

ALLIANZ INSURANCE LANKA LTD

Comp No PB 5179

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DETERIORATION OF STOCK IN COLD STORAGE INSURANCE POLICY

WHEREAS the insured named in the schedule hereto by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to **ALLIANZ INSURANCE LANKA LTD** (hereinafter called the Company) for insurance hereinafter specified.

The Company hereby agree with the Insured 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 subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the goods specified in the schedule suffer loss or damage caused by deterioration due to any unforeseen and sudden physical loss of or damage to the machinery specified in the list of machinery attached to the questionnaire and proposal of this Policy and identifiable under the machinery breakdown policy in force, the Company will indemnify the Insured in respect of such deterioration in the manner and to the extent hereinafter provided up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the schedule as insured hereby, unless the sum insured has been reinstated.

GENERAL EXCLUSIONS

The Company shall not be liable for

1 the deductible stated in the schedule to be borne by the insured in any one occurrence;

2 any loss of the goods stored in the refrigerating chambers arising within the no-claims period

indicated by the insured in the schedule due to any deviation from the prescribed refrigerating temperature, unless such deterioration is caused by contamination as a result of escaping refrigerant or by accidental freezing of the goods or unless fresh goods which have not yet reached the prescribed refrigerating temperature are hereby affected, the no-claims period being defined as the time period immediately following cessation of cooling during which, with storage room left sealed, no deterioration would take place;

3 any loss with regard to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction;

4. Any loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;

5. Any loss caused by temporary repair of the refrigeration machinery specified in the list of machinery which is carried out without the Company's consent.

6 penalties for delay, consequential loss or damage or liability of any nature whatsoever;

7. Loss or damage directly or indirectly caused by, or arising out of, or aggravated by

a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lockout, civil commotion, military or usurped power, a group of malicious persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de Jure or de facto or by any public authority;

b) Nuclear reaction, nuclear radiation or radioactive contamination;

c) The willful act or willful negligence of the insured or his representatives;

d) Fire, direct lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped there from, thefts or attempts thereat, collapse of buildings, flood, inundation, Bursting & overflowing water tanks or pipes or apparatus, earthquake, subsidence landslide, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes. In any action, suit or other proceeding where the Company allege that by reason of the provisions of Exclusion (a) above any loss, destruction or damage is not covered by this Policy, the burden of proving that such loss, destruction or damage 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 the insured, and the truth of the statements and answers in the questionnaire, proposal and monthly declarations made by the Insured shall be a condition precedent to any liability of the Company.

2 The schedule and the questionnaire and proposal 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 questionnaire and proposal. Any word or expression to which a specific meaning has been attached in any part of this Policy, of the schedule or of the questionnaire and proposal shall bear such meaning wherever it may appear.

3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage 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 by e-mail and 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 cover provided under this Policy is confirmed in writing by the Company.

5 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 or e-mail as well as in writing, giving an indication as to the nature and extent of the loss or damage;

b) take all steps within his power to minimize the extent of the loss or and to prevent any further deterioration or damage;

c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Company;

d) when called upon to do so deliver to the Company a statement in writing of all particulars and details reasonably practicable of the insured property affected and the value thereof and the loss or damage there to and furnish all such voucher proofs explanations and other evidence including appropriate certificates from Public health or similar authorities as may be reasonably required by the Company together with the statutory declaration if required in verification of the statement.

e) inform the police authorities in the case of loss or damage due to burglary. The Company shall on no account be liable for loss or damage of which no notice has been received by the Company within 14 days of its occurrence. Upon notification being given to the Company under this condition, the insured may carry out repairs of or make good any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the insured shall be entitled to proceed with the repairs or replacement.

6) The insured, shall be 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 are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this policy, whether such acts and things are or become necessary or required before or after the insured's indemnification by the Company.

7) If any difference arises as to the amount to be paid under this policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in written by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in written by each of the parties, within one calendar month after having been required in written so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in written by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against Company.

8) a) If the proposal or declaration of the insured is untrue in any material respect; or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this policy shall be void and the Company shall not be liable to make any payment hereunder.

b) in the event of the Company disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of conditions 7 of this policy) within three months after the arbitrator or umpire have made their award, all benefits under this policy in respect of such claims shall be forfeited.

9) If at the time any claim arises under this policy there is any other insurance covering the same loss or damage, the Company shall not be liable to pay or contribute more than their retable proportion of any claim for such loss or damage.

10) This Policy may be terminated at the request of the Insured at any time, in which case the Company will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Company by seven day's notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a retable proportion of

the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Company may have incurred and less any long-term discount on premiums granted.

11) Under an insurance for a third party's account the Beneficiary shall be entitled to exercise, in his own name, the rights of the Insured. Without obtaining the Insured's approval, the Beneficiary shall further have the right to receive any indemnity paid under this Policy and to transfer the Insured's rights even if the Beneficiary is not in possession of this Policy. Upon payment of indemnity the Company may require evidence of the Beneficiary having given his consent to the insurance and of the Insured having given his consent to the receipt of an indemnity by the Beneficiary.

