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# HOTELIER'S COMPREHENSIVE INSURANCE POLICY

Whereas the Insured named in the Schedule, hereto by a proposal and declaration which shall be the basis of the contract and is deemed to be incorporated herein has applied to Allianz Insurance Lanka Limited, (hereinafter called "the Company") for the insurance herein after contained and has paid the premium stated in the said schedule as consideration thereof.

The COMPANY hereby agrees, that subject to the terms, exceptions and conditions contained herein or endorsed hereon to indemnify the Insured for the loss or damage occurring as stated in the schedule during the period set forth in the set schedule in the manner and to the extent hereinafter provided.

THE INSURED IS REQUESTED TO READ THIS POLICY  
AND SEEK CLARIFICATION WHERE NECESSARY

## SECTION 01 - FIRE AND ALLIED PERILS

The Insurer will indemnify the Insured in the event of Damage to the Property described by each term in the Schedule caused by any of the following perils:

### Fire & Lightning

At any time before 4 O'clock in the afternoon of the last day of the period of insurance named in the said schedule or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of this policy, the Company will pay to the insured the value of the property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof.

Provided that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said schedule to be insured thereon and on the whole the total sum insured hereby, or such other sum or sums as may be substituted thereof by endorsement hereon or attached hereto signed by or on behalf of the Company.

### Additional Perils

1. Riot & Strike (Refer Attachment)
2. Terrorism (Refer Attachment)
3. Malicious Damage

In consideration of the payment of an additional premium it is hereby agreed and declared that the Insurance under the said Riot and Strike Endorsement shall extend to include Malicious Damage which for the purpose of this extension shall mean:

Loss of or damage to the property insured directly caused by the malicious act of any person (whether such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Special Condition 6 of the said Riot and Strike Endorsement, but the Company shall not be liable under this extension for

- (1) any loss or damage by fire or explosion
- (2) any loss or damage arising out of or in the course of burglary, house-breaking, theft or larceny or any attempted threat or caused by any person taking part therein, and
- (3) the minimum excess in respect of each and every loss damage or as stated in the schedule.

Provided always that all the conditions and provisions of the said Riot and Strike Endorsement shall apply to this extension as if they had been incorporated here in.

#### 4. Explosion

It is hereby agreed and declared that the insurance under this Policy shall, subject to the Special Conditions hereinafter contained, extend to include:

Loss of or damage to the property insured by fire or otherwise directly caused by explosion, but excluding loss of or damage to boilers, economizers or other vessels, machinery or apparatus in which pressure is used or of their contents resulting from their explosion.

PROVIDED always that all the conditions of this Policy (except in so far as General Condition No. 9,10 is hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage by explosion as aforesaid shall be deemed to be loss or damage by fire within the meaning of this Policy.

#### Special Conditions

- (i) The Company shall not be liable, under this extension, for loss or damage occasioned by or through or in consequence, directly or indirectly, of any act of any person acting on behalf of or in connection with, any organization with activities directed towards the overthrow by force of the Government 'de jure' or 'de facto' or to the influencing of it by terrorism or violence. In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition 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.
- (ii) If there shall be any other fire insurance on the property insured under this Policy, the Company shall be liable only pro rata with such other fire insurance for any loss or damage by explosion whether or not such other fire insurance be extended to cover loss or damage by explosion.
- (iii) The Company shall not be liable under this extension for loss or damage which at the time of the happening of such loss or damage is insured by or would, but for the existence of this extension, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other iii) policy or policies had this insurance not been affected.

#### 5. Cyclone, Storm and Tempest

Notwithstanding anything contained to the contrary in printed General Condition 8.2 of this Policy, it is hereby declared and agreed that in consideration of the payment of an additional premium the insurance under the within Policy is extended to cover loss or damage directly caused by cyclone, storm and tempest, provided always that all the Conditions of the Policy shall apply (except insofar as they may be expressly so varied) and that any reference herein to loss or damage

by fire shall be deemed to apply also to loss or damage directly caused by cyclone, storm and tempest.

#### THIS SECTION DOES NOT COVER

The insurance provided by this Endorsement shall not extend to include:

- (a) Loss or damage to boundary fences and/or walls, neon signs, sign-boards, advertising towers, glass or green houses, canopies, gates etc.
- (b) Loss or damage to property in the open or in transit, other than building structures and plant designed to exist or operate in the open.
- (c) Loss or damage caused by rain (whether driven by wind or not) unless the building insured or containing the property insured shall first sustain actual damage to roof or walls by direct force of a cyclone, storm and tempest. The Company shall then be liable for such loss or damage to the building or insured property therein as may be caused by rain entering the buildings through openings in the roof or walls made by such direct action of cyclone, storm and tempest
- (d) Loss or damage caused directly or indirectly by landslide, subsidence or inundation from the sea, whether or not incidental to cyclone, storm and tempest.
- (e) The escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam.
- (f) Loss or damage by flood caused by overflowing bursting or leakage of water tanks, pipes or apparatus.
- (g) Consequential loss or damage of any kind or description whatsoever.
- (h) An excess of 10% subject to a minimum of Rs.15,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

#### Special Conditions

- (i) The Insured shall take all reasonable precautions for the safety of the property insured and it is warranted that all buildings insured under this Policy and/or containing the property insured are in a good and substantial state of repair and shall be so maintained.
- (ii) The liability of the Company shall in no case under this Endorsement and the Policy exceed the Sum Insured by each item of the Policy.

## 6. Flood

Provided that Additional Perils Endorsement 5 Cyclone, Storm and Tempest also applies to the Policy, the expression 'Cyclone, Storm and Tempest' in the said Endorsement shall extend to include loss or damage to property insured (including loss or damage by fire) directly caused by flood which for the purpose hereof shall mean the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam, but excluding destruction, damage by bursting or overflowing of water tanks, apparatus or pipes.

### THIS SECTION DOES NOT COVER

The insurance provided by this Endorsement shall not extend to include:

- (a) Loss or damage to boundary fences and/or walls, neon signs, sign-boards, advertising towers, glass or green houses, canopies, gates etc.
- (b) Loss or damage to property in the open or in transit, other than building structures and plant designed to exist or operate in the open.
- (c) Loss or damage caused directly or indirectly by landslide, subsidence or inundation from the sea, whether or not incidental to flood.
- (d) Consequential loss or damage of any kind or description whatsoever.
- (e) An excess of 10% subject to a minimum of Rs.15,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

### Special Conditions

- (i) The Insured shall take all reasonable precautions for the safety of the property insured and it is warranted that all buildings insured under this Policy and/or containing the property insured are in a good and substantial state of repair and shall be so maintained.
- (ii) The liability of the Company shall in no case under this Endorsement and the Policy exceed the Sum Insured by each item of the Policy.

## 7. Other Natural Perils

In consideration of the payment of an additional premium, it is hereby declared and agreed that the policy is extended to cover loss of or damage to property as a direct result of volcanic eruption, tidal wave, tsunami, typhoon, hail, hurricane, tornado and seaquake.

### THIS SECTION DOES NOT COVER

The insurance provided by this Endorsement shall not extend to include:

- (a) Loss or damage to boundary fences and/or walls, neon signs, signboards, advertising towers, glass or green houses, canopies, gates etc.
- (b) Loss or damage to property in the open or in transit, other than building structures and plant designed to exist or operate in the open.
- d) Loss or damage caused by rain (whether driven by wind or not) unless the building

insured or containing the property insured shall first sustain actual damage to roof or walls by direct force of a cyclone, storm and tempest. The Company shall then be liable for such loss or damage to the building or insured property therein as may be caused by rain entering the buildings through openings in the roof or walls made by such direct action of cyclone, storm and tempest. Loss or damage caused directly or indirectly by landslide, subsidence or inundation from the sea, whether or not incidental to cyclone, storm and tempest.

- e) The escape of water from the normal confines of any natural or artificial watercourse, lake, reservoir, canal or dam.
- f) Loss or damage by flood caused by overflowing bursting or leakage of water tanks, pipes or apparatus.
- g) Consequential loss or damage of any kind or description whatsoever.
- h) An excess of 10% subject to a minimum of Rs.15,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

## 8. Aircraft Damage

In consideration of the payment of an additional premium, the insurance under this Policy shall, subject to the Special Conditions hereinafter contained, extend to include destruction or damage (by fire or otherwise) of or to the property insured directly caused by aircraft and other aerial devices or articles dropped therefrom, provided always that all the Conditions of this Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated therein.

### Special Conditions

- (i) The Company shall not be liable under this Endorsement for any amount exceeding the Sum Insured by each item of this Policy.
- (ii) The Company shall not be liable under this Endorsement for loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences namely, mutiny, riot, civil commotion, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege, or any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence.

In any action, suit or other proceedings, where the Company alleges that by reason of the provisions of this Condition 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.

- (iii) This insurance does not cover consequential loss or damage of any kind or description.

## 9. Impact

In consideration of the payment of an additional premium the insurance under the Policy shall, subject to the Special Conditions hereinafter contained, extend to include destruction or damage (other than by fire) of or to the property insured directly caused by impact with any of the property insured under this Policy by any road vehicle or animal not belonging to or under the control of the Insured or any member of the staff of the Insured.

### Special Conditions

- (i) The Company shall not be liable under this Endorsement for the amount of Excess of minimum Rs.1,000 or as stated in the schedule in respect of each and every loss or damage.
- (ii) This Endorsement is subject to Special Conditions 5,6 & 7 of the Riot and Strike Endorsement.

## 10. Earthquake, Fire and Shock

In consideration of the payment of an additional premium the Company agrees, notwithstanding anything stated in the printed Conditions of this Policy to the contrary, that this insurance covers loss or damage to the property insured occasioned by or through or in consequence of earthquake.

