

**UAP INSURANCE LTD
P O BOX 7185
KAMPALA**

(HEREINAFTER CALLED "THE COMPANY")

UAP INSURANCE – ASSETS ALL RISKS POLICY

Whereas the Insured by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the Insurance hereinafter contained and has paid or agreed to pay the Premium as consideration for such Insurance.

NOW THIS POLICY WITNESSETH:

That in respect of events occurring during the Period of Insurance and subject to the terms, exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of this policy), the Company will indemnify or compensate the insured as herein provided.

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PREAMBLE

Subject to the terms, exceptions, conditions and provisions (precedent or otherwise) and in consideration of, and conditional upon, payment of the premium **within a fifteen day period of grace**, after the due date or on behalf of the insured name in this schedule and receipt thereof by or on behalf of UAP Uganda Insurance Company Limited (hereinafter referred to as the company), the company agrees to indemnify the insured by payment or, at the option of the company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the sections agreed upon up to the sums insured, limits of indemnity, compensation and other amounts specified.

Any proposals or other information supplied by or on behalf of the insured shall form the basis of this contract of insurance.

Specific terms, exceptions, conditions and provisions shall override general terms, exceptions, conditions and provisions. If the insured is not insured in terms of any section of this policy that section shall not be used in order to interpret the applicable section of this policy

If an event occurs that results in loss or damage which could, but for this provision entitle the insured to an indemnity under more than one provision of this policy for the same loss, the insured shall only be entitled to an indemnity under one such provision and the insured may elect under which provision to claim but the insured will be bound by that election

General exceptions

1. (A) This policy does not cover loss, destruction of or damage to property, directly or indirectly caused by, related to or in consequence of:
 - (i) civil commotion, labour disturbances riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - b) insurrection, rebellion or revolution;
 - (iii) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (iv) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;

- (v) any attempt to perform any act referred to in clause (iii) or (iv) above;
- (vi) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv) or (v) above.

2. If the company alleges that, by reason of clause A (i), (ii), (iii), (iv), (v) or (vi) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

3. **Computer Virus and External Networks exclusions**

This policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA caused by or arising out of a COMPUTER VIRUS or the FAILURE OF AN EXTERNAL NETWORK or loss of use, reduction in functionality, cost or expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means data, facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, and software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

FAILURE OF AN EXTERNAL NETWORK means failure of some or all services provided by an internet or other service provider, or telecommunications provider outside a radius of 150 metres from the insured location specified in the original policy.

4. **Millennium exclusion**

(i) The company will not pay for damage or consequential loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the insured or not and whether occurring before, during or after the year 2000 that results from the inability to:

- a) correctly recognize any date as its true calendar date;
- b) capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
- c) capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.

(ii) It is further understood that the company will not pay for the repair or modification of any part

of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

- (iii) It is further understood that the company will not pay for the damage or consequential loss arising from the failure, inadequacy or malfunction of any advise, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the insured or for the insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (i) above.

Such damage or consequential loss described in (i), (ii) or (iii) above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent damage or consequential loss, not otherwise excluded which itself results from a Defined Peril, Defined Peril shall mean fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight or snow.

5. **Asbestos exclusion**

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly, actually or allegedly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

6. **Silica**

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly, actually or allegedly caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form, or to any obligation of the insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibres, silica dust or silica in any form.

7. **Nuclear exclusion**

This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the

combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;
- (iii) nuclear explosives or any nuclear weapon;

- (iv) nuclear waste in whatever form; regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

8. **Pollution & Contamination Exclusion**

This policy does not cover

A Material Damage (applicable to sections 1, 2, 3, 5 and 8)

Loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by:

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined Peril which itself results from pollution or contamination

B Consequential Loss (applicable to sections 2 and 4)

Loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured **at the Premises for the purpose of the Business**, not otherwise excluded, caused by

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined Peril which itself results from pollution or contamination

The words "Defined Peril" shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, earthquake, storm, flood, bursting, overflowing, discharging or leaking water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal and not otherwise excluded.

General terms and conditions

1. **Misrepresentation, misdescription and non-disclosure**

Misrepresentation, misdescription or non-disclosure which is likely to materially affect the assessment of the risk shall at the company's sole discretion render voidable the entire policy of the particular item, section or sub-section of the policy, affected by such misrepresentation or non-disclosure.

2. **Alterations**

The company shall have the option to cancel the policy (including retrospective cancellation) as a whole or the relevant section of the policy or the sections of the policy relating to the relevant property insured, from the date of the alteration or breach referred to hereunder if:

- a) there is alteration after the commencement of the insurance;
 - (i) whereby the interest of the insured in any of the property insured ceases unless such alteration has been agreed to by the company;

- (ii) whereby the risk of accident, loss or damage is increased unless such alteration has been agreed to by the company;
- b) the insured breaches any warranty, condition term or other provision.

3. **Other Insurance**

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event whether the insured is paid under such other insurance or not. If any

such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

4. (A) **Cancellation**

This policy or any section may be cancelled at any time by the company giving 30 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the insured, the company shall be entitled to retain the company's customary short period or minimum premium for the period the policy or section has been in force. On cancellation by the company the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 5.

5. **Adjustment of premium**

If the premium for any section of this policy has been calculated on any estimated figures, the insured shall, after the expiry of each period of insurance, furnish the company with such information as the company may require for the purpose of recalculation of the premium for such period. The insured shall at all times keep adequate records of the particulars relative to the declaration required and shall make such records available to the company at the intervals provided for or on request. Any difference shall be paid by or to the insured as the case may be.

6. **Prevention of loss**

The insured shall take all reasonable steps and precautions to prevent accidents or losses.

7. **Claims**

- a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
 - (i) give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured;
 - (ii) as soon as practicable after the event submit to the company full details in writing of any claim;
 - (iii) give the company such proof, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any

communications, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.

This requirement shall be deemed to have been complied with if the information required in terms thereof is given within the time required to a loss adjuster appointed by the company.

- (iv) as soon as practicable after the event inform the police of any claim involving a crime or (if required by the company) loss of property and take all practical steps to discover the guilty party and to recover the stolen or lost property.
 - (v) co-operate with the company or their nominees in minimizing the loss or damage.
- b) Save where a different period is provided under the business interruption, fidelity, or group personal accident section or the personal accident (assault) extension under the money section, if applicable no claim shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- c) Where the company has made any decision as to the repudiation of any claim under this policy or section thereof or as regards the quantum of a claim which is in dispute, the insured may within a period of not less than 90 days after the date of the relevant decision make representation to the company in respect of such decision. The 90 days referred to will not be included in any calculation of the time barring periods contained in this policy for the institution of legal action. No claim shall be payable unless the insured claims payment by serving legal process on the company within 12 months of the rejection of the claim in writing and pursues such proceedings to finality. The calculation of the twelve months shall exclude the 90 day period referred to above.
- d) No claim
- A claim shall not be payable if conditions (a) (b), (c) have not been complied with in every respect and in the event of non-compliance, any payment on account already made shall be repaid to the company without delay.
- e) If, after the payment of a claim in terms of the policy stolen or lost property which was the subject matter of the claim, or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called upon to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

8. **Company's rights after an event**

- a) On the happening of any event in respect of which a claim is or may be made under this policy, the company and every person authorized by them may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy.
 - (i) take, enter or keep possession of any building or premises and/or damaged property

where loss or damage has occurred and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not.

- (ii) take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their 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. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the company (which consent shall not unreasonably be withheld).
- b) The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event, except for the payment of costs and expenses for which provision is made and which relates to matters prior to the date of payment.

9. **Fraud**

- a) The insured must act with good faith in respect of all matters relating to this policy and claims in terms hereof. Without limitation, the insured must not and must ensure that any Insured Person or anyone acting on behalf of either or both of them does not:
 - (i) submit a claim, or any information relating to a claim, that is in any way fraudulent or dishonest; or
 - (ii) for any reason, whether fraudulently or otherwise, exaggerate the amount of a claim or any information relating to a claim; or
 - (iii) use any fraudulent or dishonest means to obtain a benefit under this policy; or
 - (iv) submit a claim for any event caused by the intentional act or with the connivance of the insured or any Insured Person.
- b) If any of the circumstances in (a) exist, then the company may in its sole discretion (without prejudice to any of its rights in terms of this agreement or the law):
 - (i) refuse to pay the claim or any part of it; and / or
 - (ii) cancel the policy immediately and keep all premiums paid and demand payment of all outstanding premiums (whether or not they are due for payment); and / or
 - (iii) institute legal proceedings against the insured for any damages that the company may have suffered; and / or

(iv) give any credit bureau or risk management information provider or any other insurer full details of the alleged circumstance.

c) If any of the circumstances in (a) exist under one section of the policy, then any claim under any other section of the policy shall be subject to forfeiture at the instance of the company, whether a prior claim, current claim or future claim.

10. **Reinstatement of cover after loss (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)**

In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay additional premium calculated by the company in its sole discretion on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the later) to expiry of the period of insurance.

11. **Breach of conditions**

11.1 Compliance by the insured with the terms, conditions and provisions of this policy are conditions precedent to the company's liability under the policy and the company shall have no liability to the insured in respect of any claim where the insured has breached any of the terms, conditions and provisions of this policy.

Alternatively,

11.2 Any breach of the terms, conditions and provisions of this policy or sections thereof by the insured shall entitle the company to avoid that relevant section. The terms, conditions and provisions of this policy and sections thereof shall, save with regard to fraud as stated in paragraph 9 above, apply individually to each of the sections insured, and not collectively to them so that any breach shall render voidable the relevant section only in respect of the risk to which the relevant breach applies.

12. **No rights to other persons**

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person. The intention is that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the company.

13. **Collective insurances**

If this insurance is a collective insurance then the following amendment is made to general condition 7(a) (iii) above.

"give the leading insurer on behalf of the insurers such proofs, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim."

And General condition 8 is substituted by the following

"8. Company's rights after an event

a) On the happening of any event in respect of which a claim is or may be made under

this policy the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this policy,

- (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not.
 - (ii) take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their 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. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.
- b) The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
 - c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."
 - d) The leading insurer shall be entitled to act on behalf of the other insurers

14. **Jurisdiction**

This policy is subject to the laws of the Republic of Uganda whose courts shall have sole jurisdiction to the exclusion of the courts of any other country. Where payment is to be made to or by the company it shall be made in the currency of the Uganda Shillings unless otherwise allowed by the company.

