of the same being untenanatable during the whole time above specified, in consequence of damage or destruction by fire. The amount payable under this policy shall be in the proportion which the amount insured bears the actual rent of the premises; and in case the premises not being untenanatable during the whole of the term aforesaid, the company shall only be liable to pay to the insured such proportion of the amount so payable as aforesaid as the period of time during which the said premises may be untenanatable bears to the whole time above specified but the same shall not exceed the time which would be required by a builder to put the premises into tenantable condition.

32. CLAIMS PREPARATION COSTS

The liability of the insurers under this policy is limited to the reasonable costs incurred of salaries and wages payable to the insured's known employees and/or cost of material used/or fees payable by the insured to their usual Auditors, in producing the certifying any particulars or details as may be required by the insurers under terms of the condition relevant to this policy. Provided the insurers liability by this endorsement does not exceed the amount stated in schedule or Frw. 500,000/-

34. CANCELLATION CLAUSE

This insurance may at any time be terminated by the Company by sending 30 days notice by registered letter to the insured at his last known address and in such event the premium shall be adjusted pro rata for the portion of the period the policy has been in force. Similarly the Policy may be cancelled at the request of the insured by sending 30 days notice to the Company in and such event the premium shall be adjusted at the companies short period rates for the portion of the period the policy has been in force, but subject also to the terms of any Long Term Agreement if applicable.

36. **PAYMENT ON ACCOUNT CLAUSE**

In the event of liability being admitted in respect of a claim under this policy the insurers will without prejudice to their rights under this insurance make payments on account during the indemnity period as may be required by the insured in respect of such claim.

37. **ADJOINING BUILDINGS**

Except where such property is more specifically insured, the items on the schedule of this policy extend to small outside buildings, extensions and annexes adjoining or communicating with the building to which such item relates.

38. **COMPUTER SYSTEMS RECORDS**

It is hereby declared and agreed that the relevant condition of this policy (and of the riot endorsement, if applicable) is amended to read as follows:-

“Securities, obligations or documents of any kind, stamps, coined or paper money, cheque books of account, other business books or computer system records.”

39. **UNOCCUPANCY**

The insurance by this policy will not be prejudiced in the event of any buildings remaining unoccupied for a greater period than 30 days, provided that in due course the insured or their agents give notice in writing to the insurers and on demand pay such reasonable additional premium as the insurers may require

40. **STOCK DECLARATION CONDITIONS**

1. In consideration of the premium by this policy being provisional in that it is calculated on 75% of the sum insured hereby and is subject to adjustment on expiry of each period of insurance.

The insured agrees to declare to the Insurers in writing the value of their stocks (other than retail) less any amount insured by Policies other than declaration Policies on the following basis namely, -

Value At Risk on the last day of the month and to make such declaration within thirty days of the last day of each calendar month, such declaration to be signed by the Insured or by a responsible person authorised to sign on behalf

If other Policies on a declaration basis cover the stocks hereby insured the declarations shall be made as to apportion to each Policy a share of the value of stocks insured under such declaration Policies, Pro rata to the respective amounts named in the Policies.

In the event of a declaration not being made within the thirty day mentioned above then the Insured shall be deemed to have declared the sum Insured hereby shall be Value At Risk.

On the expiry of each period of insurance the premium shall be calculated at the rate agreed on the average Sum Insured, namely, the total of the values declared divided by the values declared or deemed to have been made. If the resultant premium be greater than the provisional premium the Insured shall pay the difference. if it be less the difference shall be repaid to the Insured but such repayment shall not exceed 50% per cent of the provisional premium.

2. The basis of the value for declaration shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.
3. If at the time of any loss, there be any other subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this Policy shall apply only to the excess of the value of such stocks at the time if the loss over the Sum Insured by such other insurance or insurances and these Insurers shall not be liable to pay or

contribute more than that proportion of such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess), but not exceeding the sum insured hereby, bears to the total value of the stocks.