An excess of 10% subject to a minimum of Rs.15,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

## 11. Bursting or overflowing of water tanks, apparatus or pipes

It is hereby declared and agreed that notwithstanding anything in the within Policy contained to the contrary, the Insurance under the Policy shall subject to the Special Conditions hereinafter contained extend to include destruction or damage (other than by fire) of or to the property insured directly caused by Bursting or Overflowing of Water Tanks, Apparatus or Pipes but excluding;

- a. Destruction or damage caused whilst the building is untenanted.
- b. The minimum excess or as stated in the schedule in respect of each and every loss or damage.

### Special Conditions

- (i) Any items of this Policy which are subject to any condition or conditions of average are declared to be subject to the same condition or conditions of average in like manner. The remaining items of the Policy are declared to be similarly but separately subject to the following conditions, namely:-

Liability of the Company under this Endorsement in respect of each item of the with

in written Policy shall be limited to the proportion of which the Sum Insured there under shall bear to the total insurance effected by or on behalf of the Insured on the same property against the ordinary fire, loss or damage (i.e. destruction or damage originally covered by the within policy). Further the liability of the Company shall in no case under this Endorsement and the Policy exceed the Sum Insured by each item of the policy.

- (ii) The Insured hereby agrees to keep the property insured in a good and substantial state of repair.
- (iii) THIS SECTION DOES NOT COVER
  - (a) destruction or damage directly or indirectly occasioned by or happening through or in consequence of Riot, Civil Commotion, War, Invasion, Act of Foreign Enemy, Hostilities, (whether war be declared or not) Civil War, Rebellion, Revolution, Insurrection or Military or Usurped Power.
  - (b) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  - (c) consequential loss or damage of any kind or description.
  - (d) destruction or damage by water discharged or leaking from any automatic sprinkler installation in the premises.

## 12. Electrical Inclusion

In consideration of the payment of an additional premium the Company agrees, notwithstanding General Condition 12 of the policy, loss or damage by fire to the electrical appliances and installation insured by the within Policy arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity, from whatever cause (lightning included) 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, fixture or fitting, or to any portion of the electrical installation, unless caused by fire or lightning.

## CLAUSES

### 1. Loss of Rent Clause

In consideration of the payment of an additional premium it is agreed and declared that in case of loss incurred hereby the Company will be liable for the payment of rent for such portion of the time as the said building or buildings are untenable following damage by any of the perils hereby insured, and for such time only as may reasonably be spent in reinstatement, but in no case exceeding twelve (12) months.

## 2. Fire Brigade Clause

As the Insured has made arrangements with the Municipal Fire Brigade to have available its services at all times in the event of a fire breaking out in the insured premises, the fire premium charged will not be subject to a surcharge for outstation risks with effect from the date stated in the Schedule.

The Insured also agrees to maintain the fire extinguishing appliances at the Insured's premises in an efficient manner and to submit to the Company prior to each renewal a certificate from Municipal Fire Brigade confirming that the Insured continues to have its services.

## 3. Reinstatement Clause

(Applicable to buildings, machinery, fittings, equipment, furniture and tools, but not to stock-in-trade, foodstuffs, packing materials, merchandise and the like). In the event of the property insured specified in the Schedule being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the Policy is to be calculated, shall be the cost of replacing or reinstating on the same site property of the same kind or type, but not superior to or more extensive than the insured property when new, subject to the following Special Provisions and subject also to the terms and conditions of the Policy except in so far as the same may be varied hereby.

### Special Provisions

- (i) 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 Company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the destruction or damage, or within such further time as the Company may (during the said 12 months) in writing allow 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.
- (ii) Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged, the Company 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.
- (iii) If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement, if the whole of the property covered had been destroyed, exceed the Sum Insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril insured against by this 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 clause applies shall be separately subject to the foregoing provision.
- (iv) This clause shall be without force or effect if:
  - (a) 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.

- (b) The Insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

#### 4. Removal of Debris Clause

Except where more specifically insured, it is agreed and declared that cover for buildings and contents (other than stock) insured by this Policy is extended to include costs and expenses necessarily incurred by the Insured with the consent of the Company in ;

- a) Removing debris,
- b) Dismantling or demolishing and,
- c) Shoring up or propping,

of the portion or portions of the aforesaid property destroyed or damaged by fire or by any other peril insured hereby.

The liability of the Company under this clause and the Schedule in respect of any item shall in no case exceed the sum insured thereby

#### 5. Architects, Surveyors and Consulting Engineers Fees Clause

Except where more specifically insured the sum insured for buildings insured by this Policy includes an amount in respect of Architects, Surveyors and Consulting Engineers fees necessarily incurred in the reinstatement of the buildings insured consequent upon their destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the scale of the respective professional institutions and provided that the liability for such destruction or damage and fees shall not exceed in the aggregate the Sum insured for buildings.

#### 6.The Damage by Emergency Services

The insurance by this Section is extended to include the cost of restoring any Damage caused to gardens by the Emergency Services in attending the Premises as a result of the operations of any insured peril under this Section up to a maximum of Rs, 50,000 in any one event or period of Insurance.

#### 7.Damage to Service lines due to an insured peril

The insurance by this Section is extended to include the cost of restoring any damages to the service lines such as power lines and electrical wiring, Telephone and cable lines, Drainage, Water pipes, Waste disposal and Sewer piping caused by an insured peril under this section up to a maximum of LKR 10,000/- in any one event or period of insurance.

#### 8.Damage to Deeds and Security Documents due to and insured peril

The insurance by this Section is extended to include the cost of restoring any damages to the Loss of or damage to deeds & bonds caused by an insured peril under this section up to a maximum of LKR 10,000/- in any one event or period of insurance.

## 9. Alternative Accommodation

Notwithstanding anything contained to the contrary it is hereby declared and agreed that the cover granted under this policy is extended to include payment of rent for alternative accommodation up to the amount stated in the schedule for such portion of term as the said building or buildings are actually uninhabitable following damage by any of the perils hereby insured and for such term only as may reasonably be spent in reinstatement, but in no case exceeding 12 months.

### SECTION 02 - BURGLARY

In consideration of the insured paying to the Company the premium for or on account of the said Indemnity the Company agrees that subject to the terms, exclusions, limits and conditions contained herein or endorsed hereon if during any period of indemnity:

- (a) Any of the property whilst within the premises shall be lost or damaged by Burglary following actual forcible and violent entry to or exit from the premises
- (b) There shall occur any damage to the premises falling to be borne by the insured consequent upon such Burglary or any attempted threat
- (c) Any of the property shall be stolen from the premises consequent upon and in connection with assault or violence or threat thereof to the insured or any employee of the insured or any member of the insured's family

then the Company will by payment or at its option by replacement, reinstatement or repair indemnify the insured against such loss or damage.

### THIS SECTION DOES NOT COVER

#### 1. War Riots Etc.

Loss or damage directly or indirectly occasioned by or through or in consequence of:

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not)
- (b) Riot strike civil commotion, terrorism, civil war, mutiny, insurrection, rebellion, revolution, conspiracy, military or usurped power, martial law or state of siege or any of the events or.
- (c) Causes which determine the proclamation or maintenance of martial law or state of siege any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence or loot sack or pillage in connection with any of the Aforementioned occurrences.

#### 2. Fire & Explosion

Loss or damage occasioned by fire or explosion however caused.

#### 3. Plate Glass

Damage to glass plate glass or any decoration or lettering thereon.

#### 4. Money From Safe by Use of Key

Loss of Money and/or other Property taken from safe following use of key or any duplicate thereof belonging to the Insured unless such key has been obtained by assault or violence or any threat thereof.

#### 5. Documents & Articles of Value

Loss of or damage to deeds, bonds, bills of exchange, promissory notes, cheques, money or securities for money, coins, medals, stamps, stamp collections, jewellery, watches, furs, precious metals, precious stones or articles composed of any of them, documents of title to property, contracts or other documents business books, computer systems records, manuscripts, curios or works of art, sculptures, rare books, plans, drawing patterns, models, moulds, or designs and property belongs to guests unless specially mentioned as insured hereunder.

#### 6. Loss if Premises are left Unoccupied

Loss or damage happening whilst the Premises are left without an inhabitant actually in them if the Premises have been so left for a continuous period exceeding seven consecutive days and nights.

#### 7. Inventory Loss

Loss or damage discovered only at the time of taking inventory.

#### 8. Connivance

Any act(s) of person(s) lawfully in the premises or directly or indirectly caused or brought about by or with the connivance of any inmate or member of the insured's household or any employee (permanent / contract / hired) of the insured.

### Special Conditions

#### (i) Limits of Liability

The liability of the Company under this Policy during any one Period of Indemnity shall not exceed

- (a) in respect of any one item of the Property the sum set opposite thereto,
- (b) in respect of damage to the Premises such sum as shall be sufficient to make good such damage as may fall to be borne by the Insured,
- (c) in respect of all loss or damage sustained the Total Sum Insured.

#### (ii) Pairs and Sets

The liability of the Company in respect of any item which is part of a pair or set shall not exceed the proportionate part of the insured value of the pair or set.

#### (iii) Temporary Removal Extension

The Premises shall be deemed to include the following in so far as the Property is temporarily removed from the Premises but remaining in Sri Lanka and not otherwise insured:

Any private dwelling house, flat, hotel, club or boarding house in which the insured or any of his family normally residing in the Premises may be temporarily residing

or

(a) Any other such building wherein the Insured during temporary absence from the Premises shall have placed the property in safe custody, provided that such periods of absence from the Premises do not exceed thirty days in aggregate during the Period of Insurance, and that the indemnity provided by this Extension shall be limited to 10% of the Total Sum Insured by this Policy.

(b) Any bank or safe deposit not being part of a furniture depository.

## Warranties

### 1. Watchmen/Security Warranty

It is warranted that the Premises shall be guarded by watchmen and/or security personnel outside normal business hours.