15. **Recoveries**

Should the insured incur any liability under this policy which exceeds the limit of indemnity payable hereunder, the insured shall be entitled to all recoveries (except from surety ship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company.

General provisions

(A) **Claims preparation costs**

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 7 or to substantiate the amount of any claim, provided that the

liability of the company for such costs in respect of any one claim shall not exceed Ushs 1,500,000 in respect of sections 1 to 5, 7 to 11 and 13 and Ushs 150,000 in respect of all other sections or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule/specification to each section against an item for additional claims preparation costs.

(B) **Additional claims preparation costs** (if stated in the schedule to be included)

Notwithstanding the limits stated under **General provisions (A) Claims preparation costs**, this provision extends to cover additional claim cost incurred up to the amount stated in the schedule.

(C) **Payments on account**

In respect of any section where amounts recoverable from the company are delayed pending finalization of any claim payments on account may be made to the insured at the discretion of the company.

(D) **First amount payable**

Except where provided for specifically in any section, the amount payable under this policy or any section or sub-section thereof for each and every loss, damage or liability shall be reduced by the first amount payable reflected in the schedule which amount shall, is not otherwise be insured.

(E) **Meaning of words**

The sections of this policy and any endorsement and schedules such section shall be read separately as separate contracts and any word or expression to which a specific meaning has been attached in any section thereof shall bear such meaning in that section. Each section is to be read separately with the General Terms, Exceptions, Conditions and Provisions notwithstanding that the insured has cover under any other section.

(F) **Premium payment**

Premium is payable as per the provisions of the Insurance Act of Uganda

(G) **Schedule sums insured blank**

a) If, in a schedule or specification of this policy, the sum insured, limit of indemnity or compensation is:

- (i) left blank or has no monetary amount stipulated against it
- (ii) reflected as nil or not applicable or not covered or no indemnity extended
- (iii) or anything similar

this means the defined event or circumstance in question shown in the schedule is not insured by the policy.

b) If there is no schedule or specification accompanying any section, it will likewise mean that no cover is afforded under such section.

(H) **Security firms**

If an employee of a security firm employed by the insured under a contract causes loss or

damage, the company agrees, if in terms of the said contract the insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm.

The company shall not raise as a defence to any valid claim submitted under any section or subsection of this policy that the company's rights have been prejudiced by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

(I) **Alteration**

No change in or modification of this section of the policy will be effective unless made by written endorsement signed by an authorized representative of the company.

(J) **Arbitration**

If any difference shall arise as to the amount to be paid under this section (liability being otherwise admitted) such differences may be referred to an arbitrator, by written agreement between the parties, such arbitrator to be appointed by the parties in accordance with the statutory provisions in that regard for the time being in force. Where any difference is by this condition referred to arbitration the making of an award shall be a condition precedent to any right of action against the company.

Average Extension: Day One Basis: Non-Adjustable - applicable to buildings and machinery only

The items of sections to which this extension applies and their declared values are shown in the schedule.

1. The insured having stated in writing the declared value incorporated in each item to which this extension applies, the premium has been calculated accordingly.

"Declared Value: shall mean the insured's assessment of the cost of reinstatement of the property insured arrived at in accordance with the first paragraph of the Reinstatement Value Conditions at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently to the fixing of the Declared Value) together with, in so far as the insurance by the item provides, due allowance for:

- (i) the additional costs of reinstatement to comply with Public Authority Requirements (as stated herein)
- (ii) architects and other professional fees (as stated herein)
- (iii) costs of demolition and clearing and erection of hoardings (as stated herein).

2. At the inception of each period of insurance, the insured shall notify the company of the declared value of the property by each of the said item(s). In the absence of such declaration, the last amount declared by the insured shall be taken as the declared value for the ensuing period of insurance.

3. Notwithstanding any general condition or endorsement to the contrary, the following wording applies to proviso 3 of the Reinstatement Value Conditions.

Each item insured under these conditions is declared to be separately subject to the following condition of average, namely:

If, at the time of damage, the declared value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph 1 above) at the inception of the period of insurance, then the company's liability for any loss hereby insured shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement.

The following Special Memorandum is added to the Reinstatement Value Conditions.

Special Memorandum

Where, by reason of any of these conditions, no payment is to be made beyond the amount which would have been payable under the policy if this extension had not been incorporated therein, the rights and liabilities of the company and the insured in respect of the destruction or damage shall be subject to the terms and conditions of the policy including any condition of average therein, as if this extension had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the declared value shown in the schedule.

4. In the event of loss, the liability of the company in respect of property to which this extension applies shall not exceed the sums insured stated in the schedule.
5. If this section of the policy is subject to a capital additions clause, then such clause is deleted and replaced by the following:

The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to property specified herein (other than stocks) for an amount not exceeding ten per cent of such sums insured, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

72 hour occurrence

Notwithstanding anything to the contrary it is understood and agreed in respect of sections 1 to 11 that all loss and/or damage to property occurring during anyone period of 72 consecutive hours during the currency of this Policy directly caused by hurricane, typhoon, windstorm, rainstorm, hailstorm, tornado, earthquake, seaquake, tidal wave and/or volcanic eruption, shall be deemed to have been caused by a single event and therefore to constitute any one loss for the purpose of this Policy if such peril is insured in terms of this Policy. Such event shall be deemed to commence from the occurrence of the very first event of such cumulative events within the 72 consecutive hour period.

This Condition shall not be used in respect of any deductible provision in this Policy. An event, which continues uninterrupted for a period exceeding 72 hours shall not, however, be, regarded as more than one Occurrence for the purpose of the application of the Deductible.

Insurers shall not be liable, however, for any loss occurring before the effective date and time or commencing after the expiration date and this of this Policy.

PROPERTY ENDORSEMENT

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of user or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself result from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1,2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

MOULD & FUNGI ENDORSEMENT

- A. This Policy only insures physical loss or damage to property insured by mould, mildew, fungus or spores, when directly caused by damage to property insured during the policy period by one of the following Listed Perils:

Fire; Earthquake; Explosion; Lightning; Windstorm; Hail; Flood or Water Damage; Direct impact of vehicle; Aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or Accidental discharge of fire protection equipment.

This coverage is subject to all limitations of the Policy and, in addition, to each of the following specific limitations:

1. The said property must be insured for physical loss or damage by that Listed Peril.
 2. The Insured must report to the Insurer the existence and cost of the physical loss or damage by mould, mildew, fungus or spores as soon as practicable, but no later than six (6) months after the Listed Peril first caused any physical loss or damage to such insured property during the policy period. This policy does not insure any physical loss or damage by mould, mildew, fungus or spores first reported to the insurer after that six (6) month period.
- B. Except as set forth in the foregoing Section A, this Policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to mould, mildew, fungus or spores of any type, nature or description.

POLITICAL RISKS EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within this reinsurance or any endorsement thereto it is agreed that this **reinsurance** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war or

declared or not), civil war;

2. Permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
3. Mutiny, civil commotion assuming the proportions of or amounting to a popular or military uprising, 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;
4. Any act of terrorism

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person 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.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to points (1), (2), and / or (4) above.

If the insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the insured.

All other terms, conditions and exclusions of this policy remain unchanged.

SECTION 1 - FIRE BUILDINGS

Defined Events

1. Damage by the perils described
 - a) in sub-section A to the buildings including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas.
 - b) in sub-section B to public supply connections

situate as stated in the schedule.
2. Loss of rent as provided in sub-section C.
3. Legal liability as provided for in sub-section D

Sub-section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
 - a) that arising from its undergoing any process necessarily involving the use or application of water
 - b) wear and tear or gradual deterioration
 - c) loss or damage
 - (i) to retaining walls
 - (ii) caused or aggravated by
 - subsidence or landslip
 - the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage
3. Earthquake
4. Aircraft and other aerial devices or articles dropped there from
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees,

aerials, satellite dishes, vehicles or property in or on such vehicles

6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless the insured before the occurrence of damage obtains the written agreement of the company to continue this extension. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable
7. Accidental damage to sanitary ware, but the amount payable will be reduced by Ushs.50,000 for each and every such damage.

Specific conditions (not applicable to 7 above)

Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

Sub-section B Public supply connections

Accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the insured or for which they are legally responsible, between the property insured and the public supply or mains.

Sub-section C Rent

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

Sub-section D Liability

Damages for which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury) or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance in, on or about the property insured and arising from the insured's ownership thereof.

The limit of indemnity

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and other costs and expenses incurred with the company's consent for any one event or series of events with one original cause or source shall not exceed the amount of Ushs 1,000,000

Specific exceptions (applicable to sub-section D)

The company will not indemnify the insured under this sub-section in respect of

1. Injury or damage sustained by
 - a) any member of the same household as the insured
 - b) any person employed by the insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the insured
 - c) any other person resulting from the ownership of or use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles and lawnmowers)
2. damage to property
 - a) (i) belonging to the insured
(ii) in the custody or control of the insured or any employee of the insured
 - b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure
3. Liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement
4.
 - a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
 - b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

This exception shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exception
5. fines, penalties, punitive, exemplary or vindictive damages
6.
 - a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within Uganda
 - b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 6 (a) above.

Memoranda to sub-section D

1. Where more than one insured is named in the schedule, the company will indemnify each insured separately and not jointly and any liability arising between such insured shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.
2. Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy had been issued to each
 - a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured
 - b) any partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured are entitled to indemnity under this insurance.

3. In respect of this sub-section only, General exception 1 is deleted and replaced by the following:
This sub-section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
4. If, at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this subsection shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

Clauses and extensions

Subsidence and landslip extension to sub-section A (if stated in the schedule to be included)

The following peril is added to the perils applicable to sub-section A – Property.

1. Damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 10 per cent of the sum insured on the property or Ushs.100, 000 whichever is the greater.

For the purposes hereof, any damage insured shall be deemed to have been caused by fire provided that this extension does not cover

- a) damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- b) damage caused by or attributable to
 - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - (ii) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
 - (iii) excavation on or under land other than excavations in the course of mining operations
- c) consequential loss of any kind whatsoever except loss or rent.

In any action suit or other proceeding where the company alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

Prevention of access extension to sub-section C (if stated in the schedule to be included)

If property within a one kilometer radius of the premises stated in the schedule is lost or damaged by a peril defined in sub-section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding Ushs. 5,000,000. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

Architects' and other professional fees clause

The insurance under sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 10 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Cost of demolition and clearing and erection of hoardings clause

The insurance under this section includes costs necessarily incurred by the insured in respect of the demolition of property insured and/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

The company will not pay for any costs or expenses

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy/section.