4. If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been recoverable by the Insured shall be reduced in such proportion as the amount that ought to have been declared.
5. Notwithstanding the occurrence of a loss it is understood that the sum Insured will be maintained at all times during the currency of the Policy and the Insured therefore undertakes to pay extra premium on the amount of any loss Pro-rata from the date of such loss to the expiry of the period of insurance, the premium being cancelled at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
6. In the event of this Policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Insurers shall be the appropriate short period premium calculated on the average amount insured up to the date of cancelment, or 50 per cent of the provisional premium whichever is the greater, but if the policy is cancelled by the Insurer after a loss has occurred the premium to be retained by the Insurers shall be the Pro rata proportion of the premium calculated on the average amount insured up to the date of cancelment plus the Pro rata proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of the loss paid, or 50 per cent of the provisional premium whichever is the greater.
7. The maximum liability of the Insurers shall not exceed the Sum Insured hereby and premium shall not be receivable on values in excess thereof The Sum Insured may, however, be increased by prior agreement with the Insurers in which event the new Sum Insured and the date from which it is effective will be recorded on the Policy by endorsement.
8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being their own insurer for the difference and shall be considered as being rateable proportion of the loss accordingly. Every item, if more than one, on stocks (other than retail) shall be separately subject to this condition.
9. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.
10. This insurance is subject in all respects to the printed conditions of the Policy except insofar as they may be varied by these Special conditions.

42. **REINSTATEMENT VALUE CLAUSE**

(Applicable to property other than merchandise and/or stock)

In the event of damage to property, the basis upon which the amount payable hereunder is to be calculated shall be cost of replacing or reinstating property equal to but not better nor more extensive than its condition when new, at the time of such replacement provided that:-

- (a) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the insurer not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable under the policy if this clause had not been incorporated herein shall be made.
- (b) Until expenditure has been incurred by the insured in replacing or reinstating the property destroyed or damaged the insurers shall not be liable for any payment in excess of the amount which would have been payable under the policy if this clause had not been incorporated herein.
- (c) If at the time of replacement or reinstatement the sum representing the cost which would have been insured in replacement or reinstatement if the whole property covered had been destroyed, exceeds the sum insured thereon at the breaking out of fire, or at the commencement of any destruction of or damage to such property by any other peril

insured against by the policy , then the insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provisions.

(d) This memoranda shall be without force or effect if:-

(i) The insured fails to intimate to the company within six months from the date of destruction or damage or such further time as the company may in writing allow, his intention to replace or reinstate the property destroyed or damaged.

(ii) The insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

43. **CONTRACT WORKS**

Notwithstanding anything contained in this policy to the contrary, it is hereby declared and agreed that indemnity provided by the operative clause of this policy shall extend to include all contract works undertaken by contractors (including individuals) not in the direct employment of the insured - to the insured's equipment and buildings and/or furniture and fixtures subject to a limit of Frw. any one situation and provided that no separate contract works insurance has been concluded for the same works. At the end of the period, the insurers shall be entitled to a declaration of the contract value of the works undertaken and an additional premium will be charged at a rate previously agreed.

Further, the insurance will include newly acquired property owned by the insured and/or for which the insured is responsible or the property in the course of construction, erection or fitting out for future use including additions, alterations and extensions to existing property subject to the limit agreed any one situation.

SECTION II ---- BUSINESS INTERRUPTION

In the event of **ACCIDENTAL PHYSICAL LOSS OF OR DAMAGE** (hereinafter termed damage) to any building or other property or any part thereof used by the insured at the premises for the purpose of business and the Business carried on by the insured at the Premises be in consequence thereof interrupted or interfered with, the insurer will pay to the insured in respect of each item in the schedule the amount of loss resulting from such interruption or interference in accordance with the provisions contained therein.

PROVIDED THAT

1. the insurers have admitted liability under Section A (Material, Damage) of this policy or that liability would have been admitted thereunder but for the operation of a proviso in Section A of this policy excluding losses below a specified amount
2. the liability of the Insurer in any one period of insurance shall not exceed.-
 - (i) in respect of each item the sum insured stated in the schedule and in whole the Total Sum Insured hereby.
 - (ii) Any limit of liability shown in the schedule.