### 2. First Loss

If the property insured for the First Loss value described in the Schedule shall at the time of any loss or damage claimable under this Policy be collectively of greater value than the full value thereof then the amount payable under this Policy shall be proportionately reduced. Every item, if more than one, as described in the Schedule shall be separately subject to this condition.

## SECTION 03 - PUBLIC LIABILITY

The Company hereby agrees, subject to the Limit of Liability stated in the schedule to the extent and in the manner hereinafter provided: -

- (a) to indemnify the Insured, up to but not exceeding the amounts specified in the Schedule, against such sums as the Insured shall become legally liable to pay in respect of claims made against the Insured arising from BODILY INJURY OR DISEASE (fatal or non- fatal) to persons (hereinafter called "bodily injury") OR DAMAGE TO PROPERTY caused by any accident occurring during the period set forth in the Schedule.
  - (i) In or about the places specified in the Schedule, or
  - (ii) Elsewhere within the territorial limits of Sri Lanka in the course of any work or of the performance of any duties carried out by or on behalf of the Insured in connection with the business or operations specified in the Schedule, and
- (b) to pay costs and expenses incurred by the Insured with the written consent of the Company in the defense of any such claims subject to the overall Limited of Liability stated in the Schedule.

### THIS SECTION DOES NOT COVER

#### 1. Excess

An excess of 5% subject to a minimum of Rs.5,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule .

## 2. Employees

Liability for bodily injury sustained by any person arising out of and in the course of his employment by the Insured under a contract or services or apprenticeship with the Insured;

## 3. Property owned or occupied by the Insured

Liability for damage to property owned or occupied by or in the care, custody or control of the insured or of any servant of the Insured:

## 4. Vibration and Removal of support

Liability for damage to property caused by vibration or by the removal or weakening of support.

## 5. Property Worked Upon

Liability for damage to that part of any property on which the Insured or any servant or agent of the Insured is or has been working;

## 6. Liability for Bodily injury or damage to property

### (a) Assumed Liability.

If such liability has been assumed under a contract and would not otherwise have attached;

### (b) Lifts, Hoists etc .

arising out of the possession or use by or on behalf of the Insured of any power- operated lift, hoist crane or escalator;

### (c) Mechanically propelled vehicle

directly or indirectly caused by any mechanically- propelled or horse-drawn vehicle.

### (d) Vessels & Aircraft

directly or indirectly caused by any ship, vessel, craft or aircraft, or arising out of any work done therein or thereon by or on behalf of the Insured;

### (e) Goods etc. after leaving the control of the Insured

arising (after they have ceased to be in the possession or under the control of the Insured) out of any goods or products manufactured constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured;

### (f) Food and Drink

arising out of food or drinks, poisoning of foreign or deleterious matters in the food or drink unless otherwise specifically stated in the schedule of the policy.

### (g) Pollution

arising out of the pollution of air, water or soil unless it can be demonstrably proved to have been caused by immediate discharge consequent upon an accident;

## 7. Unauthorized electronic transactions

Liability for loss due to unauthorized use of credit or debit cards by employees, agents or servants of the insured.

## ENDORSEMENTS

The following Endorsements apply to this policy, only when specifically mentioned in the Schedule, and are subject otherwise to the terms, exceptions and conditions of this Policy.

### 1. Indemnity to Principals

As far as concerns injury, illness, disease, loss or damage for which the Insured is responsible and happening in connection with the carrying out of work for any Principal the Company will, at the request of the Insured, treat the Principal as though he were also the insured under this Policy, provided that the Principal shall observe, fulfil and be subject to the terms, limits, exceptions, provisions conditions and the Jurisdiction Clause of this Policy.

### 2. Cross Liabilities

Where more than one party comprises 'the Insured' each of the parties shall for the purposes of this Policy be considered as a separate and distinct unit, and the words 'the Insured' shall be considered as applying to each party in the same manner as if a separate Policy has been issued to each of the said parties, provided that the maximum amount payable by the Company for compensation in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause irrespective of the number of parties claiming indemnity hereunder shall not exceed the amounts stated in the Schedule as the Limits of Indemnity.

### 3. Overseas Visits

The indemnity provided by this Policy is extended to include the Insured's legal liability arising from occasional visits outside the Geographical Limits during the period of insurance by any of the Insured's employees or directors in connection with the Insured's Business.

### 4. Liability in respect of Lifts & Hoists

Notwithstanding anything contained to the contrary in item 6(b) under the heading "what this policy does not cover", it is hereby declared and agreed that the indemnity by this Policy is extended to include Insured's Legal Liability to Third Parties (but not to the members of Insured's family and/or his employees) arising out of the possession by or on behalf of the Insured of any power operated lift, hoist, crane or escalator.

### 5. Liability for food or drink poisoning

Notwithstanding anything contained to the contrary in item 6(f) under the heading "What this policy does not cover", it is hereby declared and agreed that the indemnity by this Policy is extended to include the Insured's legal liability for bodily injury arising out of food or drink poisoning of foreign of deleterious matter in food or drink.

## SECTION 04 - MONEY IN TRANSIT

In consideration of the insured paying to the Company the premium The Company hereby agrees, that subject to the terms, exceptions and conditions contained herein or endorsed hereon to indemnify the Insured for the loss or damage occurring as stated in the schedule during the period set forth in the said schedule in the manner and to the extent hereinafter provided.

### 1. Money in Transit

Loss of Money in the care or custody of Insured or any authorized employee whilst in direct transit as specified in the Schedule not exceeding, for any one occurrence the amount specified in the Schedule.

### 2. Money on the premises

Loss of Money whilst on the premises specified in the Schedule

- (i) When open for business and not left unattended not exceeding for any one occurrence, the amount so specified in the Schedule
- (ii) When closed for business and left unattended BUT limited to Rs.10,000/- any one loss unless such money is secured in a locked safe or locked strong room, but subject to such limit as specified in the Schedule including loss or damage to safe, strong room etc. mentioned in item 3 below.

### 3. Damage to Safe or Strong room etc.

Loss of or damage to safes or strong rooms or any case, bag or waistcoat containing money, caused by any person stealing or attempting to steal money insured herein.

### 4. Death or bodily injury of employees carrying or handling money

Personal Accident benefits for the following amounts for death or bodily injury of employees whilst actually carrying or handling money on behalf of the Insured

- (i) death or Total Permanent Disablement - Rs.100,000/-
- (ii) loss of both limbs or both eyes or loss of one limb and one eye - Rs.100,000/-
- (iii) loss of one limb or one eye - Rs. 50,000/-

Provided Death or disablement occurs within 12 calendar months from the date of incident. Total Disablement would mean disablement entirely preventing the injured person from wholly attending to his business. Loss of limb would mean physical separation at or above the wrist or ankle.

### 5. Damage to Clothing

Loss of or damage to clothing of any principal or employee of the Insured as a result of an assault of such principal or employee by any person stealing or attempting to

steal money insured herein, but not exceeding Rs.2,500/- any one occurrence.

#### DEFINITIONS

The word 'Money' unless otherwise stated shall mean only:-

Cash, Bank and Currency Notes including foreign currency notes,  
Postal Orders,  
Money Orders,  
the property of the Insured or for which he is responsible.

The term Employee shall mean:-

Employee of the Insured or the employee of any sister concern of the  
Insured, employed to  
handle cash, carry cash,  
accompany cash carrying.

PROVIDED in the case of an employee of a sister concern, such employee is specifically authorized in writing by the Insured in respect of each and every transit of cash to handle, carry or accompany cash.

#### THIS SECTION DOES NOT COVER

1. Dishonesty of Employees

Loss of money by fraud or dishonesty on the part of any of Insured's employees unless such loss is discovered within three working days of its occurrence.

2. Shortage or Errors

Loss or shortages due to depreciation or currency fluctuation or clerical or accounting errors or omissions.

3. Unattended Vehicles

Loss from unattended vehicles.

4. Loss whilst in premises by theft

Loss whilst in the premises by theft, other than theft involving entry to or exit from the premises by forcible and violent means or following assault or violence or threat thereof to the Insured or to his employees.

5. Loss by use of key or security code / PIN

Loss following the use of key or any duplicate or any security code / PIN to the safe belonging to the Insured unless such key or security code / PIN has been obtained by assault or violence or threat.

6. Consequential Loss

Any consequential loss

## 7. Territorial Limits

Loss or damage occurring outside the territorial limits of Sri Lanka.

## 8. Security Company Carryings

Money in the custody of the Security Company unless specifically stated on the Schedule.

### WARRANTIES

#### 1. General Warranty

Warranted that:

- (a) A complete and upto date record of the money shall be kept by the Insured
- (b) When the premises are closed for business, the safes and strong rooms shall be kept locked.

#### 2. Transit Warranty

In respect of money whilst it is in transit warranted that the following security arrangements be provided.

- |  |  |
|--|--|
| i In case of amounts less than Rs. 200,000/-                       | Money shall be transported in any motor vehicle other than public transport accompanied by one   |
| ii In case of amount between Rs. 200,000/- and Rs. 1,000,000/-     | Money shall be transported in any motor vehicle other than hired three wheelers and public transport accompanied by two employees              |
| iii In case of amounts between Rs. 1,000,000/- and Rs. 7,500,000/- | Money shall be transported in a private motor vehicle only accompanied by two employees  |
| iv In case of amounts exceeding Rs. 7,500,000/-                    | Money shall be transported in a private motor vehicle only accompanied by at least 2 employees and additionally the carriage of money shall be |

Subject always to the Company's liability not exceeding the limits specified in the Schedule.

### Special Conditions

#### (i) Premium Computation

The premium stated in the Schedule is provisional and is subject to adjustment. The

provisional premium is calculated on the estimated aggregate amount of Money in Transit during the period of insurance. The Insured shall supply within thirty days after expiry, a declaration of the actual aggregate amount of Money in Transit showing separately all Transits described in the Schedule and the actual premium shall be calculated on such declared actual aggregate amount of Money in Transit. If the resultant premium be greater than the provisional premium, the Insured shall pay the difference or if it be less the difference shall be repaid to the Insured subject always to any minimum premium stipulated.

