

# **STOCK, PLANT AND EQUIPMENT CLAUSES**

## **WAR AND S.R. & C.C.**

**1/10/00**

### **INSURING CLAUSE**

- 1) This insurance covers, subject to the terms, conditions, exclusions, limits of liability and warranties as hereinafter provided, physical loss of or damage to the Insured Interest(s) covered under this Policy, which is directly and proximately caused by an Insured Peril, occurring during the Policy period.

### **INSURED INTEREST(S)**

- 2) Building(s) and contents belonging to the Assured as may be specified in the Policy Schedule attached hereto and hereinafter referred to as the Insured Interest(s).

### **SUM INSURED**

- 3) The Sum Insured is the amount specified in the Policy Schedule attached hereto.

### **BASIS OF INDEMNITY**

- 4) In the event of loss of or damage to an Insured Interest(s) caused by an Insured Peril, the Basis of Indemnity hereunder shall be:
  - 4.1 for property lost or destroyed, the cost of rebuilding or reinstating the property if a building or structure, or in case of other property its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new;
  - 4.2 for property damaged, the repair and restoration of the damaged portion of the property to a condition substantially the same but not better or more extensive than its condition when new;
  - 4.3 for film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, the cost of such media in unexposed or blank condition;
  - 4.4 accounts, bills, deeds, bonds, securities, title documents, and any other documents (other than those in clause 4(iii) herein), the cost of blank materials plus the cost of labour incurred by the Assured for transcribing, copying or reissuing such records;
  - 4.5 for stock in trade and inventories and work in process, the cost of replacing the same at the point of loss, destruction or damage or elsewhere if replacement at the point of loss, destruction or damage is not possible or practicable but for items intended for sale and not replaced by the Assured and not priced by commodity markets will be indemnified on the basis of the cost incurred by the Assured to manufacture and create or purchase the item lost, destroyed or damaged.

For commodities where the value fluctuates in accordance with prices set by commodity markets the basis of indemnity shall be the market price prevailing in the market as quoted on the day of loss plus 10% or at cost price plus 10%.

Notwithstanding the foregoing, if the parties expressly agree, the value of the Insured Interest(s) may be calculated on the basis stated in the Policy Schedule attached hereto.

The total of all indemnity payable under this Policy shall not exceed the Policy Limit stated in the Policy Schedule attached hereto.

## **INSURED PERILS**

- 5) This Insurance covers loss of or damage to the Insured Interest(s) caused by
- 5.1 War, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power;
  - 5.2 Capture, seizure, arrest restraint or detainment of any property, but not including buildings or any other fixed assets, as set out in and as may be specified in the Policy Schedule attached hereto, arising from risks covered under Clause 5.1 above, and the consequences thereof or any attempt thereat, subject to the terms of Exclusion 6.6 below,
  - 5.3 Mines, missiles, bombs or other derelict weapons of war;
  - 5.4 Strikers, locked-out workmen or persons taking part in labour disturbances, riots or CMI commotions;
  - 5.5 Any or all persons who are member(s) of an organization whose aim is or includes the over-throwing of any legal or defacto Government by terrorism or violence.

## **EXCLUSIONS**

- 6) In no case shall this insurance cover
- 6.1 loss or damage attributable to wilful misconduct of the Assured;
  - 6.2 loss or damage proximately caused by delay, even though the delay be caused by an Insured Peril;
  - 6.3 any claim based upon loss of or frustration of any transits and/or adventures;
  - 6.4 loss or damage arising from the absence, shortage or withholding of labour of any description whatsoever resulting from any strike, lock-cut, labour disturbance, riot or civil commotion;
  - 6.5 confiscation, requisition either for title or use or pre-emption;
  - 6.6 capture, seizure, arrest, restraint or detainment of the Insured Interest(s) by or under the order of the Government de facto or otherwise and/or public or local authority of the country where the Insured Interest(s) is/are located;
  - 6.7 hijacking of the Insured Interest(s);
  - 6.8 arms, ammunition or explosives intended for use for warlike or similar purposes whilst in store on the Assured's premises;
  - 6.9 any loss arising from war, whether before or after the outbreak of hostilities, between any of the following Five Powers: China, France Great Britain, the Russian Federation and the United States of America;
  - 6.10 loss or damage or expense directly or indirectly caused by or contributed to by or arising from
    - 6.1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
    - 6.1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
    - 6.1.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

## **DETAINMENT**

- 7) In the event that the Insured Interest(s) shall have been the subject of capture, seizure, arrest, restraint or detainment within the terms of Clause 5.2 above and the Assured shall thereby have lost the free use and disposal of the Insured Interest(s) or continuous period of 80 days, then the assured shall be deemed to have been permanently deprived of the possession of the Insured Interest(s) without any likelihood of recovery.

