

102.05.22 安達商字第 1020235 號函備查

PROPERTY DAMAGE

The Company agrees (subject to the terms, exclusions and conditions, both special and general, contained herein or endorsed hereon) to indemnify the Insured for any one Occurrence against physical loss or physical damage of or to the Property Insured occurring during the Period of Insurance caused solely and directly by any one or more of the following Perils, but only in respect of the Perils shown as Covered in the Schedule:

1. **Act of Terrorism and /or Sabotage**
2. **Political Violence:**
 - i. **Riots, Strikes, Civil Commotion and/or Malicious Damage and /or**
 - ii. **Insurrection, Revolution or Rebellion and /or**
 - iii. **Mutiny and/or Coup d'Etat and /or**
3. **War and /or Civil War**

Definitions

- Buildings** means the buildings at the Premises including:-
- a. landlord's fixtures and fittings,
 - b. foundations,
 - c. outbuildings
 - d. walls, gates and fences around and pertaining to the described Premises, and
 - e. telephone, gas, water and electricity meters, pipes, cables and the like, including such property for which the Insured are responsible but which is underground and/or in adjoining yards or roadways and which partly or wholly serves to supply the described Premises
- Contents** means the machinery, plant and all other contents at the Premises, including :-
- a. tenants improvements, alterations and decorations;
 - b. documents, manuscripts and business books;
 - c. computer and auxiliary equipment;
 - d. electronic data processing media, for an amount not exceeding GBP 25,000;
- and so far as the same are not otherwise insured

e. employees', directors' and visitors' tools, pedal cycles and personal effects for an amount not exceeding GBP1,000 in respect of all property of any person

all belonging to the Insured or held by the Insured in trust for which they are responsible but excluding landlord's fixtures and fittings, stock and materials in trade, and property more specifically insured.

Deductible means the Deductible stated in the Schedule arising out of any one Occurrence. Each Occurrence shall be adjusted separately and from each such amount the Deductible stated in the Schedule shall be deducted

Limit of Liability means the Limit of Liability stated in the Schedule. The maximum liability of the Company shall not exceed in respect of all claims arising out of any one Occurrence nor in respect of all claims arising out of all Occurrences happening during the Period of Insurance, the amount stated as the Limit of Liability

Occurrence means any one loss and/or series of losses arising out of and directly caused by any one Peril or series of Perils for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the Property Insured during any period of:

a) 72 consecutive hours arising out of the same purpose or cause in respect of:

1. Act of Terrorism and /or Sabotage or
- 2.i. Riots, Strikes, Civil Commotion and/or Malicious Damage

b) 30 consecutive days arising out of the same purpose or cause in respect of:

- 2.ii. Insurrection, Revolution or Rebellion and /or
- 2.ii Mutiny and/or Coup d'Etat and /or
3. War and /or Civil War

However no such period of 72 consecutive hours or 30 consecutive days (as stated) above may extend beyond the expiration of this Section unless the Insured shall first sustain physical loss or physical damage by any one Peril or series of Perils prior to expiration and within such period of nor shall any period of 72 consecutive hours or 30 consecutive days as stated, commence prior to the attachment of this Section

Peril means one or more of the following:

Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Sabotage means a subversive act or series of acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Riot means a violent disturbance by a group of persons assembled together for a common purpose which threatens the public peace

Civil Commotion	means a substantial violent uprising by a group of persons assembled together and acting with common purpose or intent
Strike	means a work stoppage to enforce demands made on an employer or to protest against an act or condition
Malicious Damage	means physical loss, destruction or damage of property caused by the actions of anyone intending to cause harm or mischief during the disturbance of the public peace
Insurrection	means a violent uprising of citizens in resistance to their government
Revolution	means the overthrow of a regime or political system by its citizens
Rebellion	means a deliberate, organised and open resistance by force of arms to the laws or operations of a government as committed by its citizens or subjects
Mutiny	means a wilful resistance by members of legally armed or peace keeping forces to a superior officer
Coup d'Etat	means the sudden, violent and illegal overthrow of a sovereign government
Civil War	means a hostile contention by armed forces carried on between opposing citizens or subjects of the same country or nation
War	means declared or undeclared hostile action between two or more nations or states