(ii) Protection Maintenance

It is a condition precedent to the liability of the Company that the protections and precautions provided for the safety of the insured money shall be in use at all times, maintained in good order throughout the currency of this Insurance and in no way varied or removed without the written consent of the Company.

(iii) Keys

It is a condition precedent to the liability of Company that all keys and duplicate keys of safes, strong rooms, and alarms are removed from the Premises specified in the Schedule at all times when such Premises are closed or left unattended.

(iv) Non-Contribution

There shall be no liability under this Insurance in respect of any claim where the Insured is entitled to indemnity under any other Policy EXCEPT in respect of any excess beyond the amount which would have been covered under such other Policy had this Insurance not been effected.

#### ENDORSEMENTS

The following Endorsements apply to this Policy, only when specifically mentioned in the Schedule and are subject otherwise to the terms, exceptions and conditions of the Policy

1. Riot & Strike Extension

**“Refer attachment”**

2. Terrorism Extension

**“Refer attachment”**

#### SECTION 05 - PLATE GLASS

The Company hereby agrees, that subject to the terms, exceptions and conditions contained herein or endorsed hereon to indemnify the Insured for the loss or damage occurring as stated in the schedule during the period set forth in the said schedule in the manner and to the extent hereinafter provided.

1. Accidental breakage of Glass

Accidental breakage of glass, as described in the Schedule attached, its intrinsic value

(including the cost of boarding up necessarily incurred) not exceeding the sum specified in the Schedule.

2. Accidental damage to Display Window Contents, windows and door frames, expenses of Removal etc.

- a) Damage to the contents of display windows
- b) The expense of removal and reinstatement of obstructions to the replacement of glass
- c) Damage to window and door frames. Provided that
  - (i) Such damage or expense follows upon breakage of glass for which there is a valid claim under 1 above, and
  - (ii) The Company's liability under 2(a), 2(b) & 2(c) shall not in the aggregate exceed Rs.10,000/-

#### THIS SECTION DOES NOT COVER

- 1. Damage Caused by Workmen  
Breakage of glass caused by workmen effecting alterations or repairs on the premises.
- 2. Fire and Allied Perils  
Breakage of glass resulting directly or indirectly from fire, lightning, explosion, typhoon, storm, tempest, flood, hurricane, volcanic eruption, earthquake or other convulsions of nature.
- 3. Scratches, manufacture defects and heat cracks  
Loss or damage caused by scratches, manufacture defects and cracks caused by heat.
- 4. Breakage due to Dilapidation of Frames  
Breakage due to dilapidation of frames or framework.
- 5. Excess  
An excess of 10% subject to a minimum of Rs.2,500/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

#### Special Conditions

Alteration All the glasses described by this Policy are insured only as long as they are fixed. If there be any alteration of the premises, or in the tenancy, sub-tenancy, occupancy of, or business carried on in the buildings containing the glass described in this Policy, or if the premises should become void or disused, then and in every such case the same must be immediately notified to the Company and if the risk is increased the Company shall have the option of charging a suit- able extra premium or of refusing to continue the Insurance.

## SECTION 06 - PERSONAL ACCIDENT

It is agreed that if at any time during the period of insurance for which premiums are payable in respect of this Policy, the insured person(s) named in the schedule and whose occupation has been described in the proposal and no other for the purpose of this insurance shall sustain bodily injury caused solely by violent accidental external and visible means the Company subject to the exceptions, provisions, conditions and to any memoranda endorsed hereon will pay to the Insured or his legal personal representatives as the case may require the sum or sums set out in the schedule, in accordance with the percentages indicated below :-

(a) Shall sustain any bodily injury resulting solely and directly from an accident caused by outward, violent and visible means and such injury shall within ninety (90) days of its occurrence solely, directly and independently of all other causes result in the death of the Insured person then the Company shall pay the sum insured specified in the Schedule of the Policy.

(b) Shall sustain any bodily injury as a result of an accident caused by outward, violent and visible means (and proves the same to the satisfaction of the Company) which accident results in total & permanent disablement such that there is neither at the time disablement commences nor at any time thereafter, any work, occupation, or profession that the Insured person can ever be capable of doing or following to earn or obtain any wages, remuneration or profit, arising solely from violent, accidental and external means provided however, that such disablement must last for not less than six months in duration, and if it is thereafter admitted as total and permanent for the purpose of this clause, liability of the Company shall accrue as from the date of commencement of the disablement and the Company agrees, on receipt of satisfactory proof of such disability to pay the sum insured specified in the Schedule of the Policy.

The occurrence of any of the following shall also be considered as total and permanent disablement:

- (i) Total and irrecoverable loss of sight of both eyes
- (ii) Loss by severance of two limbs at or above wrist or ankle
- (iii) Total & irrecoverable loss of sight of one eye and loss by severance of one limb at or above wrist or ankle.

(c) Becomes subject to permanent partial disability as a result of an accident caused by outward, violent and visible means, and proves the same to the satisfaction of the Company, the Company agrees, on receipt of satisfactory proof of such disability to pay the proportion of the Sum Assured specified in the Schedule of the Policy, and in accordance with the percentages of such sum insured as indicated below :-

## COMPENSATION

Total and permanent loss of/loss of use of :-

a) Sight in one eye except perception of light	50%
b) Lens of one eye	50%
c) Hearing in both ears	75%
d) Speech	50%
e) One limb by severance	50%
f) Thumb and four fingers of one hand	50%
g) Four fingers in one hand	35%
h) Thumb (both phalanges)	15%
i) Thumb (one phalanx)	10%
j) Index finger (three phalanges)	10%
k) Index finger (two phalanges)	08%
l) Index finger (one phalanx)	04%
m) Middle finger (three phalanges)	10%
n) Middle finger (two phalanges)	4%
o) Middle finger (one phalanx)	2%
p) Ring finger (three phalanges)	10%
q) Ring finger (two phalanges)	4%
r) Ring finger (one phalanx)	2%
s) Little finger (three phalanges)	5%
t) Little finger (two phalanges)	3%
u) Little finger (one phalanx)	2%
v) All toes of one foot	17%
w) Great toe (two phalanges)	5%
x) Great toe (one phalanx)	2%
y) Any other toe	3%

(d) Shall sustain any bodily injury as a result of an accident caused by outward, violent and visible means (and proves the same to the satisfaction of the Company) which accident temporarily and totally disables him and prevents him from attending to his business or occupation of any and every kind, the Company agrees, on receipt of satisfactory proof of such disability, to pay 0.5% of the sum insured for every week of total disablement (not exceeding Rs.5,000/- per week) upto a maximum period of 52 weeks.

### LIMIT OF LIABILITY

The cumulative liability of the Company for any single insured life/person is limited to a maximum of Rupees Twenty Five Million (Rs.25,000,000/-) in respect of the perils insured under this Policy, irrespective of the number, nature or type of policies that may be in force for the insured life/person.

This limit of Rupees Twenty Five Million (Rs.25,000,000/-) will apply jointly to all policies covering the insured.

#### THIS SECTION DOES NOT COVER

This benefit does not cover injury or death resulting from such injury caused or aggravated directly or indirectly, in whole or in part by any one or more of the following :

- (a) Pre-existing physical conditions.  
any pre-existing physical weakness defect or disease or by any injury sustained prior to that in respect of which a claim is made hereunder.
- (b) Hazardous sports  
Racing of any kind other than on foot and any practice thereof.
- (c) Flying except as passenger  
Flying or attempting to fly in, or using or attempting to use, an aerial device of any description, other than as a fare-paying passenger.
- (d) Self-inflicted injury  
An act or attempted act of self-injury, suicide or participation in any criminal act.
- (e) Alcohol and drugs  
Being under the influence of alcohol or drugs otherwise than in accordance with the directions of a registered medical practitioner.
- (f) War, civil war etc.
  - (i) War, Invasion, act of foreign enemy ,hostilities or warlike operations (whether war be declared or not .)
  - (ii) Riot, strike, civil war, mutiny, civil commotion, terrorism, assuming the propulsions of or amounting to a popular rising, military rising , insurrection, rebellion, revolution, conspiracy, military or usurped power.
  - (iii) Martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
  - (iv) Any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of any de jure or de facto government or to the influencing of it by terrorism or violence.
  - (v) Action taken by any member of the armed or police forces whilst attempting to quell any such afore-mentioned acts, or whilst attempting to arrest or apprehend an Insured Person in connection with their direct or indirect participation or involvement in any such aforementioned acts.
- (g) Military service etc.  
Active military or naval service, air force, police or similar service.
- (h) Age  
This benefit does not cover persons who are aged more than seventy five years.

## PROVISIONS

1. Benefit D under the caption “What this Policy covers” shall be payable :
  - (a) At the end of the period of disability but interim payments at not less than 4 weekly intervals may be made at the discretion of the Company.
  - (b) For not more than 52 weeks in respect of any one injury.
2. The Company shall not in respect of the same accident be liable to pay in respect of any one insured person more than one of the Benefits A to D nor shall more than one Benefit be payable in respect of the same period of time.
3. Benefits shall only be payable provided death occurs within 90 days or disablement commences within 12 months of the date of injury.
4. “Loss of limb” shall mean total loss by physical separation at or above the wrist or ankle or permanent total loss of use of an entire hand, arm, foot or leg.

## Special Conditions

(i) Rights of Company regarding medical examination and post- mortem The Company shall be entitled in the case of non-fatal injury, to call for examination by a medical referee appointed by the Company whenever required by the Company and in the event of death to have a post mortem examination.

(ii) Notice of increase in risk

The Insured shall give notice to the Company of any alteration whereby the risk of injury is increased and until the Company shall be advised of such alteration and shall have expressly agreed to accept liability for such altered risk the Company shall not be liable in respect of any injury due altogether or in part to such alteration.