ITEM NO. 1:

The Insurance under item 1 is limited to loss of Gross Profit due to

(a) **REDUCTION IN TURNOVER** and (b) **INCREASE IN COST OF WORKING** and the amount payable as indemnity thereunder shall be,-

- (i) **IN RESPECT OF REDUCTION IN TURNOVER**;- The sum produced by applying the rate of Gross Profit to the amount by which the Turnover during the indemnity period shall, in consequence of the damage, fall short of the standard Turnover.
- (ii) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure including additional cost of transport and process or manufacture elsewhere (subject to the provisions of the uninsured standing charges clause) necessarily and reasonable incurred for the sole purpose of avoiding or diminishing the

reduction in Turnover which but for that expenditure would have taken place during the indemnity period in consequence of the damage but not exceeding the sum produced by applying the rate of Gross Profit to the amount of the reduction thereby avoided, less any sum saved during the indemnity period in respect of such of the charges and/or working costs and expenses of the business payable out of, Cross Profit as may cease or be reduced in consequence of the damage.

ITEM NO 2

The insurance under Item 11 is limited to loss in respect of wages and the amount payable as indemnity thereunder shall be

- (a) (i). During the portion of the Indemnity period beginning with the occurrence of the damage and ending not later than six months the sum produced by applying the rate of wages to the shortage in Turnover during the said portion of the indemnity period. Less any saving during the said portion of the indemnity period through reduction in consequence of the damage in the amount of wages paid.
- (ii) During the remaining portion of the Indemnity period the sum produced by applying the Rate of Wages to the shortage in Turnover during the said remaining portion of the Indemnity period.

Less any saving during the said remaining portion of the Indemnity period through reduction in consequence of the damage in the amount of wages paid but not exceeding the sum produced by applying 25% of the Rate of wages to the shortage in Turnover during the said remaining portion of the Indemnity period increased by such amount as is deducted for savings under the terms of clause (1).

NOTE;-

At the option of the Insured the number of months referred to in clause (a) (i) above may be increased to 9 provided that the amount arrived at under the provisions of (a) (ii) shall not exceed such amount as is deducted for savings reflected during the said increased number of weeks.

(b) IN RESPECT OF INCREASE IN COST OF WORKING

So much of the additional expenditure described in clause (b) of item 1 as exceeds the amount payable thereunder but not more than that the additional amount which would have been payable in respect of reduction in Turnover under the provisions of clauses (a) (i) and (ii) of this item had such expenditure not been incurred.

THE INSURANCE UNDER ITEM NO. 3

Is limited to reasonable fees payable by the insured to their Auditors for producing and certifying particulars of details contained in the insured's books of Accounts or other business books or documents or such other proofs information or evidence as may be required by the Insurer under the terms of this policy.

DEFINITIONS

INDEMNITY PERIOD;- The period beginning with the occurrence of the damage and ending not later than the maximum indemnity period thereafter during which the result of the business shall be affected in consequence of the damage.

MAXIMUM INDEMNITY PERIOD - Months

TURNOVER; The money paid or payable to the insured for goods sold and delivered and for services rendered in course of the business at the premises.

GROSS PROFIT.- The amount by which:-

- (i) The sum amount of the turnover and the amounts of the closing stock and work in progress shall exceed.
- (ii) The sum of the amount of the opening stock and work in progress and the amount of the specified working expenses.

NOTE; The amount of the opening and closing stocks and work in progress shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

UNINSURED STANDING CHARGES;- All expenses of the business which vary in direct proportion with any reduction in Turnover.

RATE OF GROSS PROFIT.- The rate of Gross Profit earned on the Turnover during the Financial year immediately before the date of the damage.

RATE OF WAGES;- The rate of wages to Turnover during the Financial year immediately before the date of the damage.

ANNUAL TURNOVER;- The Turnover during that period in the twelve months immediately before the date of the damage.

