

## ELECTRONIC EQUIPMENT INSURANCE POLICY

Whereas the Insured named in the Schedule hereto has made to The Tokio Marine & Fire Insurance Company Ltd. (hereinafter called 'Company') a written proposal by completing questionnaire which together with any other statement made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein.

NOW THIS POLICY OF INSURANCE WITNESSTH that subject to and/in consideration of he Insured having paid to the Company the premium mentioned in the Schedule and subject to the terms, exclusions, conditions and provisions contained herein or endorsed hereon the Company will indemnify the Insured in the manner and to the extent hereinafter provided.

This Policy shall apply to the Insured items only after successful completion of their performance/acceptance test whether they are at work or at rest or being dismantled for the purpose of cleaning or overhauling or in the course of aforesaid operations themselves or when being shifted within the premises or during subsequent re-erection.

The liability of the Company for any one item of the Insured property shall not exceed in aggregate in any one period of Insurance the sum insured set against such items in the attached Schedule (s) unless the sum insured under such item is reinstated after occurrence of a claim for balance period.

### **GENERAL EXCLUSIONS :**

The Company will not indemnify the Insured in respect of loss, damage or liability directly caused by or arising out of or aggravated by :-

- a) War, Invasion, Act of Foreign Enemy, Hostilities or War Like Operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Civil Commotion, Confiscation, Commandeering a Group of Malicious Person (s) acting on behalf of or in connection with any political organization requisition or destruction or damage by order of any Govt. de jure or de facto or by, any public, municipal or local authority, terrorism.
- b) Nuclear Reaction, Nuclear Radiation or Radioactive Contamination.
- c) Willful act or willful negligence of the Insured or his representative.
- d) Cessation of work whether total or partial.
- e) Cost incurred / time involved in the movement of machinery and/or any other property and/or personnel outside the territorial limits of UAE other than cost of replacements, for machinery lost or damaged.
- f) Derangement of the Insured property not accompanied by damage otherwise covered by this policy.
- g) Loss of or damage to the property covered under this policy falling under the terms of the Maintenance Agreement.
- h) Loss, destruction or damage occasioned by pressure wave caused by aircraft and other aerial devices traveling at sonic or Supersonic speeds.

In any action suit or other proceedings where the Company allege that by reason of the provisions of the above exclusions, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, damage or liability is covered shall be upon the Insured.

**GENERAL CONDITIONS :**

1. The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Company.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Section(s) shall bear such meaning wherever it may appear.
3. The Insured shall at his own expenses take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers recommendations.
4.
  - a) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
  - b) The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the Insured items and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased unless the continuance of the Insurance be confirmed in writing by the Company

In the event of any occurrence which might give rise to a claim under this policy, the Insured shall -

- a) Immediately notify the Company by telephone as well as in writing giving an indication as to the nature, cause and extent of loss or damage.
- b) Take all steps within his power to minimize the extent of the loss or damage.
- c) Preserve the parts affected and make them available for inspection by a representative or surveyor of the Company.
- d) Furnish all such information and documentary evidence as the Company may require.
- e) Inform the policy authorities in case of loss or damage due to theft or burglary

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

5. Upon notification being given to the Company under this condition, the Insured may carry out the repair or replacement of any minor damage not exceeding Dhs.500 / To be agreed provided that the carrying out of such repairs **without prejudice to any question of liability of the company** and that any damaged part requiring replacement kept for inspection by the Company, but in all other cases a representative shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected.

**The liability of the Company under this Policy in respect of any item sustaining damage shall cease if the said item is kept in operation after a claim without being repaired in the satisfaction of the Company or if temporary repairs are carried out without the Company's consent.**

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies , or of obtaining relief or indemnity from parties (other than those insured under this policy) to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after Insured's indemnification by the Company.
7. If any difference shall arise as to the quantum to be paid under this Policy, (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a single 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 so to do in writing by the other party. In case either party shall refuse or fail to appoint arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint sole arbitrator; and in case of disagreement between the arbitrators, the difference 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 meetings.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

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, arbitrators or umpire of the loss or damage shall be first obtained.