(iii) Adjustment of premium

Within one month from the expiry of this Policy or of any renewal thereof the Insured shall if the premium be adjustable furnish a statement of the total wages and salaries or such other particulars and information as the Company may require for the purpose of assessing any premium which may be due to or from the Insured subject always to any stipulated minimum premium.

## ENDORSEMENTS

The following Endorsements only apply to this Policy when specifically mentioned in the Schedule, and are, subject otherwise to the terms, exceptions and conditions of this Policy.

1. Riot & Strike  
“Refer attachment”

2. Terrorism  
 “Refer attachment”

SECTION 07 - FIDELITY GUARANTEE

Subject to the Provisions Exceptions Conditions and to any memoranda endorsed hereon the Company will indemnify the insured against direct loss of money and/or goods which belong to the Insured or for which the insured is responsible at law sustained by reason of any act of fraud or dishonesty committed by the Employee during the Period of Insurance in the Capacity and during uninterrupted service with the Insured.

The amount of any loss paid hereunder shall automatically be reinstated as from the date of discovery of the act of fraud or dishonesty causing such loss provided always that

- (i) the insured shall pay the appropriate additional premium
- (ii) the amount of such reinstatement shall be available only for claims in respect of subsequent acts of fraud or dishonesty.

PROVIDED THAT

1. The loss shall be discovered not later than six months after the expiry of this Policy or the death of the Employee or the termination of the Employee’s service whichever shall first happen.
2. Not more than one claim in respect of the same Employee shall be payable hereunder.
3. All monies which the Employee would have been entitled to receive from the Insured but for the act of fraud or dishonesty shall be deducted from the amount of the loss before a claim is made under this Policy.
4. The liability of the Company during the whole period of the subsistence of this Policy shall not exceed the individual Limit of Indemnity in respect of any one Employee nor the Aggregate Limit of Indemnity in respect of any number of Employees in collusion

THIS SECTION DOES NOT COVER

1. An excess of 10% of the claim subject to a minimum of Rs.5,000/- per claim or as stated in the schedule.
2. Loss caused by an employee not identified or based outside Sri Lanka. Loss sustained by reason of any fraud or dishonesty committed by an employee
  - (a) whom the Insured is unable to identify by name
  - (b) who is based outside the Democratic Socialist Republic of Sri Lanka.
3. Any loss
  - (a) discovered prior to the inception date of the Policy Period stated in the Schedule, or
  - (b) discovered subsequent to the termination or expiry of this Policy.

(i) Conditions Precedent to Liability

It is a condition precedent to any liability under this Policy that the Insured shall

comply in all material respect with the following:

(a) A Rule Book, or Books, or written instructions covering all aspects of the Insured's business shall be maintained and operated which clearly defines the duties of each Employee each of whom must have had their attention drawn to the same and to their duty of compliance therewith.

(b) The duties of each Employee are arranged so that no one Employee is permitted to control any transaction from commencement to completion.

(c) Joint Custody shall be established and maintained for the safeguarding of:

(i) Property while in safes or vaults.

(ii) All keys to safes and vaults.

(iii) Codes, cyphers and test keys.

'Joint Custody' means the handling of the above in the presence of, and under the observation of, at least one other person, said person being equally accountable for the physical protection and safeguarding of the various items or records involved. Locks and combinations on vaults and safes must be so arranged that no one person can open them alone.

(d) Dual Control shall be established and maintained for the handling of:

(i) All types of securities, negotiable and non-negotiable instruments and unissued and blank forms of said items.

(ii) The reserve supply of official cheques, drafts and unissued travelers cheques.

(iii) Dormant accounts of depositors.

(iv) Codes, cyphers and test keys.

'Dual Control' means the work of one person in processing transactions being verified by a second person and both sharing the accountability.

(e) Each Employee shall be required to take an uninterrupted holiday of at least two weeks in each calendar year during which the Employee shall perform no duties and shall stay away from the insured's premises.

(f) In addition to the normal audit of the books and accounts of the business by the Insured's independent outside Auditors, the Insured shall conduct a thorough internal audit, examination and review of internal controls at least once in each calendar year at all Premises, including Insured's computer centers and facilities, at which the business is carried on and shall retain the records and working papers relating to such audit.

(ii) Right of Company to Examine Books of Accounts etc.

The Company shall, in case of any loss or possible loss to the insured, be admitted at all reasonable times to examine into the circumstances of the loss and the Insured shall produce all books, accounts, receipts and documents relating to the loss or containing entries relating to the loss and if required so to do by the Company furnish copies of or extracts from them and assist the Company in all possible manner to ascertain the loss.

(iii) Notice of change in nature of Business, Systems of Check etc. Notice shall be given to the Company of any alteration in:

- (a) The nature of the Insured's Business
- (b) The stated Capacity of the Employee
- (c) The system of check declared to the Company and unless the Company has given its consent in writing it shall not be liable for any loss due altogether or in part to such alteration.

(iv) Acts of Insured to Prosecute Defaulting Employee

The Insured shall (if and when required by the Company but at the expense of the Company) use all diligence in prosecuting to conviction any employee for the act of fraud or dishonesty in respect of which a claim shall have been made under this Policy.

(v) Rights of the Company to recover from Third Parties

The Company may at any time at its own expense take such steps as it may deem fit to obtain reimbursement from the employee or the employee's estate of any loss which the Company shall have paid or become liable to pay under this Policy and for this purpose may use the name of the insured who shall as and when required give all necessary information and assistance to the Company.

(vi) Duty of Insured to Utilize Insured's Assets to Reduce Loss

All moneys, cash securities, estate and effects of the employee in respect of whom a claim is hereunder, which shall be received, possessed or in the hands of the insured, shall be applied in reducing the amount of the liability of the Company, in priority to any other claim the insured may have on such moneys, cash securities, estate or effects.

(vii) Adjustment of Premium Clause

Within one month from the expiry of this Policy or of any renewal thereof the insured shall if the premium be adjustable furnish a statement of such particulars and' information as the Company may require for the purpose of assessing any premium which may be due to or from the insured, subject always to any stipulated minimum premium.

(viii) Retro-active Clause

Where this Policy replaces a policy issued by another insurer (hereinafter called the superseded Policy) expiring at the same time as the commencement of this Insurance the Company will pay any loss which would have been recoverable under such superseded Policy(s) subject to its terms and conditions and limitations but which is not recoverable thereunder solely by reason of the expiration of the period allowed following expiry in which to discover losses. Provided always that the amount payable under this Policy and under this Clause shall not be cumulative the total liability of the Company being limited to the amount insured under the superseded Policy(s) or the amount insured in respect of such employee under this Policy whichever is less

er. No claim shall however be payable except in respect of that which has arisen within six months prior to the commencement of this Policy.

## SECTION 08 - WORKMEN'S COMPENSATION

This Policy witnessed that if at any time during the period of insurance any employee in the insured's immediate service shall sustain personal injury by accident or disease arising out of and in the course of his employment by the insured in the business and if the insured shall be liable to pay compensation for such injury either under

Workmen's Compensation Ordinance 1934 and Subsequent Amendments Prior to the Date of Issue of this Policy or at Common Law.

Then subject to the terms, exceptions and conditions contained herein or endorsed hereon the Company will indemnify the insured against all sums for which the insured shall be so liable and will in addition be responsible for all costs and expenses incurred with its consent in defending any claim for such compensation.

Provided always that in the event of any change in Law(s) or the substitution of other legislation therefore this Policy shall remain in force but the liability of the Company shall be limited to such sum as the Company would have been liable to pay if the Law(s) had remained unaltered.

(THE INSURED IS REQUESTED TO READ THIS POLICY AND SEEK CLARIFICATION WHERE NECESSARY)

### WHAT THIS POLICY DOES NOT COVER

The Company shall not be liable under this Policy in respect of

- (a) Any injury by accident or disease directly attributable to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power;
- (b) The Insured's liability to employees of contractors of the Insured;
- (c) Any employee who is not a "workman" within the meaning of the Law(s);
- (d) Any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (e) Any sum which the Insured would have been entitled to recover from any party but for an agreement between the insured and such party.

### CONDITIONS

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of

the Schedule shall bear such specific meaning wherever it may appear.

#### 1. Notice

Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company.

#### 2. Receipts

No payment in respect of any premium shall be deemed to be payment to the Company, unless a printed form of receipt for the same, signed by an authorized officer of the Company shall have been given to the Insured.

#### 3. Reasonable Care

The insured shall take reasonable precautions to prevent accidents and diseases and shall comply with all statutory obligations.

#### 4. Claims

In the event of any occurrence which may give rise to a claim under this Policy the insured shall as soon as possible give notice thereof to the Company with full particulars. Every letter claim writ summons and process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately the insured shall have knowledge of any impending prosecution inquest or fatal injury in connection with any such occurrence as aforesaid.

No admission offer promise or payment shall be made by or on behalf of the insured without the consent of the Company which shall be entitled if it so desires to take over and conduct in his name the defense or settlement of any claim or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

#### 5. Adjustments

The first premium and all renewal premiums that may be accepted are to be regulated by the amount of wages and salaries and other earnings paid by the insured to employees during each Period of Insurance. The name of every employee together with the amount of wages salaries and other earnings shall be duly recorded in a proper wages book. The insured shall at all times allow the Company to inspect such books and shall supply the Company with a correct account of all such wages, salaries and other earnings paid during any Period of Insurance within one month from the expiry date of such Period of Insurance. If the amount so paid shall differ from the amount on which premium has been paid the difference in premium shall be met by a further proportionate payment to the Company or by a refund by the Company as the case may be.

#### 6. Cancellation

The Company may cancel this Policy by sending seven days notice by registered letter to the insured at his last known address and in such event the premium shall be adjusted in accordance with Condition 5.