Fire extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section provided the insured is legally liable for such costs and the property insured was in danger from the fire.

Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform the company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by the company.

Municipal plans scrutiny fee clause

The insurance under this section includes municipal plans scrutiny fees, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.

Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under, or framed in pursuance of, any act of parliament or ordinance of any provincial, municipal or other local authority, provided that

1. The amount recoverable under this clause shall not include
 - a) The cost incurred in complying with any of the aforesaid regulations
 - (i) In respect of damage occurring prior to granting of this clause
 - (ii) In respect of damage not insured by this section
 - (iii) Under which notice has been served upon the insured prior to the happening of the damage
 - (iv) In respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged
 - b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen
 - c) the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations
2. the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the company under this clause not being thereby increased
3. if the liability of the company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of the company under this clause in respect of any such item shall be reduced in like proportion
4. the total amount recoverable under any item of this section shall not exceed the sum insured thereby.

Reinstatement value conditions

In the event of the property being damaged, the basis upon which the amount payable 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, provided that

1. 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 despatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value condition had not been incorporated herein shall be made
2. until expenditure has been incurred by the insured in replacing or reinstating the property, the

company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein

3. 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 insured property had been damaged excess the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision
4. these conditions shall be without force or effect if
 - (a) the insured fails to intimate to the company within six months of the date of damage, or such further time as the company may in writing allow, their intention to replace or reinstate the property
 - (b) the insured are unable or unwilling to replace or reinstate the property on the same or another site.

Temporary removal clause

Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of Uganda provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

Tenants clause

The company's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform the company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the any increased hazard shall be assumed by the company.

Malicious damage extension

Subject otherwise to terms, conditions, exclusions, exceptions and warranties contained herein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

1. movable property which is
 - a) stolen
 - b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured
3. immovable property owned or occupied by the Insured occasioned by or through or in consequence of

- (i) the removal or partial removal or any attempt thereof of
- (ii) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover
 - a) loss or damage related to or caused by fire or explosion
 - b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
 - c) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
 - d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority

loss or damage related to or caused by any occurrence referred to in General exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence

If the company alleges that, by reason of proviso (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage obtains the written agreement of the company to continue this extension.

During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

1. civil commotion, labour disturbances, riot, strike or lockout;
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1. above; provided that this extension does not cover:
 - a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;

- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii), (iii), (iv), (v), or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of proviso (a), (b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

Disposal of Salvage clause

Without diminishing the rights of the company to rely on the provisions of the general conditions in the event of a loss, the company agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the insured provided that the insured can establish to the satisfaction of the company that to do so will prejudice their interests in which event the company agrees to give the insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The insured shall not be entitled under the provisions of this clause to abandon any property to the company whether taken possession of by the company or not.

SECTION 2 - FIRE CONTENTS

Defined events

1. Loss or damage to the contents (other than documents as defined in sub-section C if insured thereunder and electronic data processing equipment) including landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by any partner or director or employee of the insured up to an amount of Ushs 250,000 per person while contained in the offices and/or consulting rooms situate as stated in the schedule (hereinafter called the office premises) by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and/or expenditure described in sub-sections B and E.

Sub-section A Contents

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped there from.
5. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

Limitations clause

The company's liability under this sub-section is restricted in respect of documents, manuscripts, business books, plans, designs, patterns, models and moulds to the value of materials and sums expended in labour.

Specific condition

Average (not applicable to peril 6 above)

If the property insured is, at the commencement of any loss or damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Each item of the schedule covering such property shall be separately subject to this condition.

Sub-section B Rent

Loss of rent actually incurred by the insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed 25 per cent of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this sub-section, the term "office premises" shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.

Sub-section C Documents

Loss of or damage to documents normally kept at the office premises by any peril not specifically excluded.

Definition

The term documents shall mean films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible **excluding** money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software data carrying media unless otherwise stated in the schedule.

Limitations clause

The company's liability under this sub-section is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

Specific exception (applicable to sub-section A)

This sub-section does not cover

- a) property outside Uganda
- b) designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of sub-section A), stock in trade, samples, motor vehicles and accessories therefore, money, securities, stamps, jewellery or precious stones.
- c) the first 10% of the indemnifiable amount or minimum amount stated in the schedule whichever is the greater if the loss or damage is due to power surges or lightning strikes.

Specific exception (applicable to sub-section C)

This sub-section does not cover

- a) loss or damage caused by

- (i) electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount or minimum amount stated in the schedule
 - (ii) vermin or inherent defect or by processing, copying or other work upon the documents
 - (iii) the dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with the others. This exception shall not apply to any director who is also an employee of the insured and whom the insured have the right at all times to govern, control and direct in the performance of his work in the service of the insured and in the course of the business
- b) gradual deterioration or wear and tear
 - c) costs involved in re-shooting films and videos and re-recording audio tapes.

Sub-section D Legal Liability Documents

Legal liability as a direct consequence of loss of or damage to documents as defined in sub-section C and in respect of which payment, reinstatement or repair has been made or liability admitted by the company under sub-section C unless such payment reinstatement repair or liability has not been made or admitted solely because the insured is required to bear the first portion of the loss.

Specific exception (applicable to sub-section D)

This sub-section does not cover liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.

Clauses and extensions

Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of structural alterations, repairs to buildings, machinery or plant, provided that notice is given to the company as soon as practicable after such event and the insured agrees to pay additional premium if required.

Locks and keys clause

In addition to the limit of indemnity stated in the schedule, the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that

- (i) the company's liability shall not exceed Ushs 1,000,000 in respect of any one event
- (ii) the company shall not be liable for the first Ushs 100,000 of each and every event

New and additional premises clause

If the insured occupies offices or consulting rooms other than those situated as stated in the schedule in Uganda the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section

provided that

- (i) the insured shall, within a reasonable time of taking occupation, advise the company thereof and pay additional premium calculated pro rata from time of taking occupation until the end of the then current period of insurance
- (ii) this clause shall not apply to any loss if and so far as the same is otherwise insured.

Temporary removal clause

Except in respect of the personal property of any partner, director or employee of the insured, loss of or damage to the insured property by any peril hereby insured against while such property is temporarily contained in any building in Uganda shall be deemed to be loss or damage happening while such property is contained in the office premises.

Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable damage costs and expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

Tenants clause

The company's liability to the insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform the company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the company.

Replacement value condition

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new or the repair of the contents to a condition substantially the same as but not better than its condition when new

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Malicious damage extension

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, B and C are extended to cover damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage, other than damage to

1. moveable property which is
 - a) stolen
 - b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of
 - (i) the removal or partial removal or any attempt thereof of
 - (ii) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover
 - a) damage related to or caused by fire or explosion
 - b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
 - c) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
 - d) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
 - e) damage related to or caused by any occurrence referred to in general exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of proviso (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

If any building insured or containing the insured property becomes unoccupied for thirty consecutive days, the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage, obtains the written agreement of the company to continue this extension.

During the period of the initial unoccupancy of thirty consecutive days, the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

provided that this extension does not cover:

- a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent is specifically insured;
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of proviso (a), b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

Theft by forcible entry extension

The following peril is added to the perils applicable to sub-section A contents:

- 7. Theft accompanied by forcible and violent entry into or exit from the offices and/or consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that
 - (i) the company will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured
 - (ii) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
 - (iii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

Theft extension

The following peril is added to the perils applicable to sub-section A contents

- 7. Theft any attempt thereat other than by any principal, partner, director or employee of the insured

provided that

- (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

Memorandum

In respect of sub-section D only, general exception 1 is deleted and replaced by the following:

This sub-section does not cover loss, damage, liability or expenditure directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

SECTION 3 - BUSINESS INTERRUPTION

Defined events

Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under:

- (i) the fire section of this policy
- (ii) the buildings combined section of this policy
- (iii) the office contents section of this policy
- (iv) any other material damage insurance covering the interest of the insured but only in respect of perils under the fire section hereof (hereinafter termed Damage).

Liability shall be deemed to have been admitted if such payment is precluded solely because the insured is required to bear the first portion of the loss.

The company will indemnify the insured in accordance with the provisions of the specification hereinafter set out.

Specific conditions

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting there from. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

Item 1 Gross profit (difference basis)

The insurance under this item is limited to loss of gross profit due to

- a) **reduction in turnover** and
- b) **increase in cost of working**

and the amount payable as indemnity hereunder 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 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 the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Item 1 Gross profit (additions basis)

The insurance under this item is limited to loss of gross profit due to

- a) **reduction in turnover** and
- b) **increase in cost of working**

and the amount payable as indemnity hereunder 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 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 insured standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Memo

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

Item 2 Gross rentals

The insurance under this item is limited to

- a) **loss of gross rentals** and
- b) **increase in cost of working**

and the amount payable as indemnity hereunder shall be

- a) **in respect of loss of gross rentals** the amount by which the gross rentals during the indemnity period shall in consequence of the Damage fall short of the standard gross rentals
- 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 loss of gross rentals 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 loss of gross rentals thereby avoided.

less the sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross rentals as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual gross rentals where the maximum indemnity period exceeds 12 months.

Item 3 Revenue

The insurance under this item is limited to

- a) **loss of revenue** and
- b) **increase in cost of working**

and the amount payable as indemnity hereunder shall be

- a) **in respect of loss or revenue** the amount by which the revenue during the indemnity period shall, in consequence of the Damage, fall short of the standard 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 loss of 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 loss of revenue 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 revenue as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

Item 4 Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of the company during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

Item 5 Wages (Number of weeks basis)

The insurance under this item is limited to the loss incurred by the insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of

weeks. The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured to the full provided that if the sum insured by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the Damage had the Damage not occurred, the amount payable will be proportionately reduced.

Item 6 Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

Definitions

Indemnity period	The period beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule during which the results of the business shall be affected in consequence of the Damage.
Turnover	The money paid or payable to the insured for goods sold and delivered and for services rendered in the course of the business at the premises.
Revenue	The money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.
Gross rentals	The money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered
Gross profit (difference basis)	<p>The amount by which</p> <ol style="list-style-type: none"> 1. the sum of the turnover and the amount of the closing stock <p>shall exceed</p> <ol style="list-style-type: none"> 2. the sum of the amount of the opening stock and the amount of the uninsured costs. <p>The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.</p>
Uninsured costs	As specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).
Gross profit (additions basis)	<p>The sum produced by adding to the net profit the amount of the insured standing charge or, if</p> <p>there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.</p>

Net profit The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable account of on profits.