Period of Insurance means the period stated in the Schedule

Premises means any premises, anywhere within the Territorial Limits, owned, leased or occupied by the Insured for the purpose of the Business as details lodged with the Company

Property Insured means the Buildings, Contents and Stock at the Premises

Stock means the stock and materials in trade, including work in progress, the property of the Insured or held by the Insured in trust or on commission for which the Insured are responsible

Territorial Limits means the territorial limits set out in the Schedule

Exclusions

This Policy does not insure against:

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| Radioactive and Nuclear Contamination | 1. loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused |
| Seizure | 2. Loss or damage by seizure or legal or illegal occupation unless physical loss or damage is caused directly by a Peril |
| Confiscation, Nationalisation | 3. loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade |
| Seepage or Pollution | 4. loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment |
| Chemical or Biological Emission | 5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind |
| Asbestos | 6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind |
| Fines and Penalty | 7. any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person |
| Electronic Data | 8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon |

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile

- Loss of Market** 9. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working, unless insured herein
- Utilities** 10. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service
- Hoax** 11. loss or increased cost as a result of threat or hoax
- Theft** 12. loss or damage caused by or arising out of burglary, house-breaking, theft or larceny, vandalism, criminal damage or activity, looting, pillaging, mysterious or unexplained disappearance of Property Insured hereunder or directly or indirectly caused by any person taking part in any such activity
- Mould** 13. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health
- Political Violence** 14. loss or damage occasioned directly or indirectly by hostile acts of sovereign or local government entities, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising or caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion
- This exclusion shall not apply if Peril 2. Political Violence, is shown in the Schedule as Covered**
- War** 15. loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile or civil war
- This exclusion shall not apply if Peril 3. War and/or Civil War, is shown in the Schedule as Covered**
- Schemes and Pools** 16. loss, destruction or damage, injury or any consequential loss resulting therefrom, which can be insured against under any government scheme, government or public authority compensation scheme, insurance pool or natural catastrophe insurance scheme, other than where such loss, destruction or damage is permitted by law and is so insured hereby. This Policy will insure any difference between the amount recoverable or in the cover provided under such scheme or pool

provided always that the liability of the Company shall be limited to the difference between the amount recoverable under such other insurance and the amount that would have been recoverable under this Policy but for the existence of such other insurance

and that no deductible amount nor any financial loss sustained by the Insured resulting from the operation of any condition of average or co-insurance in such other insurance be recoverable under this Policy

- Sanctions**
17. and the Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Property Excluded

This Policy does not cover physical loss or physical damage to:

- Land** 1. Land or land values
- Transmission Lines** 2. Power transmission, feeder lines or pipelines not on the Premises
- Vacant Property** 3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the Property Insured is intended to be unoccupied in its normal operations
- Aircraft** 4. Aircraft or any other aerial device, or watercraft
- Vehicles** 5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the Property Insured herein at the time of its damage
- Animals** 6. Animals, plants and living things of all types
- Transit** 7. Property in transit not on the Premises
Other than more specifically insured under any Property in Transit endorsement to this Policy.