#### 7. Other Insurances

If at the time any claim arises under this Policy there be any other insurance covering the same liability the Company shall not be liable to pay or contribute more than a rateable proportion of any such claim and costs and expenses in connection therewith.

## 8. Arbitration

- (i) In the event of any dispute or difference arising in respect of any claim on this policy during such dispute or difference shall be referred to arbitration by a notice in writing as provided for herein;
- (ii) The party who seeks to refer such dispute or difference to arbitration (“the First Party”) shall name the arbitrator appointed by him in the notice in writing and send to the other party (“the Other Party”) making such reference and request the Other Party to appoint another arbitrator;
- (iii) In the event of such dispute or difference arising in respect of any claim as aforesaid has not been referred to Arbitration within twelve (12) calendar months from the date of arising of such dispute or difference, such dispute or difference shall for all purposes be deemed to have been abandoned and shall not thereafter be contested hereunder.
- (iv) In the event of the Other Party failing to appoint another arbitrator (“the second arbitrator”) within thirty (30) days from the date of dispatch of the said notice, the arbitrator appointed by the First Party shall act as the sole arbitrator and make a final award as if the parties hereto have jointly appointed him to act as such sole arbitrator. If the Other Party appoints another arbitrator then the two arbitrators shall within twenty (20) days of appointment of the second arbitrator, appoint a Chairman as provided for in the section 6 (3) of the Arbitration Act. No. 11 of 1995 of Sri Lanka.

The date of dispatch shall mean the date in which such notice is dispatched by registered post and the postal frank or postal receipt shall be the conclusive evidence of proof thereof;

- (v) The Arbitration Tribunal shall before the commencement of the arbitration set out the procedure to be followed at the hearing but the following steps shall be mandatory before the hearing commences:-
  - a. Both parties shall within the time stipulated by the Arbitrators or within such further time as may be allowed by the Arbitrators file their respective evidence by way of affidavits with supporting documents.
  - b. Thereafter, time may be given by the Arbitrators to file affidavits in reply, with supporting documents.
  - c. Oral evidence shall be confined to only the matters, which shall be specified by the Arbitrators.
- (vi) The Arbitration proceedings shall be held in the city of Colombo, the language of the proceedings shall be in English and applicable laws shall be the laws of Sri Lanka.
- (vii) Only a retired judge of the Supreme Court or Court of Appeal of Sri Lanka or a lawyer with knowledge and expertise in Commercial Laws of at least 15 years standing qualified to practice in Sri Lanka can be appointed as an arbitrator or chairman as both parties recognize that applicable laws are the laws of Sri Lanka;
- (viii) The award made at an arbitration held as provided therein shall be final, conclusive and binding on the parties hereto;

- (ix) It is hereby mutually agreed that the making of an award upon a reference to arbitration shall be condition precedent to any right of action of either party against the other party in respect of such difference or dispute;

#### 9. Jurisdiction

The indemnity provided by this policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a Court of competent jurisdiction within Sri Lanka, nor to orders obtained in the said Court for the enforcement of judgments made outside Sri Lanka, whether by way of reciprocal agreements or otherwise.

#### 10. Observance Of Terms and Conditions

The due observance and fulfilment of the terms conditions and endorsements of this Policy in so far as they relate to anything to be done or not to be done by the insured and the truth of the statements and answers in the Proposal shall be a condition precedent to any liability of the Company to make any payment under this Policy.

#### 11. Alteration Of Terms and Conditions

No alteration in the terms and conditions of this Insurance, nor any endorsement hereon, will be held valid unless the same is recognized and initialled by an Official of the Company.

#### ENDORSEMENT

#### Terrorism Endorsement for **Workmen's** Compensation Insurance Cover

Notwithstanding anything to the contrary contained in the Workmen Insurance Policy, it is hereby declared and agreed that:

- a. Is extended to include loss or damage other than Consequential Losses of any kind directly relating to or caused by any act of terrorism which means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or Government(s), committed for political religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear further any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, or resulting from any action taken in controlling, preventing, suppressing action during any engagement between Government forces and any group as defined about on land, sea, or air shall be regarded as falling within the definition of Terrorism above.
- b. The amount recoverable under this extension shall not exceed Rs. 550,000/- per workmen. For this purpose an "occurrence" shall mean all losses attributable directly or indirectly to one cause or to one of a series of similar causes. The amount to be state here is the maximum limit of cover available to the relevant category/class.

Notwithstanding what is stated to the contrary in the Policy if the Terrorism extension to the Policy is being cancelled by the Insurer a pro-rata refund will be allowed to the Insured. However, no return of premium shall be granted if this cover is cancelled at the request of the Insured.

In the event of any death/injury arising out of the same occurrence affecting more than one policy, the apportionment of the loss amongst the respective policies shall be at the sole discretion of the National Insurance Trust Fund subject however to the limits and deductibles specified in this Endorsement. It is further declared and agreed that this extension is subject to the following exclusions :

A. Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause This clause shall be paramount and shall override anything contained in this insurance inconsistent herewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes
  - 1.5 any chemical, biological, bio chemical, or electromagnetic weapon;

B. Institute Cyber Attack Exclusion Clause

1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system

1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme of any other electronic system in the launch and / or guidance system and/or firing mechanism of any weapon or missile.

This extension is granted for and on behalf of the National Insurance Trust Fund and

any liabilities whatsoever under this specific extension shall devolve solely upon the said fund. If any action, suit or proceeding where it is alleged that any death/injury is not covered by this Endorsement, the burden of proving that such death or injury is covered shall be upon the insured.

Subject otherwise to the terms, conditions, exclusions and exceptions of the policy.

#### SECTION 09 - ELECTRONIC EQUIPMENT

The Company hereby agrees, that subject to the terms, exceptions and conditions contained herein or endorsed hereon to indemnify the Insured for the loss or damage occurring as stated in the schedule during the period set forth in the said schedule in the manner and to the extent hereinafter provided.

The Insurance by this Section is in respect of loss of or damage to the electronic equipment, computer, associated equipment, and other items described in the Schedule from any accidental cause whilst at the situations specified in the Schedule or in the case of remote terminals data inks and data carrying materials whilst at any other situation within Sri Lanka and whilst in transit hereto and therefrom.

#### LIMIT OF LIABILITY

The amount of liability hereunder shall not exceed 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.

#### THE INDEMNITY GRANTED HEREIN INCLUDES PROVISION FOR

##### 1. Automatic Cover

All additional equipment purchased during the year up to a maximum value of 25% of the sum insured under this Section. Subject to the insured notifying the Company before expiry date and additional premium being paid with effect from the next renewal date.

##### 2. Expediting Costs

In the event of damage to the equipment for which liability has been admitted under this Section additional expenses for expediting repairs up to 25% of the normal cost of repairs will be paid by the Company in connection with expenses incurred for working overtime or express carriage charges provided always that the limit of the Company's liability shall not exceed Rs.2000/= any one occurrence.

##### 3. Consulting Engineers Fees

An amount in respect of consulting engineers fees necessarily incurred in the reinstatement of the equipment consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed that authorized by the relevant professional bodies, provided that the liability for such destruction or damage and fees shall not exceed in the aggregate the sum insured by each item.

#### 4. Debris Removal

All expenses necessarily incurred in:

- a) Removing debris, dismantling or demolishing and shoring-up or propping of the equipment consequent upon loss or damage insured
- b) Shoring-up, propping or protecting any of the equipment whether damaged or not provided that this is necessitated by loss or damage insured provided that the liability for such loss or damage and/or costs incurred under (a) and (b) shall not exceed in the aggregate the sum insured by each item.

#### THIS SECTION DOES NOT COVER

##### 1.Excess

An excess of 10% subject to a minimum of Rs.5,000/- will be deducted after the final adjustment has been made to each and every claim subject to other terms and conditions or as stated in the Schedule.

##### 2. Maintenance Agreement

Loss or damage described herein for which the Makers, Suppliers, Agents or other competent Engineers acceptable to the Company are responsible under the terms of their Maintenance Agreement with the Insured.

##### 3. Wear and Tear

“Mechanical breakdown”, wear and tear, gradual deterioration due to atmospheric conditions or otherwise or rust, corrosion or oxidization .

##### 4. Willful Act

The willful act or willful neglect of the Insured.

##### 5. Prior to Commissioning

Loss or damage occurring prior to successful completion of commissioning trials..

##### 6. Bulbs Valves etc.

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. lubrication oil, fuel, chemicals), Aesthetic defects, such as scratches on painted, polished or enamelled surfaces, In respect of the part mentioned under (6) 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.

##### 7. Damage Caused by Computer Virus etc.

This policy excludes liability for loss or damage of every description directly, indirectly, consequentially or otherwise arising from or caused by the action or intervention of any Computer Virus, Worm, Trojan horse, Mailbomb or any Computer Program.

##### 8. Pressure Waves from Aircraft

Damage or consequential loss directly occasioned by pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.

### Special Conditions

(i) Basis of settlement

In the event of the equipment covered being lost, destroyed or damaged the basis upon which the amount payable is to be calculated shall be the value covered or the market value of the equipment covered whichever is the lower, subject to the deduction of any excess and amounts which the Insured is required to bear as per the Schedule. The term market value shall mean the value of the equipment covered herein at the time of damage or loss less due allowance for wear and tear and/or depreciation.

(ii) Any single item exceeding Rs.250,000/- in value

No one item of equipment is deemed to exceed Rs.250,000/- in value, unless such item is separately specified and its value stated in the Schedule.

(iii) Servicing and maintenance by makers or suppliers

The Insured shall during the currency of this Policy keep in force a contract under which the electronic equipment insured by this Policy is regularly serviced or maintained by its makers, suppliers agents or other competent engineers acceptable to the Company.

(iv) Warranty

It is warranted that all equipment covered under this policy that are to be powered and/or energized electrically either directly or alternating current mains supply rated voltage, or indirectly by transforming to some other voltage from alternating current mains supply rated voltage shall be so done through an AC Mains Surge Protection Device or an Uninterrupted Power Supply incorporating a Surge Protection Device.