Insured standing Charges As specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of the insured)

Standard turnover

Standard revenue

Standard gross rentals

The turnover (revenue) (gross rentals) during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity period

Annual turnover

Annual revenue

Annual gross rentals

The turnover (revenue) (gross rentals) during the twelve months immediately before the date of the Damage

Rate of gross profit

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 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

Note: If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of bracketed terms shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of damage.

Memo

If, during the indemnity period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover, revenue or gross rentals, during the indemnity period.

Extensions and clauses

Accountant's clause

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the insured's auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks.

Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items 1 (gross profit), 2 (gross rentals) or 3 (revenue) relating to reduction in turnover/gross rentals/revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the sum insured by the relative item is less than the aggregate of the (annual gross rentals) (annual revenue) sums produced by applying the rate of gross profit) for each department or branch, whether or not affected by the Damage, (to the relative annual turnover thereof) (proportionately increased if the number of months referred to in the definition of indemnity period exceeds twelve), the amount payable shall be proportionately reduced.

Deposit premium clause

In consideration of the premium by items 1,2 and 3 being provisional in that it is calculated on 75 per cent of the sum insured, the premium is subject to adjustment on expiry of each period of insurance as follows In the event of the gross profit/gross rentals/revenue earned (proportionately increased if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than 75 per cent of the sum insured thereon, a pro rata return or additional premium not exceeding 33 1/3 per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

In the event of a claim being made under this section, the amount paid or payable thereon shall be regarded as actually earned.

Output (alternative basis) clause

At the option of the insured, the term output may be substituted for the term turnover and, for the purposes of this section, output shall mean the sale or transfer value, as shown in the insured's books, of goods manufactured or processed by the insured in the premises.

provided that

- a) only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption
- b) if the meaning of output be used
 - (i) the accumulated stocks clause shall be inoperative
 - (ii) the memo at the end of the definitions shall read

If, during the indemnity period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the insured or by others on behalf of the insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

Salvage sale clause

If the insured shall hold a salvage sale during the indemnity period clause (a) of item 1 (gross profit) shall, for the purposes of such claim, read as follows

- 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 (less the turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.

Extensions to other premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the under noted situations or to property as under noted shall be deemed to be loss resulting from Damage to property used by the insured at the premises.

- a) **Specified suppliers/sub-contractors** (if stated in the schedule to be included)

The premises of the suppliers and sub-contractors specified in the schedule subject to stated limits

- b) **Unspecified suppliers** (if stated in the schedule to be included)

the premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water subject to the limit stated in the schedule

Notwithstanding a) and b) above, this extension excludes suppliers of suppliers.

- c) **Storage, transit and vehicle**

property of the insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the insured elsewhere than at premises in the occupation of the insured

- d) **Contract sites**

any situation not in the occupation of the insured where the insured are carrying out a contract

- e) **Prevention of access**

property within a 1 kilometre radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not

- f) **Prevention of access – extended cover** (if stated in the schedule to be included)

property within a 1 kilometre radius of the premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not

- g) **Additional premises**

in the event of the insured occupying or having property at any newly added premises for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the company as soon as reasonably practicable and to adjustment of the premium if necessary

h) **Customers** (if stated in the schedule to be included) (limit Ushs 2,000,000)

the premises of the customers specified in the schedule subject to stated limits, however this extension excludes customers of customers

Public utilities – extended cover (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the insured shall be deemed to have resulted from Damage (as within defined) provided that this section does not cover loss resulting from damage directly or indirectly caused by –

- (i) drought
- (ii) pollution of water
- (iii) shortage of fuel or water
- (iv) a fault on any part of the installation belonging to the premises
- (v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority
- (vi) any event described in General exception 1 and 2 but cover provided by the Malicious Damage extension in the underlying material damage section of this policy is not excluded.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof.

The geographical limits of

(b), (c), (d), (e), (f), (h), (i) and (j) of the extensions to other premises and the extended covers for public telecommunications and public utilities are confined to Uganda

(g) of the extensions to other premises is confined to Uganda.

Accidental damage

The following defined event is added:

“Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event (i) of the Accidental damage section of this policy (hereinafter termed Damage) provided that:

- a) the provisions under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event
- b) the company shall not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined.

SECTION 4 - ELECTRONIC EQUIPMENT

Defined events

Sub-section 1: Property damage

Sudden and unforeseen physical damage to the Property Insured (described in the schedule) whilst at the premises or temporarily elsewhere for the purpose of repair, servicing and/or maintenance and which results in the Property Insured being rendered incapable of carrying out its intended function,

or

in transit including loading and unloading or whilst temporarily stored at any other premises,

or

whilst temporarily removed from that part of the building occupied by the insured at the insured premises described in the schedule to any other building,

or

loss of the Property Insured as the result of theft but excluding loss or damage directly or indirectly caused by or contributed to by:

1. wear and tear, abrasion or ageing of any part of the Property Insured resulting from ordinary use or operation or gradual deterioration but not excluding consequential damage to other exchangeable parts;
2. internal damage to any electronic component forming part of the Property Insured where there is no evidence that the damage was caused by external physical damage. .
3. a Defined event for which or from any loss arising from which the supplier, manufacturer, repairer or contractor is responsible;
4. loss by theft –
 - 4.1 unless such theft is accompanied by forcible and violent entry to a premises or that part of the premises occupied by the insured, in which the Property Insured is contained. This does not apply in respect of laptops;
provided that a thief or thieves concealed on the Premises before close of business or where entry to the Premises is effected by use of a skeleton key and the Insured is able to establish to the satisfaction of the company that a skeleton key was used shall be deemed to constitute forcible and violent entry;
 - 4.2 in which any principal, partner, member, director or employee of the Insured is concerned as principal or accessory.
 - 4.3 The company shall not indemnify the insured for the theft of the Property Insured from any

vehicle where the property insured has been

a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit

b) contained in a compartment of the motor vehicle and is visible to passers-by

provided that (a) and (b) above shall not apply to theft of the Property Insured where the transport vehicle

(i) has been hijacked

or

(ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the Property Insured is of necessity left unprotected.

5. the cost of alterations, additions, improvements and overhauls carried out at the time of repair;

6. cost which have been incurred had the Insured Event not occurred;

6.1 extra expenditure incurred in effecting temporary repairs.

Sub-section 2 – Reinstatement of data

Loss or damage to the Property Insured whilst at the Premises or whilst stored at external backup storage facilities or whilst in transit between the Premises and such external storage facility by a sudden and unforeseen event not excluded in terms of sub-section 1 of this Policy, to the extent that it is neither machine readable nor able to store Data but excluding:

1. costs arising from false programming, punching, labeling or inadvertent cancellation, deletion or discarding of Data Media or modification or corruption of Data including, but not restricted to such events caused by computer viruses or similar events or loss of Data caused by magnetic fields;

2. additional costs, such as purchasing of new licenses, incurred because the Property Insured is safeguarded by copy protection and/or access control software or similar procedures have been applied such as dongles or encryption.

3. Property Insured which has been altered or in any way improved following a Defined Event.

Sub-section 3 – Increased cost of working

If, following loss or damage to the Property Insured by Sub-section 1 of this section of the Policy, by a Defined Event for which the Insurer has admitted liability under sub-section 1 of this Policy (hereinafter referred to as "Damage").

or

is, as the result of the Insured being denied access to the Property Insured due to damage to property in the immediate vicinity of the Premises by an event insured under sub-section 1 of this section of the Policy

(hereinafter referred to as "Damage");

the Business at the Insured Premises is interrupted or interfered with, the company will indemnify the Insured for an amount not exceeding the sum insured or a period not exceeding the indemnity period less any Time excess or any other First Amount Payable, as reflected on the schedule.

Specific exceptions applicable to sub-section 1, 2 and 3

This policy does not cover loss or damage directly or indirectly caused by, related to or in consequence of –

1. a Defined Event occurring elsewhere than within the territorial limits;
2. consequential loss or damage of any description or delay (other than as specifically provided);
3. volcanic eruption, tidal wave and all resultant flooding or subsidence and landslip.

Specific condition

1. Insured's obligations

The Insured shall take all reasonable steps to:

- 1.1 safeguard and maintain in efficient condition the Property Insured and to prevent losses;
- 1.2 observe any manufacturers' or suppliers' stipulations and recommendations concerning:
 - 1.2.1 erection and installation and particularly as they relate to power supplies, equipotential bonding and air-conditioning;
 - 1.2.2 operation, service and maintenance;
- 1.3 ensure that standard Data back-up procedures are complied with.

Clauses applicable to all sub-sections

1. Basis of indemnity

The indemnity under this section of the policy is on an occurrence basis. Occurrence, whenever referred to in this section shall mean an occurrence or series of occurrences arising from one event or original cause.

It is understood and agreed that the monetary amounts as reflected in the sums insured/limits of liability stated in the Schedule shall be applied to:

- a) the indemnity or amounts payable in terms of this policy;
- and
- b) Value Added Tax at the current rate as promulgated in legislation pertaining thereto. Subject to such sums insured/limits of indemnity being adequate to embrace the amounts reflected under 1 and 2 above the Company will, to the extent that the Insured is accountable to the Uganda Revenue Authority for Value Added Tax, include the amount of such tax in the

final settlement of any claim in terms of this Policy.

Provided always that the total amount payable by the Company in terms of this policy for any one Defined Event and Value Added Tax related thereto shall not exceed the sum insured/limit of indemnity set against such Defined Event in the Specification.

In circumstances referred to herein under which the Insured is required to bear the first amount of any loss. "The Deductible", such amount shall also be inclusive of Value Added Tax in like manner to the sums insured/limit of indemnity referred to above.

2. Territorial limits

The Republic of Uganda and Worldwide for laptops

Property insured

All electronic equipment, including the operating system software, as more fully described in the schedule and used in connection with the Business but excluding:

1. parts and materials which, due to their specific function and/or composition, are prone to heavy wear and tear or periodic renewal (such as auxiliary materials and/or consumables), and working materials (such as development fluids, reagents, toner), coolant and extinguishing medium, cassette ribbons, films and film/foil combinations, specially prepared paper, typeface carriers, raster screens, pipettes and the like;
2. all types of tools such as drills, milling cutters, grippers and the like;
3. tubes, such as picture tubes, radio-frequency power tubes, X-ray tubes, laser and valve tubes, and intermediate image and/or sound carriers such as selenium drums; provided that if such excluded property is lost or damaged as the result of a defined event the Insurer will pay the resident value thereof.