STANDARD TURNOVER;- during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period.

In each of the definitions above, namely RATE OF GROSS PROFIT, RATE OF WAGES, ANNUAL TURNOVER AND STANDARD TURNOVER, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business and before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after damage.

NOTE;- The words and expressions in the definition (other than wages) shall have the meaning usually attached to them in the books of the insured.

MEMORANDA ATTACHING TO SECTION 'B' OF THE POLICY

MEMO I - CUSTOMERS AND SUPPLIERS

Subject to the Conditions of the Policy, loss as insured by this Section resulting from interruption of or interference with the business in consequence of damage to premises or property of or used by insured's Rwanda Suppliers, Customers, Manufacturers, Processors or Distributors of property whilst in transit (including sea transit) shall be deemed to be loss resulting from damage to property used by the insured. Provided that the insurer will however not be liable under this Memorandum for electricity or other public utilities.

MEMO 2 - DENIAL OF ACCESS

Subject to the conditions of the policy denial of access to the property whether the property shall be damaged or not which shall prevent or hinder the use of the property is deemed to be loss resulting from damage to property.

MEMO 3 - FINES AND DAMAGES

Fines or damage for breach of contract and the amount payable as indemnity being such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or damages incurred solely in consequence of damage for non-completion or late completion of orders upto a maximum of FRW. any one event.

MEMO 4 - OUTSTANDING DEBIT BALANCES. limit Frw.

Loss of books debts sustained by the Insured as a result of Damage to the Insured's records of outstanding Debit Balances, adjusted for :-

- (a) bad debts.
- (b) amount debited (or invoiced but not debited) and credited (including credit note and cash not passed through the books) to customers' accounts in the period between the end of said financial period and the date of the damage.
- (c) any conditions of trade which had or would but for the damage have had effect on the insured's business.

so that the amount so adjusted shall represent as nearly as may be reasonably practicable that which would have been obtained had the damage not occurred.

The amount payable shall not exceed,-

- (i) The difference between the outstanding Debit Balances and the total of the amounts received or traced in respect thereof
- (ii) additional expenses reasonably incurred in the tracing in the tracing and establishing of customers' balances after damage

It is a condition precedent to liability under this inclusion that the insured shall provide reasonable proof to the insurer of the amount of outstanding Debit Balances at the site of the Damage at the end of the financial period immediately preceding the Damage.

MEMO 5 - PROFESSIONAL ACCOUNTANT CLAUSE

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer under the conditions of this policy for the purpose of investigation or verifying any claim under this section may be produced by professional accountants if at the time they are regularly acting as such for the insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurers will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any proofs, information or evidence as may be required by the Insurer under the terms or the conditions of this policy and reporting that such particulars or details are in accordance with the insured's books of account or other business books or documents.

MEMO 6 - PAYMENT OF ACCOUNT CLAUSE

The insurer will if required by the insured make monthly payments on account during the Indemnity period.

MEMO 7 - ALTERNATIVE TRADING CLAUSE

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

MEMO 8 - UPWARDS ADJUSTMENT CLAUSE 33 1/3% UPWARDS AND 50% DOWNWARDS

It is hereby understood and agreed that the liability of the Insurer under this policy in respect of Gross Profit and Wages of this schedule 133 1/3 per cent of the sums insured stated and the premium which has been calculated on the said sums insured is provisional and shall on the expiry of each period of insurance be adjusted as hereinafter provided.

In the event of the Gross Profit Earned and Wages paid during the accounting period of twelve months nearly concurrent with any period of insurance certified by the insured's Auditors being greater than the sum insured stated in the schedule a pro-rata additional premium not exceeding 33 1/3 per cent of the premium paid on such sum insured for such period of insurance shall be paid by the insured in respect of such difference.

If any damage shall have occurred giving rise to a claim under this policy the amount paid in respect of such claim shall be taken into account in calculating the Gross Profit earned and Wages paid.