Conditions

- Other Insurance**
1. Except in respect of any Local Policy as stated in Master Policy Condition 2 - Local Policies Non Contribution, this policy shall be primary and not excess to any other insurance available to the Insured covering any Perils Covered by this Policy in the Territorial Limits except where this Policy is specifically arranged in excess of any other insurance covering the Perils Covered by this Policy, in which case this Policy shall not apply until such time as the amount of the underlying insurance (whether collectable or not) has been exhausted by loss or losses of the type covered by this Policy
- Debris Removal**
2. This Policy also covers, within the Limit of Liability, expenses incurred in the removal from the Premises of debris of Property Insured damaged by a Peril

The cost of removal of debris shall not be considered in determination of the valuation of the Property Insured
- Due Diligence**
3. The Insured (or any of the Insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the Property Insured, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity
- Protection
Maintenance**
4. It is agreed that any protection provided for the safety of the Property Insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Company without their consent
- Valuation**
5. It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:
 - a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

- b. Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;
- c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy

The Company's liability for loss under this Policy shall not exceed the smallest of the following amounts:

- a. The Limit of Liability applicable to the destroyed or damaged Property Insured,
- b. The replacement cost of the Property Insured or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,
- c. The amount actually and necessarily expended in replacing the Property Insured or any part thereof

The Company will normally expect the Insured to carry out repair or replacement of the Property Insured, but if the Insured and the Company agrees that it is not practicable or reasonable to do this, the Company will pay the Insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The Company will only pay the Insured up to the Limit of Liability shown in the Schedule

- Incorrect Declaration Penalty**
- 6. If the values declared as to the Company, are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co-insure for the balance

This condition will not apply provided that the value declared by the Insured does not exceed 110% of the actual value of the property at the location of the Property Insured

- Notification of Claims** 7. It is a condition precedent to any liability of the Company under this Policy that on the happening of any event giving rise to or which may give rise to a claim under this Policy the Insured shall report it in writing to the Company as soon as possible but at the latest within 7 days.

If the Insured makes a claim under this Insurance he must give the Company such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Company, the Insured must submit to examination under oath by any person designated by the Company

- Proof of Loss** 8. The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Company) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto

If the Company has not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured

- Subrogation** 9. Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. The right of subrogation against any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived

In the event of any payment under this Policy, the Company shall be subrogated to the extent of such payment to all the Insured's right of recovery therefor. The Insured shall execute all papers required, shall cooperate with Company and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Company will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- i. Any interest, (including the Insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount exceeding the coverage provided by this Policy (excluding the amount of the deductible);
- ii Out of the balance remaining, the Company shall be reimbursed to the extent of payment under this Policy;

The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this Policy

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of the Company, the expense thereof shall be borne by the Company

Salvage and Recoveries

- 10. All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto

False or Fraudulent Claims

- 11. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, the Company shall have no liability to that Insured in respect of that claim and the Company reserves the right to avoid the Policy in its entirety. All claims and benefit hereunder shall be forfeited

Misrepresentation

- 12. If the Insured has concealed or misrepresented any material fact or circumstance relating to this Insurance, the Company reserves the right to avoid this Insurance. If the Insured is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

Abandonment

- 13. There shall be no abandonment to the Company of any Property Insured

- Inspection and Audit** 14. The Company or their agents shall be permitted but not obligated to inspect the Property Insured or the Premises at any time.
- Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.
- The Company may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.
- Assignment** 15. Assignment or transfer of this Policy shall not be valid except with the prior written consent of the Company.
- Rights of Third Parties** 16. This Policy is effected solely between the Insured and the Company. This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy. This clause shall not affect the rights of the Insured
- Exclusion**
- Cancellation** 17. In the event of non-payment of premium this Policy may be cancelled by or on behalf of the Company by delivery to the Insured or by mailing to the Insured or the broker by registered, mail, at the Insured's address as shown in this Policy, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice
- If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law
- Arbitration** 18. If the Insured and the Company fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire
- The arbitrators together shall determine such matters in which the Insured and the Company shall so fail to agree and shall make an award thereon and the award in writing of any two (2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire
- The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire

- Material Changes** 19. The Insured shall notify the Company of any change of circumstances which would materially affect this Insurance
- Experts Fees** 20. This Insurance includes the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the Property Insured following loss or damage insured under this Policy by any Peril covered, but not for preparing any claim provided that the liability of the Company for all such fees incurred shall not exceed 10% of the sum stated in the Schedule as the Limit of Liability
- Choice of Law and Jurisdiction** 21. This Policy of insurance shall be governed by and construed in accordance with the law of the Republic of China, Taiwan and any disputes shall be submitted to the jurisdiction of the Courts of the Republic of China, Taiwan or as otherwise stated in the Schedule
- Loss Control** 22. This Policy includes cover against physical loss or physical damage to Property Insured directly caused by the actions of the government of the state (or its military authority) where the Property Insured is located, in suppressing, controlling or minimising the consequences of a Peril, as insured by the Policy that takes place during the Occurrence of such a Peril
- If the Insured is eligible for compensation or indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any amount due from such plan or scheme, whether paid or not
- Military authority shall mean a military or security authority operating on behalf of a state recognised by the United Nations
- Public Authorities** 23. This Policy includes the additional cost of reinstatement of the Property Insured (other than Stock) lost, destroyed or damaged by any Peril covered as may be incurred solely by reason of the necessity to comply with the stipulations of building or other regulations under or framed in pursuance of any public, government, local or civil authority legislation, provided that the total amount recoverable under this extension in respect of any item shall not exceed 10% of the value of the Property Insured at the location of the loss

BUSINESS INTERRUPTION EXTENSION

In consideration of the premium paid, and subject to the Exclusions, Conditions and Limitations of the Policy to which this Extension is attached, and also to the following additional Conditions, Exclusions limitations, this Policy is extended to cover loss resulting from necessary Interruption of Business caused by physical Loss or Damage, (hereinafter termed Damage), as covered by the Policy to which this Extension is attached, to the Property Insured.

In the event of such Damage, in respect of any building or other property used by the Insured at the Premises for the purpose of the Business and in consequence the Business carried on by the Insured at the Premises being interrupted or interfered with then the Company will indemnify the Insured in respect of:

Gross Profit

Gross Profit is limited to loss of Gross Profit due to **reduction in turnover** and **increase in cost of working** and the amount payable as indemnity thereunder shall be:-

- a **In respect of reduction in turnover:** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover
- b **In respect of increase in cost of working:** the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that if at the commencement of the Damage, the declared value of the Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or a proportionately increase multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable hereunder shall be proportionately reduced.

it being understood that:-

- i. if the Business be conducted in departments the independent trading results of which are ascertainable, the provisions of Clauses a. and b. shall apply separately to each department affected by Damage;
- ii. If during the Indemnity Period services shall be rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Profit during the Indemnity Period

provided always that the liability of the Company shall in no case exceed the amount stated in the Schedule as the Limit of Liability.

Gross Revenue

Gross Revenue is limited to loss due to **Reduction in Gross Revenue** and **Increase in Cost of Working** and the amount payable as indemnity thereunder shall be:-

- a **in respect of Reduction in Gross Revenue:** the amount by which the Gross Revenue during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Gross Revenue
- b **in respect of Increase in Cost of Working:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges or expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage, provided that, if at the commencement of the Damage the declared value in respect of Gross Revenue as declared to the Company is less than the Annual Gross Revenue (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable by the Company shall be proportionately reduced, it being understood that:-

- i. if the Business be conducted in departments the independent trading results of which are ascertainable, the provisions of Clauses a. and b. shall apply separately to each department affected by Damage;
- ii. If during the Indemnity Period services shall be rendered elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on behalf of the Insured, the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period

provided always that the liability of the Company shall in no case exceed the amount stated in the Schedule as the Limit of Liability.