Extensions to sub-section 1

1. **Riot and Strike** (if stated in the schedule to be included)

Subject otherwise to the policy terms, limitations and First Amount Payable, Defined Event is extended to include loss or change directly occasioned by or through or in consequence of:

- 1.1 civil commotion, labour disturbances, riot, strike or lockout;
- 1.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with and occurrence referred to in 1.1 above;

provided that this extension does not cover loss or damage:

- 1.3 resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- 1.4 occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

1.5 related to or caused by any occurrence referred to in general exception 1A (ii), 1A (iii) (a) and (b), 1A (iv), 1A (v) or 1A (vi) of this Policy or the act of any lawfully established authority in controlling, suppressing or in any other way dealing with any such occurrence;

and provided further that this extension does not cover:

1.6 consequential or indirect loss or damage or any kind or description whatsoever;

If the company alleges that by reason of 1.3, 1.4, 1.5 or 1.6, above loss or damage is not covered by this Policy the burden of proving the contrary shall rest on the Insured.

2. Additional cost

The sum insured stated in the Specification includes:

2.1 any additional cost incurred solely by reason of the necessity to comply with regulations under or framed in pursuance of any act of parliament or ordinance of any provincial, municipal or local authority or any other subordinate legislation relative to repair or reinstatement provided that the amount recoverable under this extension shall not include:

2.1.1 costs incurred in respect of damage occurring before the granting of this extension or damage not insured by this section;

2.1.2 costs incurred in respect of any notice served upon the Insured prior to the happening of the damage;

2.1.3 costs incurred in respect of undamaged property or undamaged portions of the Property Insured;

2.1.4 the amount of any rate, tax duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforementioned regulations;

provided the work of repair or reinstatement, which may be carried out wholly or partially upon another site if the aforementioned regulations so necessitate subject to the liability of the Insurer not being thereby increased, is commenced and carried out with reasonable despatch;

2.2 fees for the examination of municipal or other plans incurred by the Insured as a result of damage to the Property Insured by a Defined Event;

2.3 costs necessarily incurred by the Insured in respect of the demolition and removal of debris and in providing, erecting and maintaining hoardings required during such demolition following damage to the Property Insured by an Insured Event;

2.4 alterations, additions and improvements, but not appreciation in value in excess of the sum insured, to the Property Insured for an amount not exceeding twenty five percent of the sum insured thereon provided the Insured advises the company within the period of insurance of such alterations, additions and improvements and pays any additional premium required;

2.5 provision for overtime, night work, work on public holidays and express or airfreight

transportation provided the liability of the Insurer shall be limited to fifty percent of the total cost of repair or reinstatement;

2.6 professional fees for estimates, plans specifications, tenders and supervision necessarily incurred in the reinstatement or replacement of the Property Insured following damage by an Insured Event but in no case exceeding fifteen percent of the amount payable in respect of such damage and provided the amount payable shall not include expenses incurred in connection with preparation of the insured's claim;

2.7 costs and expenses necessarily incurred by the Insured to protect the Property Insured against possible damage by a Defined Event following damage to the Property Insured.

3. **Temporary repairs**

3.1 After notifying the company of the occurrence of an Insured Event the Insured may effect temporary repairs or replacements of a minor nature provided they first obtain a detailed estimate or prepare a separate job card and retain this, together with any replaced parts, for inspection by the company or their nominees;

3.2 Temporary repairs may be effected by the Insured in the interests of safety without the consent of the company and the cost of such repairs shall be borne by the company provided that, if such temporary repairs aggravate or cause additional damage to the Property Insured, any additional costs thereby incurred losses or other consequence arising there from shall be for the Insured's account

4. **Suspensive sale/lease agreements**

Provided the company is notified prior to the occurrence of a Defined event, it will note and protect the interest of the owner of any item which is the subject of a suspensive sale or lease agreement.

5. **Tenants**

The Insured shall not be prejudiced by the act of any tenant in premises they own or in which they are co-tenants nor of the owner of the premises of which they are tenants provided that the company is notified as soon as the Insured becomes aware of such act and the Insured pays any additional premium resulting from the Insurer assuming any additional hazard.

6. **Alterations and Misdescription**

The Insured shall not be prejudiced by any alteration or misdescription or occupancy due to:

6.1 the transfer of processes or machinery;

6.2 the acquisition of additional premises;

6.3 structural alterations or repairs to buildings, plant or machinery;

provided that notice is given to the company as soon as practicable and the Insured pays any additional premium that may be required.

Clauses and memoranda applicable

Sub-section 1: Property Damage

1. Insured Value

The sum insured for each item of Property shall be equivalent to its Insured Value which shall mean:

- 1.1 in the event that the item is listed in a current price list, the valid price when new;
- 1.2 in the event that the item is no longer listed in current price lists, the list price from the last available price list when new adjusted for any price alterations for similar items which may meanwhile have taken place;
- 1.3 in the event that no price list is available, the purchase or delivery price of the item when new adjusted for any price alterations which may meanwhile have taken place;
- 1.4 in the event that the list, purchase or delivery price is not available, the total of all costs generally applied in the market to manufacture the item, plus price margins where relevant, adjusted for any price alterations which may meanwhile have taken place, plus provisions for delivery and other costs described in the extensions to this section provided that discounts and any price concessions shall not influence the determination of the Insured Value.

2. Average

If on the commencement of the occurrence of a Defined Event the Insured Value of the Property Insured is collectively greater than the sum insured stated in the Specification the Insured shall be considered their own insurer for the difference and shall bear a rateable proportion of the loss. Each item of Property Insured, if more than one, shall be separately subject to this clause.

3. Basis of Indemnity

3.1 Partial Loss

In the event that repair costs necessary to reinstate the Property Insured and the value of salvage material are less than the Insured Value the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the Property Insured to its working condition immediately prior to the occurrence of the damage including the costs of dismantling, re-erection and ordinary custom duties provided that:

- 3.1.1 the value of damaged parts which can be re-used will be deducted;
- 3.1.2 where the damage is restricted to a part or parts of an item the Insurer will not be liable for an amount greater than the cost of repairs to the damaged part or parts allowed for within the sum insured;
- 3.1.3 if no repair is possible owing to the unavailability of parts or the obsolescence of the damaged item the company will pay the estimated cost of repair had such parts been available but not more than the cost of repairing or replacing similar, available, equipment or the sum insured stated in the Specification whichever is the lesser.

3.2 Total Loss

3.2.1 in the case where the property insured is totally lost or destroyed, the basis of indemnification shall be:

3.2.1.1 the company shall reimburse the costs required to purchase and install a new item of similar type and quality to replace the original Insured Item; however indemnification paid shall not exceed the Sum Insured (new replacement value)

- If the Insured Item subject to total loss is still available and is not more than seven years old, all costs necessary to replace and erect an identical new item will be reimbursed.
- If the Insured Item subject to total loss has meanwhile become obsolete; all costs necessary to replace the lost or damaged Insured Item with a follow-up model (similar type) or similar structure/configuration (of similar quality) i.e. low, average, high capacity – will be reimbursed.

3.2.1.2 in the case of an item which is more than seven years old from date of manufacture the cost of replacement at market value and the cost of removing the damaged item less the value of any salvage.

Sub-section 2: Reinstatement of data

The reinstatement of machine-readable information (hereinafter referred to as "Data"), caused by a defined event referred to in Sub-section 1 such as master and transaction data stored in data files and databases, standard program data out of series production and data on customized user programmes ready for use

and

storage media for data (hereinafter referred to as "Data Media") on which Data has been stored and which can be exchanged by the Insured such as removable magnetic discs, magnetic tapes and floppy discs

but excluding:

1. Data Media which cannot be exchanged by the Insured such as hard disks, semi-conductor memories and the like;
2. Data which is stored in the C.P.U.'s main memory only such as operating programmes;
3. input documents such as invoices, bills and the like and equipment printed output.

Basis of indemnity

The amount payable as indemnity shall be the reasonable and necessary costs actually incurred by the Insured for recapturing and/or restoring the Data held on the Data Media to a level equivalent to but not more extensive than the Data held immediately prior to the occurrence of the Defined Event and the cost of replacing lost or damaged Data Media but not exceeding the amount stated in the Specification provided that if the Data has not been recaptured or restored within twelve months of the loss, the company will only indemnify the Insured for the cost of replacing lost or damaged Data Media.

Sub-section 3: Increased cost of working

Basis of Indemnity

The amount payable as indemnity shall be the additional expenditure necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or diminishing the interruption of or interference with the Business which, but for such expenditure, would have taken place during the Indemnity Period in consequence of the Damage less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Damage but not exceeding the amount stated in the Specification provided that the company shall not be liable;

1. during any period of interruption or interference with the Business arising directly or indirectly as a consequence of overhauls, alterations, additions or improvements being carried out following the occurrence of the Damage and the Indemnity Period shall be exclusive of the time required for such work:
2. during any prolongation of the Indemnity Period attributable to obsolescence or the unwillingness of the Insured to replace or reinstate the property lost, destroyed or damaged or failing to carry out replacement or reinstatement within a reasonable time.
3. during the period of the Time Deductible stated in the Specification.

Definitions

Indemnity period

The period commencing with the occurrence of the Damage and ending not later than the number of months thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage.

Time deductible

The period commencing with the occurrence of the Damage and ending not later than the number of hours thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage provided that the company shall not be liable to make any payment hereunder if the Indemnity Period does not exceed the Time Deductible.

Clauses, conditions and extensions applicable to sub-section 3

1. Termination of Cover

The insurance under this Sub-section shall cease, unless the Insurer has given their written consent, if the Business is wound-up or carried on by a liquidator or judicial manager or is permanently discontinued.

2. Due Diligence

2.1 On the happening of any Damage in consequence of which a claim is or may be made under

this Sub-section the Insured shall, in addition to complying with general conditions 7 and 8, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Section shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the company may in writing, allow and at their own expense deliver to the company, in writing, a statement setting forth particulars of their claim together with details of any other insurances covering the Damage or any part thereof or consequential loss of any kind resulting there from.

2.2 The insured shall, at their own expense, also produce and furnish to the company such books of account and other business books, vouchers, invoices, balance sheets and other documents as may reasonably be required by the company for the purpose of investigating or verifying the claim together with, if demanded, a declaration of the truth of the claim and of any matters connected therewith.