MEMO 9 - SALVAGE SALES CLAUSE

If, following damage giving rise to a claim under this policy, the insured shall hold a salvage sale during the indemnity period, the amount payable as indemnity in respect of reduction in turnover shall be the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall in consequence of the damage fall short of the standard turnover, from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.

MEMO 10 - DEPARTMENT CLAUSE

If the business be conducted in Departments, the independent trading results of which are ascertainable, the provisions of Clauses (a) and (b) of Item 1 shall apply separately to each Department affected by the damage except that if the sum insured by the said Item be less than the aggregate of the Sums produced by applying the Rate of Gross Profit for each Department of the business (whether affected by the damage or not) to thrice the relative Annual Gross Profit thereof the amount payable shall be proportionately reduced.

MEMO 11 - FAILURE OF SUPPLY FROM PUBLIC UTILITIES

In consequence of the payment of an additional premium which is included in the premium herein, it is hereby declared and agreed that subject to the Conditions of the Policy, loss as insured by this policy resulting from interference with the business in consequence of damage by any insured peril to property at any Electricity Station or sub-station, or water works of the Public supply under-taking, from which the insured obtains electric current or water shall be deemed to be loss resulting from damage to property used by the insured at the premises but liability of the insurer is for the period during which the results of the business shall be affected in consequence of the damage beginning 24 hours in respect of electricity and 10 days in respect of water after the occurrence of the damage.

Subject otherwise to the terms, expectations and conditions of this policy.

MEMO 13- REINSTATEMENT OF LOSS CLAUSE

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro rata basis from the date of such loss to the expiry of the current period of insurance, and such additional premium being received from the amount of claim payable, it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured.

MEMO 14-UNINSURED STANDING CHARGES

If any standing charges of the business be not insured by this policy (having been deducted in arriving at the gross profit as defined herein) then in computing the amount receivable hereunder as increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the gross profit bears to the sum of the gross profit and the uninsured standing charges.

MEMO 15- PREMIUM ADJUSTMENT

In the event of 100% of Gross Profit earned and wages paid during the accounting period of twelve months most nearly concurrent with any period of insurance, as certified by the insured's Auditors being less than the sums insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sums insured for such period of insurance will be made in respect of the difference.

If any damage shall have occurred, giving rise to a claim under this policy, such return shall be made in respect only of so much of the said difference as is not due to such damage.

MEMO 16 – DETERIORATION OF UNDAMAGED STOCK

The insurance is extended to include loss sustained by the insured during the indemnity period resulting from deterioration of stocks due solely to the insured's inability to process in the normal way in consequence of damage to the premises. The amount payable shall not exceed the cost of the stocks less any saving that can be achieved.

MEMO 17- ALTERNATIVE BASIS

It is agreed that in the event of a claim under this Policy, adjustment may be based on Turnover or Output, whichever affords the more equitable result and except in the definition of Turnover, the word Turnover wherever used in this policy shall be read as "Turnover or Output".

MEMO 18 – INCREASE IN RISK

It is agreed that this insurance shall not be invalidated if without knowledge of the insured there be any change of occupancy, any increase of risk or non compliance with any warranty in the above premises provided that they shall

immediately upon the same coming into their knowledge give notice thereof to the insurers and pay any additional premium as may be required by them from the date of such increase in risk.

MEMO 19 – WAIVER OF MATERIAL DAMAGE PROVISIO

It shall not be a condition precedent to liability in respect of interruption or interference in consequence of destruction or damage (as within defined) that payment shall have been or liability admitted under the insurance covering the interest of the insured in the property at the premises against such destruction or damage if no such payment shall have been made or liability admitted solely arising to the operation of a proviso in such insured excluding liability for losses below a specified amount.

MEMO 20 – NEW / ADDITIONAL PREMISES

It is hereby declared and agreed that loss as insured by this policy resulting from interruption of or interference with the business in consequence of damage (as within defined) to property at the premises anywhere in Rwanda in respect of which the insured have entered into a contract to have constructed, purchased, leased or tenanted shall be deemed to be loss resulting from damage to property used by the insured at the premises.