It is also hereby further expressly agreed and declared that if the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not, within 3 calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection, or, in case of arbitration taking place as provided therein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
9. Upon settlement of any claim, the Company shall have right to take over the salvage and be subrogated by the Insured of his legal rights and remedies available against any negligent known third party(ies).
10. If at the time any claim arises under this Policy there be any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.
11. This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium calculated at the customary short period rate for the time the Policy has been in force. This insurance may also at any time be terminated at the option of the Company by 15 days notice to that effect being given to the insured, in which case the Company shall be liable to repay on a rateable proportion of the premium for the unexpired term from the date of the cancellation.

## **SECTION I - EQUIPMENTS**

### **SCOPE OF COVER :**

The Company hereby agrees with the insured (subject to the exclusions and conditions contained herein or endorsed hereon) that if at any time during the period of insurance stated in the Schedule or during any subsequent period for which the insured pays and the Company may accept the premium for the renewal of this Policy, the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical replacement, the Company will indemnify the insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) upto an amount not exceeding in any one year of insurance in respect of each of the items in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

### **SPECIAL EXCLUSION TO SECTION I :**

The Company shall not, however be liable for

- a) the Excess stated in the Schedule to be borne by the insured in any one occurrence, if more than one item is lost or damaged in one occurrence, the insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items;
- b) loss or damage caused by any faults or defects existing at the time of commencement of the present insurance within the knowledge of the insured, or his representatives, whether such faults or defects were known to the Company or not;

- c) loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions;
- d) any costs incurred in connection with the elimination of functional failures unless such failures were caused by an indemnifiable loss of or damage to the insured items;
- e) any costs incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchanged in the course of such maintenance operations;
- f) Loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract;
- g) Loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
- h) Consequential loss or liability of any kind or description;
- i) Loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (e.g. lubricating oil, fuel, chemicals);
- j) Aesthetic defects, such as scratches on painted, polished or enameled surfaces.

In respect of the parts mentioned under i) and j) above the Company shall be liable to provide compensation in the event that such parts are affected by an indemnifiable loss of or damage to the insured items.

**PROVISIONS APPLYING TO SECTION I :**

**1. SUM INSURED :**

It is a requirement of this insurance that the Sum Insured on the property insured reflects the replacement or reinstatement cost of the property of the same kind and capacity including freight, dues and custom duties, if any, and erection costs

**2. BASIS OF INDEMNITY :**

- a) In cases where damage to an insured item can be repaired the Company will pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to an from a repair-shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

- b) In case where an insured item is destroyed the Company will pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties , if any, provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the dismantling of the machinery destroyed, but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight, are covered by this insurance only if especially agreed to in writing. In the event of the Maker's drawings, patterns and core boxes necessary for the execution of a repair not being available, the Company shall not be liable for the cost of making any such drawings, patters and core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs, and do not increase the total repair expenses.

### **Condition of Average**

If the sum insured is less than the amount required to be insured as per Provision -1 hereinabove, the Company will pay only in such proportion as the sum insured bears to the amount required to be insured. Every item, if more than one, shall be subject to this condition separately.

The Company will make payments only after being satisfied, by production of the necessary bills and documents, that the repairs have been effected or replacements have take place, as the case may be.

### **3. WARRANTY :**

It is warranted that the maintenance agreement in force at the inception of this policy is maintained during the currency of this policy and no variation in the terms of the agreement shall be made without the written consent of the Company being obtained.

For the purpose of this warranty, the word "Maintenance" shall mean the following :

- a. Safety checks,
- b. Preventive maintenance,
- c. Rectification of loss or damage or faults arising from normal operation as well as from ageing.

## Annexure "A"

### ELECTRONIC EQUIPMENT INSURANCE POLICY

#### Section 2 – External Data Media

##### **SCOPE OF COVER :**

The Company hereby agrees with the Insured that if the external data media entered in the Schedule inclusive of the information stored thereon, which can be directly processed in EDP systems, shall, suffer any material damage caused by peril covered under Section 1 of this policy, the Company will indemnify the Insured as hereinafter provided in respect of such loss or damage up to an amount not exceeding in any one year of insurance in respect of each of the data media specified in the schedule, the sum set opposite thereto and not exceeding in all the total sum insured hereby, provided always that such loss or damage occurs during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this policy. This cover applies while the insured data media are kept on the Premises.