2.3 No claim under this Sub-section shall be payable unless the terms of this sub-section have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

3. **Auditors**

The Insured's auditors or professional accountants may certify from the Insured's books of account or other business books any detail required by the Insurer and their certificate shall be prima facie evidence of such detail.

4. **Public Utilities – Electricity and Telecommunications** (if stated in the schedule to be included)

Additional expenditure, as insured by this Sub-section, resulting from interruption or interference with the Business in consequence of total or partial failure of the public supply of electricity or telecommunications to the Premises shall be deemed to have resulted from Damage provided that this extension does not apply in respect of damage directly or indirectly caused by:

4.1 the deliberate act of the Insured or the exercise of an authority empowered by law to supply electricity or telecommunications of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority;

4.2 drought or shortage of fuel or water at the premises of the supply authority;

4.3 an event described in general exceptions 1 and 2 and specific exceptions 2 and 3 under this section;

4.4 Damage to property situated outside the territorial limits;

and provided further that the liability of the company shall only commence forty eight hours after and end not later than fourteen days after the occurrence of the Damage.

Cyber exclusions

Property damage covered under this Section shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Section:

- (A) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software, which is the direct consequence of insured physical damage to the substance of property, shall be covered.
- (B) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

General extensions

Incompatibility cover (if stated in the schedule to be included)

Notwithstanding anything contained to the contrary in the policy, the indemnity by sub-sections 1, 2 and 3 of this section shall indemnify the insured for costs incurred in respect of

- (a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system;
- (b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system;
- (c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions;
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections 1 or 2 of this section of the policy;
- (3) the cover afforded hereunder shall be restricted to
 - (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof;
 - (ii) programs or data reinstated not indemnifiable under sub-section 2 hereof;
- (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate of twenty percent (20%) of the applicable total sum insured under sub-section 1 – The limit of indemnity and sub-section 2 hereof or Ushs.5,000, 000 whichever is the lesser.

Worldwide cover

This section is extended to include worldwide cover in respect of laptop and notebook computers as well as Cameras.

SECTION 5 - ALL RISKS

Defined events

Loss or damage to the whole or part of the property described in the schedule while anywhere in the world by any accident or misfortune not otherwise excluded provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

Specific exceptions

The company shall not be liable for

1. loss of or damage to property resulting from or caused by
 - a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
 - b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
 - c) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - d) the dishonesty of any principal, director, partner or employee of the insured whether acting alone or in collusion with others;
 - e) detention, confiscation or requisition by customs or other officials or authorities;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.

Specific conditions

Average

If the total value of property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured thereon, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

Replacement value condition (if stated in the schedule to be included)

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new or the repair of the property to a condition substantially the same as, but not better than, its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Specific extensions

Increase in cost of working extension (if stated in the schedule to be included)

The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefore is admitted under this section, for the purpose of maintaining the normal operation of the business.

Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

provided that this extension does not cover

- a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of provisos (a), (b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

SECTION 6 - BURGLARY

Defined events

Loss of or damage to all contents (the property of the insured or for which they are responsible) of any insured building at the insured premises described in schedule as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt threat or as a result of theft, or any attempt thereat, following violence or threat of violence unless otherwise stated on the schedule.

Extensions

1. The insurance under this section extends to cover loss of or damage to the property insured
 - a) caused or accompanied by
 - (i) a thief or thieves being concealed upon the insured premises before close of business
 - (ii) entry to and/or exit from the premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that such a skeleton key or device was used
 - b) whilst in a building at any additional premises used by the insured provided that
 - (i) such additional premises are advised to the company within 30 days from the time the risk attaches to the company
 - (ii) an additional premium, if any, is paid
 - (iii) the company's liability in respect of this extension shall not exceed 50% of the highest amount stated in the schedule applicable to any one premises
2. In addition to the limit of indemnity stated in the schedule
 - a) the insurance under this section includes
 - (i) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt threat
 - (ii) loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
 - b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that the company's liability shall not exceed the greater of Ushs 250,000 or the amount stated in the schedule in respect of any one event.

3. In addition to the limit of indemnity stated in the schedule the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorized person may be in possession of a duplicate of such key

provided that

- a) the company's liability shall not exceed Ushs 1,000,000 in respect of any one event
 - b) **the company shall not be liable for the first Ushs 100,000 of each and every event.**
4. The term all contents includes personal effects, tools and pedal cycles the property of the insured or any principal, partner, director or employee of the insured in so far as such property is not otherwise insured up to **an amount of Ushs 250,000** in the case of any one person.

5. **Malicious Damage** (if stated in the schedule to be included)

Damage to the buildings at the premises specified in the schedule (including landlord's fixtures and fittings) and all contents (whilst in such buildings), the property of the insured or for which they are responsible caused by deliberate or willful or wanton act of such person during the course of any theft or attempted theft accompanied by forcible and violent entry into or exit from such buildings.

The liability of the company under this section for any one event shall not exceed the amount shown in the schedule for this extension.

Limitations

The company's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds is restricted to the value of materials and sums expended in labour.

Specific exceptions

The company shall not be liable for

1. loss or damage which can be insured under a fire policy except in the case of explosion caused in an attempt to effect entry
2. loss or damage insurable under a glass insurance policy
3. property more specifically insured or, unless specified in the schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature
4. loss or damage in which any principal, partner, director or any member of the insured's household or any of the insured's employees is concerned as principal or accessory

Specific conditions

1. This section shall be voidable if the nature of the risk is materially altered without the prior written

consent of the company.

2. In respect of any premises stated in the schedule to be subject to this condition at which a burglar alarm is installed it is a condition precedent to the liability of the company and warranted that
 - a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises
 - b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefore if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the keys of the burglar alarm or any duplicate thereof belonging to the insured unless such keys have been obtained by violence or threat of violence to any person.

SECTION 7 - MONEY

Defined events

Loss of or damage to money (as defined) occurring in Uganda except if otherwise specified Provided that the liability of the company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule.

Definitions

Money shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, the property of the insured or for which they are responsible.

Receptacle shall mean any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

Clothing shall mean clothing and personal effects not otherwise insured belonging to the insured or to any principal, partner, director or employee of the insured.

Extensions

1. **Receptacles and clothing**

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or attempted theft of money, provided that the company's liability under this extension in respect of clothing shall not exceed Ushs 250,000, and in respect of receptacles, the amount stated in the schedule or Ushs 250,000 whichever is the greater.

2. **Locks and keys**

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorized person may be in possession of a duplicate of such key

Provided that

- (i) the company's liability shall not exceed Ushs 1,000,000 in respect of any one event
the company shall not be liable for the first Ushs 100,000 of each and every event.

3. **Riot and strike extension** (if stated in the schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with, any occurrence referred to in (i) above;

provided that this extension does not cover

- a) consequential or indirect loss or damage of any kind or description whatsoever;
- b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exceptions 1(a) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

If the company alleges that, by reason of provisos (a), (b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

4. **Skeleton keys**

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that a skeleton key or device was used.

5. **Personal accident (assault) extension** (if stated in the schedule to be included)

The term "defined events" in the money section shall be deemed to include bodily injury, caused by accidental, violent external and visible means as a result of theft, or any attempt thereat, to the insured or to any principal, director or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ.

The company will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to such person resulting within 24 calendar months in

1.	death	the capital sum	
2.	permanent disability as follows	the percentage of the capital sum specified	
			Percentage of capital sum
a)	loss by physical separation at or above the wrist or ankle of one or more limbs		100
b)	permanent and total loss of whole eye		100
	sight of eye		100
	sight of eye except perception of light		75
c)	permanent and total loss of hearing both ears		100
	One ear		25

d)	permanent and total loss of speech	100
e)	injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100
f)	loss of four fingers	70
g)	loss of thumb both phalanges	25
	one phalanx	10
h)	loss of index finger	
	three phalanges	10
	two phalanges	8
	one phalanx	4
i)	loss of middle finger	
	three phalanges	6
	two phalanges	4
	one phalanx	2
j)	loss of ring finger	
	three phalanges	5
	two phalanges	4
	one phalanx	2
k)	loss of little finger	
	three phalanges	4
	two phalanges	3
	one phalanx	2
l)	loss of metacarpals	
	first or second (additional)	3
	third, fourth or fifth (additional)	2
m)	loss of toes	
	all on one foot	30
	great, both phalanges	5
	great, one	2
	other than great, if more than one toe lost, each	2

3. In the case of **total and absolute incapacity** from following usual business or occupation the **weekly sum specified** in the schedule shall be payable

4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bring such person to a place of safety) incurred within 24 months of the defined event

Memoranda (applicable to permanent disablement benefits)

- a) Where the injury is not specified the company will pay such sum as in its opinion is consistent with the above provisions
- b) Permanent total loss of use of part of the body shall be considered as loss of such part
- c) 100 per cent shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person

provided that

- (i) the company shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 3 and 4;
- (ii) the sum specified under item 3 shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
- (iii) compensation payable under item 4 shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
- (iv) this extension shall not apply to any such person under 15 or over 70 years of age;
- (v) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction.
- (vi) general exception 2 and general conditions 2 and 9 do not apply to this extension;
- (vii) in respect of this extension only general exception 1 is deleted and replaced by the following:

This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.

Extensions to the personal accident (assault) extension

1. Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat
2. In the event of disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, the company will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

Specific exceptions

The company shall not be liable for loss of or damage to money

1. arising from dishonesty of any principal, partner, director or person or persons in the employ of the insured not discovered within 14 working days of the occurrence thereof;
2. arising from shortage due to error or omission;
3. arising from the use of keys to any safe or strong-room unless the keys
 - a) are obtained by violence or threats of violence to any person
 - b) are used by the key holder or some other person with the collusion of the key holder and the insured can prove to the satisfaction of the company that the key holder or such other person had used the keys to open the safe or strong-room;
4. in an unlocked safe or strong-room whilst the portion of the premises containing such safe or strong-room is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the key holder to the safe or strong-room deliberately left it unlocked with the intention of allowing the money to be stolen;
5. not contained in a locked safe or strong-room whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the persons(s) responsible for the money deliberately left it outside the safe or strong-room with the intention of allowing it to be stolen;
6. in any vehicle being used by the insured unless a principal, partner, director or employee of the insured is actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated

Specific exceptions (3), (4), (5) and (6) do not apply up to an amount of Ushs 1,000,000 and such losses shall not be reduced by any first amount payable.