CONDITIONS - APPLICABLE TO SECTION B OF THE POLICY

1. ALTERNATION

The insurance by this Section shall cease if

- (a) the business be wound up or carried on by a liquidator Receiver or permanently discontinued, or
- (b) the insured's interest ceases otherwise than by death, or
- (c) any alteration be made either in the business or in the premises or property therein whereby the risk of damage is increased.

at any time after the commencement of this Insurance, unless its continuance be admitted by memorandum signed by or on behalf of the insurer.

2. CLAIMS

On the happening of any damage in consequence of which a claim is or may be made under this section, the insured shall forthwith give notice thereof to the Insurer and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than thirty days after the expiry of the Indemnity period or within such further time as the Insurer may in writing allow, at their own expense deliver to the Insurer in writing a statement setting forth particulars of their claim, together with details of all other insurance (if any) covering the damage or any part of it or consequential loss of any kind resulting there from . The insured shall at their own expense produce, procure and give to the Insurer such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may be reasonably required by or on behalf of the Insurer for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therein. No claim under this Section shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

3. TIME LIMIT

In no case whatsoever shall the Insurer be liable in respect of any claim under this section after the expiration of:-

- (a) one year from the end of the Indemnity period or, if later,
- (b) three months from the date on which payment shall have been made or liability admitted by the Insurer covering the damage giving rise to the said claim.
unless the claim is the subject of pending action or arbitration.

CONDITIONS - APPLICABLE TO THE POLICY

1. ALTERATIONS AND REMOVALS

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage obtains the sanction of the Insurers.

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

2. MARINE

This insurance does not cover any loss or damage to property which at the time of 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 had this insurance not been effected.

3. CLAIMS

If any event giving rise to or likely to give rise to a claim under this Section comes to their knowledge the Insured shall:

- (a) immediately,
 - (i) take steps to minimize the loss or damage and recover any missing property
 - (ii) give notice in writing to the Insurers and
 - (iii) give notice to the Police if the event be theft or suspected theft
- (b) Within 30 days or such further time as the Insurers may in writing allow delivery to the Insurers.
 - (i) a claim in writing for the loss or damage containing as particular an account as may be reasonably practical of all the several articles or items of property lost or damaged and the amount of loss or damaged thereto respectively having regard to their value and the time of the loss or damage.
 - (ii) particulars of all other insurances if any. The Insured shall at all times at his own expense produce, procure and give to the Insurers all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the loss or damage and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of liability or the Insurers as may be reasonably required by or on behalf of the Insurers together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

Compliance with this condition is a condition precedent to the right of the Insured to recover hereunder.

4. INSURERS' RIGHTS

On the happening of any loss or damage to any of the property insured by this Section 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 it any property of the Insured in the buildings 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 Insurers at any time until notice in writing is given by the Insured that he makes no claim under this Section or, if any claim is made, until such claim is finally determined or withdrawn, and the Insurers 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 conditions of this policy in answer to any claim.

If the Insured or any person on their behalf shall not comply with the requirements of the Insurers or shall hinder or obstruct the Insurers in the exercise of their powers hereunder, all benefits under this policy shall be forfeited.

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

5. **REPAIR AND REPLACEMENT**

The Insurers may at their option repair or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other Company of Insurers in so doing, but the Insurers shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Insurers be bound to expend more in repair than it would have cost to repair such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured by the Insurers thereon.

If the Insurers so elect to repair or replace any property the Insured shall, at their own expense, furnish the Insurers with such plans, specifications, measurements, quantities and such other particulars as the Insurers may require, and no acts done, or caused to be done by the Insurers with a view to repair or replacement shall be deemed an election by the Insurers to repair or replace.

If in any case the Insurers shall be unable to repair or replace the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Insurers shall, in every such case, only be liable to pay such sum as would be requisite to repair or replace such property if the same could lawfully be repaired to its former condition.