Increased Cost of Working

Increase in Cost of Working under this item is limited to, and the amount payable shall be, the additional expenditure (including the cost of moving to and from and the additional rent of temporary premises, additional rates and taxes thereon and expenses incurred in equipping the said premises to make them suitable for the Business, additional cost in respect of lighting, heating and water, additional cost in respect of additional staff and overtime and allowances for meals to existing staff) necessarily and reasonably incurred by the Insured in consequence of the Damage for the purpose of resuming or maintaining business operations or in order to minimise any interruption to or interference with the Business during the Indemnity Period

provided always that

- a the indemnity shall be limited to the additional expenditure which is necessarily incurred to maintain the Business as existing immediately before the Damage
- b the liability of the Company shall in no case exceed the amount stated in the Schedule as the Limit of Liability.

Rent Receivable

Rent Receivable under this item is limited to loss of Rent Receivable and additional expenditure and the amount payable as indemnity thereunder shall be:-

- a In respect of loss of Rent Receivable: the amount by which the Rent Receivable during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Rent Receivable
- b In respect of additional expenditure: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Rent Receivable as may cease or be reduced in consequence of the Damage

provided that if the values declared for Rent Receivable be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

provided further that the liability of the Company shall not exceed the sum stated in the Schedule as the Limit of Liability.

Definitions

Gross Profit 1. “Gross Profit” shall mean the amount by which the sum of the amount of the Turnover and the amounts of the Closing Stock and Work in Progress shall exceed the sum of the amount of the Opening Stock and Work in Progress and the amount of the Specified Working Expenses.

N.B. The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Insured’s usual accountancy methods, due provision being made for depreciation.

Annual Gross Profit 2. “Annual Turnover” shall mean the Turnover during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Indemnity Period 3. “Indemnity Period” shall mean the period beginning with the Occurrence of the Damage and ending not later than the Maximum Indemnity Period (as detailed in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

Rate of Gross Profit 4. “Rate of Gross Profit” shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Specified Working Expenses 5. “Specified Working Expenses” shall mean purchases (less discounts received) packing, carriage and freight and bad debts.

- Standard Turnover** 6. "Standard Turnover" shall mean the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.
- Turnover** 7. "Turnover" shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.
- Gross Revenue** 8. "Gross Revenue" shall mean the money paid or payable to the Insured for services rendered in the course of the Business at the Premises.
- Annual Gross Revenue** 9. "Annual Gross Revenue" shall mean the Gross Revenue during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.
- Standard Gross Revenue** 10. "Standard Gross Revenue" shall mean the Gross Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period, to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

- Rent Receivable** 11. shall mean the amount of the Rent Received or Receivable from the letting of the properties within the Territorial Limits in the course of the Business
- Annual Rent Receivable** 12. shall mean the Rent Receivable during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage
- Standard Rent Receivable** 13. shall mean the Rent Receivable during the period corresponding with the Indemnity Period in the twelve months immediately before the date of the Damage appropriately adjusted where the Indemnity Period exceeds twelve months to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

Conditions

- Material Damage Proviso** 1. No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to Property Insured under the Policy to which this Extension is attached and which gave rise to Interruption of Business.
- This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in the said Policy which excludes liability for losses below a specified amount.
- Expenses to reduce Loss** 2. This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of normal, as would necessarily be incurred in replacing any finished stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

**Uninsured Standing
Charges** (*applicable to
Gross Profit*)

3. If any standing charges of the Business be not insured by this Policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

Exclusions

This Extension does not insure against:

1. any loss resulting from interruption of or interference with the Business in consequence of Damage (as within defined) other than as insured herein;
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured Interruption of Business, and then the Company shall be liable for only such loss as affects the Insured's earnings during, and limited to, the period of indemnity covered under this Policy;
3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. loss of market or any other consequential loss.

Limitations

1. The Company shall not be liable for more than the smaller of either:
 - a. any specific Business Interruption Limit of Liability stated in the Schedule, or
 - b. the Limit of Liability stated in the Schedule, where such includes Business Interruption, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering an interruption of the Business as a result of any one occurrence.

2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
 - a. thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - b. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding the Maximum Indemnity Period stated in the Schedule

whichever is the greater length of time.