If any equipment be connected to any leased data circuit, any public data and/or telephone network, or a private data and/or telephone network extending beyond the immediate building or housing where such equipment is installed, such equipment shall be connected incorporating such surge-protection devices and incorporating an effective protective electrical earth of adequately low earth resistance.

(v) Right of inspection & additional precautions requirement

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 telegram 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 ensuring 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.

(vi) Waiver of subrogation rights

The Company agrees to waive any rights against any Parent Company and/or Subsidiary

Company of the Insured and/or any Company whose activities are conducted and/or managed by the Insured in whole or in part and/or Regular Share Time Users of the Computer Equipment arising out of any payment made under this Policy providing that the Insured does not receive any form of indemnity or damages or otherwise from such Company and/or user.

#### ENDORSEMENTS

1. Riot and Strike  
“Refer attachment”
2. Terrorism  
“Refer attachment”

#### GENERAL CALUSES

##### 1 Mortgage Clause

Loss, if any, under this Policy shall be payable to the Mortgagees or Assignees named in the Schedule of this Policy to the extent of their interest. It is hereby agreed that in the event of loss or damage, the Company will pay the Mortgagees or said Assignees to the extent of their interest and that this insurance in so far as concerns the interest therein of the Mortgagees or said Assignees only shall not be invalidated by any act or neglect of the Mortgagor or Owner of the property insured, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured or containing the property hereby insured without the knowledge of the Mortgagees or said Assignees, provided always that the Mortgagees or said Assignees shall notify the Company of any change of ownership or alteration or increase of hazard not permitted by this insurance as soon as any such change, alteration or increase shall come to their knowledge, and on demand shall pay to the Company the appropriate additional premium from the time when such increase of risk first took place.

It is further agreed that whenever the Company shall pay the Mortgagees or said Assignees any sum for loss or damage under this Policy, and shall claim that as to the Mortgagor or Owner no liability therefor existed, the Company shall at once be legally subrogated to all the rights of the Mortgagees or said Assignees to the extent of such payment, and the Mortgagees or said Assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments and things as may be necessary or be reasonably required by the Company for the purpose of better effecting such subrogation, but such subrogation shall not impair the right of the Mortgagees or said Assignees to recover the full amount of their claim.

Provided that as between the Company and the Mortgagor or Owner of the property insured nothing contained in this Clause shall in any way constitute or be deemed to constitute any waiver of, or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the property insured, or lessen any obligation which may be imposed on the Mortgagor or Owner of the property insured either by or under this Policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this Policy at any time as provided by the terms hereof, but in such case this Policy shall continue in force for the benefit only of the Mortgagees or said Assignees for ten days after notice to the Mortgagees or said Assignees of such cancellation and shall then cease and the Company shall have the right on like notice to cancel this agreement.

## 2. Bank Clause

It is hereby agreed and declared that:

1. Upon any monies becoming payable under this Policy the same shall be paid by the Company to the Bank and such part of monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties
2. The receipt of the Bank shall be a complete discharge of the Company therefor and shall be binding on all parties insured hereunder.
3. If and whenever any notice shall be required to be given or other communications shall be required to be made by the Company to the Insured or any of them in any matter arising under or in connection with this Policy, such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. Any adjustment, settlement, compromise or reference to arbitration in connection with a n y dispute between the Company and the Insured or any of them arising under or in connection with this Policy, if made by the Bank shall be valid and binding on all parties insured hereunder, but not so as to impair the right of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. This insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of the operation of Condition 10 of the Policy except where a breach of Condition 10 has been committed by the Bank or its duly authorized agents or servants, and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk increased or by anything being done to, upon or in any building hereby insured or any building in which the property insured under the Policy is stored or kept, without the knowledge of the Bank, provided always that the Bank shall notify the Company of any change of ownership or alteration or increase of hazard not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay the Company the necessary additional premium from the time when such increase of risk first took place. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or Owner no liability therefor existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payment but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor/Owner or any other party or parties insured hereunder or from any securities or funds available.

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### 3. Pro-rata Clause

In consideration of the premium being calculated pro-rata temporize the Insured undertakes to renew the insurance for an amount not less than the sum hereby insured for a period of one year, failing which the Insured agrees to pay the difference between such premium and that calculated under the customary short period scale.

### 4. Identification Clause

The property described in the Schedule is the only property so situate and answering to the said description in which the Insured is interested.

## GENERAL EXCLUSIONS

### War and Kindred Risks

Loss or damage directly or indirectly occasioned by or through or in consequence of:

- a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not).
- b) Strike, riot, civil war, mutiny, civil commotion, terrorism, assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, conspiracy, military or usurped power
- c) Martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- d) Any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of any de jure or de facto Government or to the influencing of it by terrorism or violence, loot, sack or pillage in connection with any of the aforementioned occurrences.

### 2. Radioactive Contamination

Loss damage or expense directly or indirectly caused by or contributed to by or arising from::

- (a) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- (b) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- (c) Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- (d) The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical scientific, or other similar peaceful purposes.
- (e) Any chemical, biological, biochemical, or electromagnetic weapon.

### 3. Cyber Attack

(a) Subject only to clause 3(b) below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

(b) Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 3 (a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme of any other electronic system in the launch and / or guidance system and / or firing mechanism of any weapon or missile.

## GENERAL WARRANTIES

### Premium Payment Warranty

(I) Notwithstanding anything herein contained but subject to ii and iii hereof, it is hereby agreed and declared that the full premium due and payable in respect of this insurance is required to be settled to the Insurer (The Company) on or before the premium due date agreed with the Company (which shall be a date not exceeding 60 days from the date of inception of the policy) and in the absence of any such premium due date, the full settlement of the premium is required to be made or effected on or before the expiry of the 60th day from the date of inception of this Policy, Renewal certificate, Endorsement or Cover Note (hereinafter referred to as the “due date”).

For the purpose of this warranty the “due date” shall be recognized from the date of inception or commencement of the coverage.

(ii) It is also declared and agreed that the settlement of the full premium on or before the due date shall operate as a condition precedent to the Insurer’s (The Company’s) liability or an obligation to settle a claim under this Policy, Renewal Certificate, Endorsement or Cover Note.

In the event any claim arises between date of commencement of this Insurance and the “due date” for the settlement of premium, the Insurer (The Company) may defer any decision on liability or postpone the settlement of any such claim until full settlement of the premium is effected on or before the “due date”.

(iii) It is also declared and agreed that where the full premium payable hereunder remains outstanding as at the closure of business of the Insurer on the “due date”, then the cover under this insurance and any obligations assumed or imputed under this Insurance shall stand to be cancelled, ceased and revoked immediately.

However, such cancellation will not prejudice the rights of the Insurer (The Company) to

invoke any legal defenses or to recover the full or any part of the defaulted premium attributable to the expired period of the Insurance.

(b) Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 3 (a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme of any other electronic system in the launch and / or guidance system and / or firing mechanism of any weapon or missile.

## GENERAL CONDITIONS

### 1. Interpretation (applicable to all Sections other than Section 09)

This Policy and the schedule(s) shall be read together as one contract and any word or expression to which specific meaning has been attached in any part of this Policy or of the schedule shall bear such meaning wherever it may appear.

### 2. Misdescription (applicable to all Sections other than Section 09)

If there be any material misdescription of any of the property hereby insured, or of any building or place in which such property is contained, or any misrepresentation as to any material fact to be known for estimating the risk or any omission to state such fact the Company shall not be liable upon this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.

### 3. Reasonable Care / Precautions (applicable to all Sections other than Section 09)

The insured shall take reasonable steps to safeguard the property insured against any loss or damage and shall also take all reasonable precautions to prevent any accidents, and shall comply with all statutory or other regulations / manufacturers' recommendations in respect of equipment covered under Electronic Equipment Insurance section of this policy.

### 4. Receipts (applicable to all Sections other than Section 09)

No payment in respect of any premium shall be deemed to be payment to the Company unless a printed form of Receipt for the same signed by an official of the Company shall have been given to the Insured.

### 5. Other Insurance (applicable to all Sections other than Section 09)

The Insured shall give notice to the Company of any insurance or insurances already effected, or which may subsequently be effected, covering any of the property hereby insured, and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this Policy by or on behalf of the Company before the occurrence of any loss or damage, all benefit under this Policy shall be forfeited.

## 6. Fallen Buildings (applicable to Section 01 & 02)

All insurance under this Policy:

- 6.1 On any building or part of any building,
- 6.2 On any property contained in any building,
- 6.3 On rent or other subject matter of insurance in respect of or in connection with any building or any property contained in any building,

shall cease immediately upon any fall or displacement:

- (a) Of such building or of any part thereof,
- (b) Of the whole or any part of any range of buildings or of any structure of which such building forms part

Provided that such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

And provided that such fall or displacement is not caused by fire or loss or damage which is covered by this Policy or would be covered if such building, range of buildings or structure were insured under this Policy.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the Insured.

## 7. Risks not Covered (applicable to Section 01 & 02)

This insurance does not cover:

- 7.1 Loss by theft during or after the occurrence of a fire
- 7.2 Loss or damage to property occasioned by its own fermentation, natural heating or spontaneous combustion except as may be provided in accordance with Condition 9.6 or by its undergoing any heating or drying process.
- 7.3 Loss or damage occasioned by or through or in consequence of:
  - (1) The burning of property by order of any public authority
  - (2) Subterranean fire,

7.4 Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material, any loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this Condition

7.5 Only combustion shall include any self-sustaining process of nuclear fission.

## 8. Perils not Covered (applicable to Section 01 & 02)

This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

- 8.1 Earthquake, volcanic eruption or other convulsion of nature,
- 8.2 Typhoon, hurricane, tornado, cyclone, storm, tempest or other atmospheric

disturbance,

8.3 War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, terrorism,

8.4 Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which dete mine the proclamation or maintenance of martial law or state of siege.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or, through or in consequence, directly or indirectly,

of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the Insured shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of this condition 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.