6. **REASONABLE PRECAUTION**

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

7. **TIME LIMIT**

In no case whatsoever shall the Company be liable in respect of any claim under this section after the expiration of the twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

8. **CANCELLATION CLAUSE**

This insurance may at any time be terminated by the Company by sending 30 days notice by registered letter to the insured at his last known address and in such event the premium shall be adjusted pro rata for the portion of the period the policy has been in force. Similarly the Policy may be cancelled at the request of the insured by sending 30 days notice to the Company in and such event the premium shall be adjusted at the companies short period rates for the portion of the period the policy has been in force, but subject also to the terms of any Long Term Agreement if applicable.

9. **IDENTIFICATION**

This policy and the Schedule (which forms as integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever they shall appear.

10. **FORFEITURE**

If any claim made under this policy be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on their behalf to obtain any benefit under this policy; or, if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured; or if the claim made and rejected and an action or suit be not commenced within six months after such rejection, or (in case of an arbitration taking place in pursuance of Condition No. 13 of this Policy) within six months after the arbitrator or arbitrators or umpire shall have made their award, all benefits under this policy shall be forfeited.

11. **SUBROGATION**

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

12. **CONTRIBUTION**

If at the time of any loss or damage happening to any property hereby insured, there be any other subsisting insurance or insurances whether effected by the Insured or by other persons, covering either such loss or any part of it or the same property the Insurers shall not be liable to pay or contribute more than their rateable proportions of such loss or damage.

13. **ARBITRATION**

Provided that liability has been admitted, if any difference shall arise as to the amount to be paid under this Policy such difference shall independently of all other questions be referred to the decision of an arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required to do so in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator; and in case of disagreement between the arbitrators the decision shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meeting.

The death of any party shall not revoke or affect the authority or powers of the arbitrator, arbitrators or umpire respectively; and in the event of the death of an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The cost of the reference and of the award shall be at the discretion of the arbitrator, arbitrators or umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator or umpire of the amount of the loss or damage if disputed shall be first obtained.

14. **NOTICES**

Every notice and other communication to the Insurers required by these conditions must be written or printed.

15. **DEDUCTIBLE**

The Policy does not cover in respect of each Section the amounts of the deductible stated in the Schedule in respect of each and every loss as ascertained after the application of all other terms and condition of the Policy including any condition of Average. Warranted that during the currency of this Policy, the Insured shall not effect insurances in respect of the deductible.

16. **INADVERTENT NON-DISCLOSURE**

It is agreed that if subsequent to the commencement of this insurance, Insurer wish to question the failure to disclose or correctly represent a material fact this Insurance will not be void unless such non-disclosure or misrepresentation by the Insured or his Agent induced the Insurer to accept this insurance or to offer it at less onerous terms.

17. **DECLARATION OF VALUES:**

At the inception of each period of insurance the insured undertake to declare to the insurer the total value at risk which for the purpose of this declaration shall be:-

- (i) The Replacement value of that part of the property which is buildings and plant belonging to the insured as if such property were reinstated on the first day of the period of insurance, such value to include professional fees and debris removal costs as defined.
- (ii) The cost of replacing the average amount of stocks in trade and work in progress (being part of property) during the 12 months ending on the first day of the period of insurance.
- (iii) The estimated turnover during the 12 months ending on the first day of the period of insurance.

If the actual values arrived at in accordance with (i) (ii) of this condition shall at the inception of the current period of insurance, exceed the values declared then in the event of any loss or destruction or damage to the property the liability of the Insurers for any such loss, destruction or damage shall be limited to the proportion thereof which the values declared bear to the actual values at the inception of the current period of insurance.

18. **NON-INVALIDATION;**

This insurance is not invalidated by any non-disclosure of material facts or by any increase of risk taking place without the knowledge of the Insurance Management of the Insurance provided that they shall, within a reasonable period of time, upon the same coming to their knowledge, give notice thereof to the insurer and pay such additional premium as may be agreed.

/RN Issued at **Head Office**

On **TBA**

Signed for and on behalf of _____
Insured/Policy Holder

Mayfair Insurance Company Rwanda Ltd