Memoranda

1. Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person in the employ of the insured (such person), as defined under this section, shall be subject to the following compulsory First Amount Payable Clause

The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion shall be reduced by

- (a) 2% of the applicable limit under defined events plus
- (b) a further amount of 10% of the net amount payable after deduction of the 2% specified in (a) above.

2. The company shall not be liable under this section of the policy in respect of loss or damage arising from any event in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the fidelity section of the.

Special conditions applicable to cheques

First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable of 25% of the loss indemnifiable by this section unless:

1. the cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post
2. Cheques drawn by someone other than the Insured and which were received by the Insured by post or direct by the cashier
 - a) such cheque has been crossed and marked "not negotiable" and marked "not transferable" immediately on receipt thereof by the Insured and
 - b) the Insured is able to identify the drawer and amount of the cheque from their records
3. Cheques of which the Insured is the true owner which were drawn by someone other than the Insured and posted to the Insured but not received
 - a) the cheque was dispatched to the Insured by certified post or any post where security is equal or superior to certified post.

(A) Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder.

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment
2. If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted
3. Write on the face of the cheque the words "not transferable"
4. Cross the cheque by drawing two parallel lines across the cheque
5. Write the words "not negotiable" between the two parallel lines referred to in 4 above
6. Ensure that the payee is accurately, properly and fully described for example where the payee is a company its full name should be used: UAP Insurance Uganda Limited. Where the bank account number or CC number of the payee is known this should be included after the name of the payee. Whilst highly recommended it is not compulsory to use the bank account number

of the payee

7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures
8. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless
9. The method used to complete cheques should be one which makes an ink impression on the paper like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/typewriter should be of the type which impregnates the paper with ink.

Do not use:

- (i) old ribbons
- (ii) laser printers which do not make an impression into the paper
- (iii) the "reverse printing technique"
- (iv) correctable type ribbons.

(B) Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Central Bank of Uganda. These printers know the recommended requirements of banks and should only use approved:

- (i) security paper
- (ii) security designs
- (iii) special security inks compatible with the security paper/design
- (iv) methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.

TRANSIT SECURITY WARRANTY

Notwithstanding anything contained in this policy to the contrary it is hereby warranted that any transfer or shipment of money where the amount involved is in excess of Ushs. 6,250,000.00 shall be accompanied and or escorted as follows:

- A) All amount not exceeding Ushs. 6,500,000.00; by at least one responsible employee of the insured.
- B) Over Ushs 6,500,000.00 but not exceeding Ushs 18,000,000.00; by two responsible employees and must be conveyed in a motor vehicle.
- C) Over Ushs 18,000,000.00; by a security firm with whom a *contract effected by the insured is in force, in an armoured vehicle.

A copy of the contract must be supplied to the insurer

SECTION 8 - PLATE GLASS

Defined events

Loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.

Following loss of or damage to glass the company will also indemnify the insured for

1. the cost of such boarding up as may be reasonably necessary;
2. damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured; provided that the liability of the company shall not exceed
 - (i) for the replacement of glass, sign writing and treatment – the sum insured as stated in the schedule applicable to the premises at which loss or damage occurs;
 - (ii) for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause – in the aggregate the sum of Ushs 1,000, 000.

Specific condition

Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Every item if more than one shall be separately subject to this condition.

Definition of glass

Unless specifically agreed, all glass (other than mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 6 mm in thickness, whether coated with a film or not, or 6.5 mm laminated safety glass.

Specific exceptions

The company shall not be liable for

1. loss or damage which is insured by, or would, but for the existence of this section, be insured, by any fire insurance, except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected, but this specific exception shall not apply to loss or damage for which the insured is responsible as tenant and not as owner

2. glass forming part of stock in trade
3. glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by the company
4. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

Extensions

Special replacement (if stated in the schedule to be included)

If, following loss or damage insured hereunder, the insured is obliged in terms of the Provincial, municipal or local authority or similar legislation to replace the damaged glass with glass of a superior quality, then the company shall be liable for the increased cost of such replacement including (but not limited to) frames therefore, provided that if the cost of so replacing the whole of the insured property (inclusive of other items insured) is greater than the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

Riot and strike extension (if stated in the schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

provided that this extension does not cover:

- a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that by reason of provisos (a), (b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

This extension shall only apply to loss or damage for which the insured is responsible as tenant and not as owner.

SECTION 9 – FIDELITY GUARANTEE

Defined Events

Direct financial loss which occurs during the Period of Insurance following:

Employee Dishonesty

Loss of Money, Securities or other property, to the amount reflected under Limit of Liability on the Schedule resulting directly from one or more fraudulent or dishonest acts committed by an Employee acting alone or in collusion with others, provided always that:

- a) such fraudulent or dishonest acts are (a) committed during the Period of Insurance specified in the schedule and (b) are discovered in accordance with Specific Condition 8 of this section of the policy and,
- b) such fraudulent or dishonest acts shall mean only fraudulent or dishonest acts committed by an Employee with the manifest intent (a) to cause the Insured to sustain such loss and (b) to obtain financial benefit for the Employee, or for any other person or

Organisation intended by the Employee to receive benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits lawfully earned in the normal course of employment.

Specific exceptions to this Section (Applicable to all Covers unless otherwise stated)

The company shall not be liable for:

1. **Loss of Potential Income**
Loss due to loss of potential or unrealized income, including but not limited to interest, commissions, bonuses and dividends and loss of computer time, not realised by the Insured because of an act covered under this Policy.
2. **Specified costs, Fees and Expenses**
Costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Policy, except as may be specifically stated to the contrary under General Extension 1 of this section.
3. **Indirect Damages**
Damages of any type for which the Insured is legally liable, except direct compensatory damages directly resulting from an act covered under this section.
4. **Specified Legal Fees, Costs and Expenses**

The costs of defending any legal proceeding brought against the Insured, or the fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding, whether or not such proceeding results or would result in a loss to, or affect a recovery by the Insured covered by this section.

5. **Loss Prior to the Inception of this Policy**
Any liability in respect of any loss or claim (a) arising out of or in connection with any act, circumstances or occurrences which have been notified to any Insurer on any other policy of insurance effected prior to the inception of this section of the Policy; (b) arising out of or in connection with any act, circumstances or occurrences known to the Insured prior to the inception of this section of the Policy.
6. **Confidential Information and Trade Secrets**
Loss due to loss of and/or damage to any proprietary information or confidential information of any kind, including trade secrets and confidential processing methods.
7. **Extortion**
Loss due to extortion unless committed by an employee or as provided under General Extension 3.
8. **Profit, Loss or Inventory Computation**
Any loss or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation alone.

Specific conditions (Applicable to this Section unless otherwise stated)

1. Automatic Acquisitions, Consolidation or Merger

If the total number of Employees of the Insured (as found in the Proposal Form) increases by more than 10% through the acquisition of assets or shares, consolidation or merger with some other concern then the insurance provided by this section shall also apply as respect such Employees provided the Insured shall (a) give the company written notice of the transaction within 90 days thereafter, and (b) give the company such other additional information as the company may reasonably require, and (c) pay the company an additional premium calculated pro-rata from the date of the transaction to the end of the period of insurance.

2. Basis of Valuation

In no event shall the company be liable under this section of more than (a) as respects Securities, the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, or for the actual cost of replacing the Securities, whichever is less; (b) the cost of blank books, pages, tapes or other blank materials to replace lost or damaged books of account or other records; (c) the reasonable cost of re-writing or amending the software programs or systems where such re-writing or

amending is necessary to correct the programs or amend the security codes following an Insured claim for which liability is admitted under the Policy; (d) the actual cash value at the time of loss of other property (not included in the above) or for more than the actual cost of repairing or replacing the property with property of similar quality and value, whichever is less.

3. Cancellation

The insurance provided by Cover A shall be deemed cancelled in respect of any Employee (a) immediately upon discovery by the insured, or by any partner, senior employee, director or officer thereof not in collusion with such Employee, of any dishonest or fraudulent act on the part of such Employee, and further dishonest or fraudulent acts committed by such Employee are excluded; (b) upon the effective date and at the time specified in a written notice to the Insured by the company.

4. Claims Procedures

Upon knowledge or discovery (as provided under specific condition 10 (b) and 11 of this section) of loss or of an occurrence which may give rise to a claim for loss, the Insured shall (a) give notice thereof as soon as practicable to the company or any of its authorised agents and, (b) file detailed proof of loss (which includes but is not limited to a completed proof of loss form in the format agreed by the company) with the company, within six months after the knowledge or discovery of loss, or within such further period as agreed to in writing by the company: (c) provided all requested information and documents and co-operate with the company on all matters pertaining to loss. The Insured may refrain from reporting the matter to the police but shall do so immediately should the company require such action to be taken.

5. Deductible and Other Insurance

Coverage under this Policy will be excess of the greater of the following amounts with respect to each and every loss, (a) the deductible amount(s) set forth in the Schedule, or (b) the amount of any other valid and collectable insurance or suretyship available to the Insured's whether such other insurance or suretyship is stated to be primary, excess, contributing, contingent or otherwise, unless such other insurance or suretyship is written only as specific excess insurance over the limits of liability provided under this policy. All Loss caused by acts committed by any person or in which such person is concerned or implicated and/or arising from any one occurrence will be considered a single Loss. If a Loss is covered in part under this Policy and in part under a prior similar policy or bond superseded by this policy, the deductible amount(s) applicable to such Loss under this Policy will be reduced by the amount of any deductible(s) actually applied to such loss under this Policy.

6. Discovery Period

Loss is covered under this section only if discovered during the Period of Insurance or not later than twelve months following the termination of this section or of the coverage under this section of the Policy which applies to such loss, or cancellation or termination of this section as to any Insured.

7. Joint Insured

a) First Named Insured

1. If more than one Insured is covered under this section, the Insured first named shall act for itself and for every other Insured for all purposes of this section of the policy.
2. Payment of any loss under this section by the company to the Insured first named shall fully release the company on account of such loss.
3. If the Insured first named ceases for any reason to be covered under this section of the Policy, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this section of the Policy.

b) Knowledge or Discovery by Insured

Knowledge possessed or discovery made by any Insured or by any partner, senior employee, manager, director or officer thereof shall for the purpose of this section of the Policy constitute knowledge possessed or discovery made by every Insured.

c) **Cancellation – Insured**

If, prior to the cancellation or termination of this section of the Policy, this section or any Section hereof is cancelled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within the terms of specific Condition 8.