##### **SPECIAL EXCLUSIONS TO SECTION 2 :**

The Company shall, however, not be liable for :

- a) the excess stated in the Schedule to be borne by the Insured in any one occurrence;
- b) any costs arising from false programming, punching, labeling or inserting, inadvertent canceling of information or discarding of data media, and from loss of information caused by magnetic fields;
- c) consequential loss of any kind or description whatsoever.

##### **PROVISIONS APPLYING TO SECTION 2 :**

###### **Memo 1 - Sum Insured :**

It is a requirement of this insurance that the sum insured shall be the amount required for restoring the insured external data media by replacing lost or damaged data media by new material and reproducing lost information.

###### **Memo 2 - Basis of Indemnity :**

The Company will indemnify any expenses that can be proved to have been incurred by the Insured within a period of 12 months as from the date of the occurrence strictly for the purpose of restoring the Insured external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner.

If it is not necessary to reproduce lost data of information, or if such reproduction is not effected within 12 months after the occurrence, the Company shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an indemnifiable occurrence, the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

**Annexure "B"**  
**ELECTRONIC EQUIPMENT INSURANCE POLICY**

**Section 3 – Increased Cost of Working**

Notwithstanding Special Exclusion (i) under Section 1 of this Policy, the Company hereby agrees to indemnify the Insured upto but not exceeding the limits of Indemnity Period stated in the Schedule for all additional costs which the Insured shall incur to ensure continued data processing on substitute equipment if such costs arise as an unavoidable consequence of an indemnifiable loss or damage during the period of insurance to property insured under the Equipment Section of this Policy.

**SPECIAL EXCLUSIONS TO SECTION 3 :**

The Company shall not be liable for :

1. Costs incurred for use of substitute equipment during the Time Excess stated in the Schedule;
2. Costs for replacement of data media, data and regeneration of data;
3. Costs arising out of circumstances which are not connected with the insured material damage. In particular, the Company shall not be liable for additional costs arising out of :
  - bodily injuries;
  - orders or measures imposed by any public authority;
  - expansion and improvements of the equipments;
  - lack of funds causing delay in repairs or replacements of damaged equipments.
4. Any other consequential loss such as loss of market or interest.

**PROVISIONS APPLYING TO SECTION 2 :**

**Memo 1 - Indemnity Period**

The Indemnity Period shall commence with putting into use the substitute equipments. The insured shall bear that proportion of each claim which corresponds to the Time Excess agreed.

**Memo 2 - Sum Insured**

The 'indemnity limit per hour' and 'total sum insured' stated in the schedule shall be declared by the insured. The total sum insured shall represent the aggregate limit of indemnity payable for all events occurring during the period of insurance.

The Company will also reimburse the insured for personnel expenses and costs for transportation of materials following an event giving rise to a claim under this Section of the Policy provided separate sums therefore have been entered in the Schedule.

As from the date of an indemnifiable occurrence, the sum insured shall be reduced for the remaining period of insurance by an amount of indemnity paid unless reinstated by payment of an additional premium prescribed by the Company.

### **Memo 3 - Loss Settlement**

The Company shall indemnify those costs and expenses which can be proved to have been incurred during the indemnity period to maintain data processing operations to their previous extent that are additional to those which would have been incurred during the same period if no insured event had occurred.

The total indemnity per event shall not exceed an amount equal to the agreed 'indemnity limit per hour' or the 'actual hourly rate payable for the use of substitute equipments', whichever is less multiplied by the number of working hours stated as 'indemnity period' in the schedule or by the actual number of working hours for which the substitute equipment is put into use, whichever shall be less.

However, if it is found, following an interruption, that the limit selected 'per hour' is less than the amount actually incurred per hour for use of substitute equipment, the Company shall be liable to indemnify the insured in the same proportion as the limit selected 'per hour' bears to the amount actually incurred per hour.

Provided always that :

- the interruptions shorter than the Time Excess stated in the Schedule shall be excluded from the scope of this Policy and
- in respect of interruptions longer than the Time Excess the insured shall bear that proportion of each claim which corresponds to the Time Excess.