## **USE**

- 8) The Insured Interest(s) is covered hereunder subject to the provisions of this insurance at all times and only whilst within the Country (ies) specified in the Policy Schedule attached hereto.

## **ASSIGNMENT**

- 9) No assignment of or interest in this insurance or in any monies which may be or become payable hereunder is to be binding on or recognized by the Insurer unless a dated notice of such assignment or interest signed by the Assured (and by the Assignor in the case of subsequent assignment) is endorsed on the Policy and the Policy with such endorsement is produced before payment of any amount or return of premium hereunder.

## **CLAIMS**

- 10) Notwithstanding anything to the contrary contained in this Policy it is a condition precedent to any payment of claim under this Insurance that
  - 10.1 the Assured shall give immediate notice to the Insurer of any occurrence whereby loss or damage may result in a claim or possible claim under this Insurance;
  - 10.2 the Assured shall furnish the Insurer with all information known to the Assured respecting claims or possible claims notified in accordance with Clause 10.1 above and shall thereafter keep the Insurer fully informed as regards all developments relating thereto as soon as they occur;
  - 10.3 the Assured shall co-operate fully with the Insurer and any other person or persons designated by the Insurer in the investigation, adjustment and settlement of any claim notified to the Insurer as aforesaid.

## **MINIMIZING LOSSES**

- 11) It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
  - 11.1 to take such measures as may be reasonable for the purpose of averting or minimizing such loss and
  - 11.2 to ensure that all rights against carriers, bailees, or other third parties are properly preserved and exercisedand the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured or any charges property and reasonably incurred in pursuance of these duties.
- 12) Measures taken by the Assured or the Insurer with the object of saving, protecting or recovering the insured Interest(s) shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

## **SUBROGATION**

- 13) The Assured shall, upon payment of a claim hereunder, transfer to the Insurer, as it may direct, all rights relating to the Insured Interest(s) in respect of which said claim has been paid so that the Insurer is subrogated to such rights.

## **FRAUDULENT CLAIMS**

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

## **PROOF OF LOSS**

- 15) The Assured shall submit a sworn Proof of Loss to the Insurer. If such proof has not been received by the Insurer within one year of the expiry date of this Policy, the Insurer shall be discharged from all responsibility hereunder.

### **MISDESCRIPTION**

- 16) This Policy shall be void, if, at the Inception Date, the Assured has miss-represented or as ailed or disclose whether fraudulently or negligently or otherwise any material act(s) or circumstance(s) concerning his policy or the subject matter hereof or interest of the Assured herein.
- 17) It is WARRANTED that the Assured will advise the Insurer as soon as practicably possible of any material changes to any information supplied by the Assured or its agent or representative of the insurer whether prior to r subsequent to inception of this Policy. Any failure of the Assured to advise such material changes prior to the occurrence of an Insured Peril shall prevent recovery of any claim hereunder.

### **OTHER INSURANCES**

- 18) If any other insurance policy has been, is, or shall be effected covering any or all of the Insured Perils enumerated in Clauses 5.4 and 5.5 then coverage hereunder in respect of those perils insured elsewhere shall cease or shall not attach as the case may be, for the duration of such other policy.

### **AVERAGE**

- 19) If the property hereby insured shall, at the date of the occurrence of any Loss and/or Damage, be collectively of greater value than the Sum Insured hereon, then the Assured shall be considered as being his own insurer for the difference, and shall bear a rateable proportion of the loss accordingly. Every interest, of more than one, covered under this Policy shall be separately subject to this condition.

### **ARIAS ARBITRATION CLAUSE G231 (AMENDED)**

All disputes and differences arising under or in connection with this contract shall be referred to arbitration under ARIAS Arbitration Rules.

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.

The Arbitrators shall be persons (including those who have retired) with not less than ten years experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS (UK) the party or arbitrators in default may make such appointment

The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

The seat of arbitration shall be London.

The proper law of this contract shall be the law of England.