#### 9. Risks not Covered Unless Expressly Included (applicable to Section 01 & 02)

Unless otherwise expressly stated in the Policy this insurance does not cover:

9.1 Goods held in trust or on commission,

9.2 Bullion or unset precious stones,

9.3 Any curio or work of art for an amount exceeding Rs.500/=,

9.4 Manuscripts, plans, drawings, designs, patterns, models, or moulds,

9.5 Securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, computer systems records,

9.6 Coal, against loss or damage occasioned by its own spontaneous combustion.

9.7 Explosives,

9.8 Any loss or damage occasioned by or through or in consequence of explosion, but loss or damage by explosion of gas used for illuminating or domestic purpose in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of this Policy.

9.9 Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, prairie, pampas, patnas or jungle, and the clearing of lands by fire.

#### 10. ALTERATION AND REMOVALS (APPLICABLE TO SECTION 01, 02 & 06 )

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, obtain the sanction of the Company signified by endorsement upon the Policy, by or on behalf of the Company.

10.1 If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the

insured property be changed in such a way as to increase the risk of loss or damage by fire,

- 10.2 If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days,
- 10.3 If the property insured be removed to any building or place other than that in which it is herein stated to be insured,
- 10.4 If the interest in the property insured passes from the Insured otherwise than by will or operation of law.

#### 11. Marine Clause (applicable to Section 01)

This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would but for the existence of this Policy, be insured by any Marine Policy or Policies, except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this insurance not been effected.

#### 12. Electrical Exclusion Clause (applicable to Section 01 & 02)

Applicable to electrical machines, apparatus, appliances, installations etc. if insured under this Policy. The Company shall not be liable for loss of or damage to any electrical machine, apparatus, fixture or fitting, domestic appliances (including electric fans, washing machines, refrigerators, radios and TV sets) or to any portion of the electrical installation, arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included), provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture, fitting or portion of the electrical installation so affected and not to other machines, apparatus, fixtures, fittings, or portions of the electrical installation which may be destroyed or damaged by fire.

#### 13. Cancellation of the Insurance (applicable to all Sections other than Section 09)

This insurance may be terminated at any time at the request of the Insured in which case the Company will retain the customary short period rate for the time the Policy has been in force. The insurance may also at any time be terminated at the option of the Company on notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateables proportion of the premium for the unexpired term from the date of the cancellation.

#### 14. Occurrence of Loss or Damage (applicable to all Sections other than Section 09)

On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company, with immediate effect after the loss or damage, or such further time as the Company may in writing allow, deliver to the Company:

14.1 A claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind,

14.2 Particulars of all other insurances, if any

14.3 Preserve the damaged or defective parts if any and make them available for inspection by an official or surveyor deputed by the Company

14.4 Take all steps within his power to minimize the extent of the loss or damage

14.5 Give notice to the police and render all reasonable assistance in causing the discovery and punishment of any guilty person and in tracing and recovering the Property (Applicable to Sections 03, 05, 08,10)

The Insured shall also at all times, at his own expense, produce, procure and give to the Company 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 the liability of the Company as may be reasonably required by or on behalf of the Company, together, if requested, with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this Condition have been complied with.

Further in respect of Electronic Equipment Insurance (Section 10) 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 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. The liability of the Company under said section (Section 10) in respect of any insured item shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Company, or if temporary repairs are carried out without the Company's consent

#### 15. Rights of Company Regarding Salvage (applicable to Section 01 & 10)

On the happening of any loss or damage to any of the property insured by this Policy the Company may:

15.1 Enter and take and keep possession of the building or premises where the loss or damage has happened,

15.2 Take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage,

15.3 Keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same,

15.4 Sell any such property or dispose of the same for account of whom it may concern. The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claim under the Policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder incur any liability to the Insured or diminish its right to rely upon any

of the Conditions of this Policy in answer to any claim. If the Insured or any person acting on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

1. Forfeiture (applicable to all Sections other than Section 09)

If the claim 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 anyone acting on his behalf to obtain any benefit under this Policy, or if the loss or damage be occasioned by the willful act or with the connivance of the Insured, or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection or in case of arbitration taking place in pursuance of Condition 23 of this Policy within three months after the arbitrator or arbitrators or umpire shall have made their award, all benefit under this Policy shall be forfeited.

2. Reinstatement (applicable to Section 01, 06 & 11)

The Company may at its option reinstate 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 insurers in so doing, but the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the Sum Insured by the Company thereon.

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

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

3. Automatic Reduction / Reinstatement of Sum Insured (applicable to Section 01, 03, 06 & 10)

In the event of any payment being made for a loss, the sum insured under this Policy automatically reduces by the amount paid, until the expiry of the Policy or date of next renewal, unless the Sum insured is reinstated by endorsement and the necessary additional premium paid thereon.

4. Subrogation Rights (applicable to all Sections other than Section 09)

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 reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be

or would become entitled or subrogated upon 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 his indemnification by the Company.

5. Contribution (applicable to Section 01, 02, 06, 10 & 11)

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 any other person or persons, covering the same property, the Company shall not be liable to pay or contribute more than its rateables proportion of such loss or damage.

6. Average (applicable to Section 01, 02, 03, 05, 06, 10 & 11)

If the property hereby insured shall, at the breaking out of any fire or at the time of the occurrence of any other insured loss or damage, be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateables proportion of the loss or damage accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

Where the property is a private dwelling house and/or its contents this Condition of Average will not apply provided the Sum Insured is at least 75% of the value of the property insured

7. Warranties (applicable to all Sections other than Section 09)

Every Warranty to which the property insured or any item thereof is or may be made subject, shall from the time the Warranty attaches, apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such Warranty, whether it increases the risk or not, shall be a bar to any claim in respect of such property or item, provided that whenever this Policy is renewed a claim in respect of destruction or damage occurring during the renewed period shall not be barred by reason of a Warranty not having been complied with at any time before the commencement of such period.

8. Arbitration Rights (applicable to all Sections other than Section 09)

- (i) In the event of any dispute or difference arising in respect of any claim on this policy during such dispute or difference shall be referred to arbitration by a notice in writing as provided for herein;
- (ii) The party who seeks to refer such dispute or difference to arbitration (“the First Party”) shall name the arbitrator appointed by him in the notice in writing and send to the other party (“the Other Party”) making such reference and request the Other Party to appoint another arbitrator;
- (iii) In the event of such dispute or difference arising in respect of any claim as afore said has not been referred to Arbitration within twelve (12) calendar months from the date of arising of such dispute or difference, such dispute or difference shall for all purposes be deemed to have been abandoned and shall not thereafter be contested hereunder.

- (iv) In the event of the Other Party failing to appoint another arbitrator (“the second

arbitrator”) within thirty (30) days from the date of dispatch of the said notice, the arbitrator appointed by the First Party shall act as the sole arbitrator and make a final award as if the parties hereto have jointly appointed him to act as such sole arbitrator. If the Other Party appoints another arbitrator then the two arbitrators shall within twenty (20) days of appointment of the second arbitrator, appoint a Chairman as provided for in the section 6 (3) of the Arbitration Act. No. 11 of 1995 of Sri Lanka. The date of dispatch shall mean the date in which such notice is dispatched by registered post and the postal frank or postal receipt shall be the conclusive evidence of proof thereof;

- (v) The Arbitration Tribunal shall before the commencement of the arbitration set out the procedure to be followed at the hearing but the following steps shall be mandatory before the hearing commences:-
  - a Both parties shall within the time stipulated by the Arbitrators or within such further time as may be allowed by the Arbitrators file their respective evidence by way of affidavits with supporting documents.
  - b Thereafter, time may be given by the Arbitrators to file affidavits in reply, with supporting documents.
  - c Oral evidence shall be confined to only the matters, which shall be specified by the Arbitrators.
- (vi) The Arbitration proceedings shall be held in the city of Colombo, the language of the proceedings shall be in English and applicable laws shall be the laws of Sri Lanka.
- (vii) Only a retired judge of the Supreme Court or Court of Appeal of Sri Lanka or a lawyer with knowledge and expertise in Commercial Laws of at least 15 years standing qualified to practice in Sri Lanka can be appointed as an arbitrator or chairman as both parties recognize that applicable laws are the laws of Sri Lanka;
- (viii) The award made at an arbitration held as provided therein shall be final, conclusive and binding on the parties hereto;
- (ix) It is hereby mutually agreed that the making of an award upon a reference to arbitration shall be condition precedent to any right of action of either party against the other party in respect of such difference or dispute;

#### 9. Time Limit for Liability (applicable to all Sections other than Section 09)

In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration .

#### 10. Notices (applicable to all Sections other than Section 09)

Every notice and other communications to the Company required by these Conditions must be written or printed

#### 11. Observance of Policy Terms and Conditions (applicable to all Sections other than Section 09)

The due observance and fulfillment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the insured shall be condition precedent to any liability of the Company to make any payment under this Policy.

#### 12. Jurisdiction (applicable to all Sections other than Section 09)

The indemnity provided by this policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a Court of competent jurisdiction within Sri Lanka, nor to orders obtained in the said Court for the enforcement of judgments made outside Sri Lanka, whether by way of reciprocal agreements or otherwise.

#### 13. DATA PRIVACY

Please ensure to go through the Privacy Notice (i.e., which explains how and what type of personal data will be collected, why it is collected and to whom it is shared or disclosed etc.) which is available on the Allianz Insurance Lanka Limited official website <https://www.allianz.lk/data-privacy-notice.html> prior to signing of this form/ application/ document.

\*Allianz Insurance Lanka Limited is licensed by the Insurance Regulatory Commission of Sri Lanka (IRC SL).