12) The indemnity shall be payable one month after determination by the Company of the full amount due. Notwithstanding the above, the Insured may, one month after the Company has been duly notified of the loss and has acknowledged their liability, claim as an Installment the minimum amount payable under the prevailing circumstance. The running of the periods shall be suspended for the time during which the indemnity is unascertainable or not payable due to reasons within the Insured's control.

The Company shall be entitled to withhold indemnification

a) If there are doubts regarding the Insured's right to receive the indemnity, pending receipt by the Company of the necessary proof;

b) If in connection with the claim an examination by the police or an inquiry under criminal law has been initiated against the Insured, pending completion of such examination or inquiry.

Special Conditions

This Policy shall only apply if

1. The refrigeration machinery specified in the list of machinery attached to the questionnaire and proposal of this Policy is insured under a machinery breakdown policy in force;

2. The insured refrigeration machinery specified in the aforesaid list of machinery is under constant supervision by qualified personnel or is connected to an automatic alarm system in a constantly attended location;

3. The stock is not stored in "controlled atmosphere" chambers;

4. At the time of the loss or damage the goods are stored in the refrigerating chambers;
5. The Insured maintains on a daily basis a stock book in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered for each refrigerating chamber separately;
- 6) During the entire period of storage the Insured records in a log-book the condition of the insured goods and at least three temperature readings per day from each refrigerating chamber, the accuracy of the temperature readings being checked by means of a calibrated, independent reference thermometer at least every 14 days.
- 7) It is warranted that a firm arrangement is made for competent specialist to maintain and adjust the Machinery at intervals not exceeding 03 months.

PROVISIONS

Memo 1 – Sum Insured

It shall be a requirement of this Policy that the sum Insured is equal to the estimated maximum selling price obtainable for the stored goods during the period of this Policy, such maximum selling price being indicated in the schedule submitted by the Insured prior to the commencement of Insurance. The Insured shall be obliged to furnish the Company not later than 10 days after the close of each month either with copies of the aforesaid stock book or with a duly completed declaration showing the average quantity and value per day of the goods stored during the preceding month (monthly declaration).

The monthly declaration shall be based on the selling price obtainable for the goods.

Stock book copies and monthly declarations shall be regarded as forming an integral part of this Policy.

The sum insured shall be reduced by any indemnity paid under this Policy for the remaining policy period unless it has been reinstated by payment of an additional premium on a pro-rata basis. This additional premium shall not be taken into account in the final adjustment of premium as provided for in Memo 2.

Memo 2– Premium

The first premium shall be due on receipt of this Policy, and all renewal premiums at the commencement of each new period of insurance. Taxes, fees and any other charges shown in this Policy or in the premium bill shall be paid with the premium. The premium payable at the commencement of any one year of insurance shall be a deposit premium based on 75% of the sum insured as specified in the schedule and shall be subject to adjustment at the end of each year of insurance in accordance with the stock book copies or the monthly declarations submitted to the Company. Should it be found on the basis of such information that at the end of any year of insurance the deposit premium paid was too high, premium adjustment shall be made subject to the total premium payable by the Insured being not less than 50% of the full premium based on the sum insured stated in the schedule. Failure on the part of the Insured to submit stock book copies or monthly declarations shall entitle the Company to apply the maximum sum insured as fixed in the schedule for premium calculation. Any difference in premium so determined, whether due to or by the Insured, shall be settled within one month of the dispatch of the statement showing the premium adjustment.

Memo 3– Basis of Indemnity

All claims shall be settled on the basis of the value stated in the monthly declaration immediately prior to the occurrence of the loss or the selling price which would have been obtainable, whichever is the lower. When determining the indemnity the Company shall take into consideration all circumstances which may influence the amount of Indemnity, such as proceeds from a sale of the goods as well as storage costs saved due to the termination of the storage.

If after the occurrence of a partial loss it is found that the last monthly declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last monthly declaration bears to the amount that ought to have been declared.

Stamp Duty

It is hereby certified that the stamp duty shown in the schedule of the policy payable in respect of the property covered has been compounded in terms of section 7 of the Stamp Duty Act. No 12 of 2006

Data Privacy & Protection

The Insurer is strongly committed to conducting its business in full compliance, and in accordance with applicable Data Privacy protection laws and regulations. All privacy related matters are governed by Allianz Privacy Notice which is available on the Insurer's official website <https://www.allianz.lk/data-privacy-notice.html>. The said privacy notice explains how and what type of personal data will be collected, why it is collected and to whom it is shared or disclosed. Further, the Insurer is committed to keep your Personal Data only so long as necessary to fulfill the purposes for which the data was collected for or to fulfill legal obligations.

Definition:

Personal Data - means any information relating to an individual