8. **Knowledge or Discovery of Loss**

Knowledge or discovery of a loss occurs when the Insured becomes aware of facts which would cause a reasonable person to assume that a loss covered by this section has been or will be incurred, even though the exact amount or details of the loss may not then be known.

9. **Legal Proceedings**

The Insured cannot bring an action against the company unless: (a) the Insured has complied with the terms and conditions of this policy; (b) the action is brought 12 months from the receipt by the company of the required proofs of loss; (c) the action is brought within 2 years after knowledge or discovery of loss.

If any limitation listed above is prohibited by any law controlling the construction of this section of the Policy, the limitation shall be deemed to be amended to comply with the minimum period of limitation permitted by law.

10. **Limit of Liability**

The company's total liability for all loss or losses paid during the Period of Insurance shall not cumulatively exceed the aggregate limit of liability as set forth in the Schedule applicable to

a) **Defined Events**

for all loss in respect of any act or series of acts involving any Employee or in which such Employee is concerned or implicated, regardless of when, during the period of this Policy or prior thereto, such acts occurred.

b) **Third Party Computer and Funds Transfer Fraud**

for all loss or losses resulting from one occurrence or event. All acts committed by one person or in which such person is involved or implicated will be considered as one occurrence or event.

11. **Limit of Liability – Prior Insurance**

Loss that occurs partly during this policy section period and partly during the period of any previous policy issued by the company, but for which the discovery period has not expired, shall be limited to the larger of the amount of insurance under the previous policy or this section of the policy.

12. **Non-Accumulation of Liability**

Regardless of the number of years this Policy shall continue in force and the number of premiums which shall be payable or paid, the limit of the company's liability as specified in the Schedule shall not be cumulative from year to year or period to period.

13. **Ownership**

The Insured Property (including Money and Securities) may be owned by the Insured, or held by the Insured in a capacity for which the Insured is liable for the loss thereof, or may be property as respect which the Insured is legally liable.

14. **Recoveries**

Recoveries except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable, less the actual cost of recovery, made after loss will be distributed as follows: first, the Insured shall be reimbursed for loss exceeding the limit of liability or settlement (whichever is less); second, the company shall be reimbursed for the settlement made; third, the Insured shall be reimbursed for loss in respect of the deductible amount.

15. **Settlement of Loss**

The company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Insurer has made an indemnification shall, at the option of the company, become the property of the company.

The company may, at its discretion, pay actual cash value, or effect repairs or replacements. If the Company and the Insured cannot agree upon the cash value or the cost of repairs or replacements, such cash value or such costs may, by agreement in writing between the parties, be determined by arbitration in accordance with the statutory provisions in that regard for the time being in force.

16. **Maintenance of Systems and Procedures**

The Insured shall institute and/or maintain and continue to employ in any material manner all such systems of check and control accounting and clerical procedures and methods of conducting his business as has been represented to the company by the Insured but the Insured may:

- a) change the remuneration and conditions of service of any Employee
- b) make any changes as are approved beforehand in writing by the Insured's auditors.

The proposal form or other information supplied by or on behalf of the Insured, save exceptions (a) and (b) above, shall form the basis of the contract of insurance under this section of the policy.

17. **Subrogation**

In the event of any payment under this section of the Policy, the Company shall be subrogated to all Insured's rights of recovery. The Insured shall execute all papers required and shall do everything necessary to secure and preserve the rights, including the execution of the documents necessary to enable the Company effectively to bring suit in the name of the Insured.

19. **Accountants Clause**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the company under this policy for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors or professional accountants and their Certificate shall be prima facie evidence of the particulars and details to which it relates.

19. **Non-Contribution**

This insurance shall stand in excess of, and shall not contribute with, any other policy effected by the Insured's bankers, transfer secretaries, stockbrokers or other appointed agents.

General extensions

The Insurance by this section of the Policy is extended to include:

1. **Cost of Recovery**

If the Insured shall sustain any loss to which this section of the Policy applies which exceeds the sum Insured hereunder, the company will, in addition to the sum Insured, pay the Insured costs and expenses necessarily incurred with the consent of the Company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery thereof. All amounts recovered by the Insured in excess of the above part of the loss shall be allocated in accordance with specific Conditions 14, provided that the liability of the Company shall not exceed the amount stated in the Schedule.

2. **Expenses incurred in Reinstating Office Records**

Costs, charges and expenses incurred by the Insured in replacing and/or restoring any computer files, and data media documents, manuscripts, business books, plans, design specifications or programmes destroyed, damaged or lost as a result of loss insured by this section of the Policy, provided that the liability of the company shall not exceed the amount stated in the Schedule.

3. **Extortion** (if stated in the schedule to be included)

Direct financial loss following loss of money, securities or other property surrendered away from the premises reasonably resulting from a threat communicated to the Insured to:

- (i) do bodily harm to a director, employee or partner of the Insured or to the proprietor (if the Insured is a sole trader) or any relative or guest or any such person who was, or allegedly was, kidnapped anywhere, or
- (ii) damage or destroy any property (including computer systems, software or programs) owned by the Insured or for which the Insured is legally liable, provided that prior to the surrender of such money, securities or other property, the person receiving the threat has made a reasonable effort to report the extortionist's demand to an associate and the Insured has made a reasonable effort to report the extortionist's demand to the police.

6. **Legal Fees**

Reasonable legal fees, costs and expenses incurred and paid by the Insured in defense of any demand, claim, suit or legal proceeding which the Insured establishes results directly from a covered loss under this section of the Policy, provided always that;

- (i) such indemnity under this Extension is part of and not in addition to the Limit of Liability reflected in the Schedule of this Policy;

and

- (ii) such loss exceeds the First Amount Payable reflected in the Schedule; and
- (iii) the company shall not be liable to make any payment to the suppliers of services for fees, costs or other expenses (whether such fees, costs or expenses be for legal, accounting or other services) incurred by the Insured.

7. **Third Party Computer and Funds Transfer Fraud** (if stated in the schedule to be included)

The Theft of Money, Securities or other property by Computer Fraud; or the Theft of any of the Insured's funds from their Transfer Account at a Financial Institution through Fraudulent Transfer Instructions communicated to such Financial Institution up to the amount reflected under Limit of Liability on the Schedule.

This Cover excludes:

- a) Loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorised representative of any Insured, while working or otherwise and whether acting alone or in collusion with others.

8. **Reduction/Reinstatement of insured amount clause** (if stated in the schedule to be included)

The payment by the company of any loss involving one employee or any number of employees shall not reduce the company's liability in respect of the remaining insured employees provided that:

- 1. the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in the schedule;
- 2. the insured pays additional premium calculated in terms of the following formula

$$\text{Annum premium in first at time of discovery of loss} \times \frac{\text{Amount of claim payment}}{\text{Sum insured at time of discovery of loss}}$$

The additional premium shall be payable in full and may not be reduced due to the period between the date of discovery of loss and the expiry date being less than 12 months.

General definitions (applicable to this Section)

- 1. **Associated Company(ies)** means such companies in which the Insured owns more than twenty percent of the share capital and retains management control.
- 2. **Computer Fraud** means, the wrongful conversion of assets under the direct or indirect control of the Insured's computer system by means of the direct fraudulent accessing of such computer system by persons other than Employees and (a) the insertion of fraudulent data or instructions into such computer system: or (b) fraudulent alteration of data, programs or routines in such computer system.
- 3. **Employee** means any person or persons while in the regular service of the Insured in the ordinary course of the Insured's business during the Period of Insurance specified in the Schedule and whom the Insured (a) compensates by salary, wages and/or commissions, and (b) has the right to govern and direct in the performance of such service and subject to the same provisions shall also mean any (i) ex-Employee for a period not exceeding sixty days following termination of such person's services, (ii) part-time or temporary Employees, (iii) students gaining work experience with the Insured, (iv) a

director or trustee of the Insured while performing acts coming within the scope of usual duties of an Employee and who is also employed as an officer or Employee of the Insured in some other capacity, (v) any individuals assigned to perform employee duties for the Insured by any agency furnishing temporary personnel on a contingent or part-time basis; provided, however, that this section of the Policy does not cover any loss caused by such individual if such loss is also covered by an insurance or suretyship held by the agency furnishing such temporary personnel to the Insured.

4. **Financial Institution** means (a) a banking or savings institution, or (b) a stockbroker, fund manager or similar investment institution at which the Insured maintains a Transfer Account.
5. **Fraudulent Transfer Instructions** means (a) Electronic Instructions fraudulent electronic, telegraphic, cable, teletype, Tested telex, Tested facsimile or telephone instructions to a Financial Institution to debit a Transfer Account and to transfer, pay or deliver funds from such account, which instructions purport to have been transmitted by the Insured or by a person duly authorized by the Insured to issue such instructions but which have been fraudulently transmitted by another, and (b) Written Instructions fraudulent written instructions to a Financial Institution to debit a Transfer Account and to transfer, pay or deliver funds for such account through an electronic funds transfer system at specified items or under specified conditions, which written instruction purport to have been duly issued by the Insured but which have been fraudulently issued, forged or altered by another.
6. **Money** means currency, coins, bank notes and bullion and traveler's cheques, register cheques and money orders held for sale to the public.
7. **Securities** means all negotiable and non-negotiable instruments or contracts representing either money or property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.
8. **Subsidiary Company(ies)** means a company as defined in the Companies Act.
9. **Tested** means a method of authenticating the contents of a communication by affixing thereto a valid test key which has been exchanged between the Insured and a Financial Institution for the purpose of protecting the integrity of the communication in the ordinary course of business.
10. **Theft** means the intentional and unlawful taking of Insured property to the deprivation of the Insured.
11. **Transfer Account** means an account, maintained by the Insured at a Financial Institution, from which the Insured or the Insured's authorised representatives may cause the transfer, payment or delivery of funds (a) by means of electronic, telegraphic, cable, teletype, Tested telex, Tested facsimile or telephone instructions (communicated directly or through a cash management service or funds transfer system), or (b) by means of written instructions, establishing the conditions under which such transfers are to be initiated by such Financial Institution through an electronic funds transfer system.
12. **Amount Insured** means the Amount(s) reflected on The Schedule against Cover A, Cover B or Cover A and B and the Annual Aggregate Amount.

SECTION 10 - GOODS IN TRANSIT

Defined events

Loss of or damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by an accident or misfortune not otherwise excluded

provided that:

- (i) the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every defined event except a claim resulting from fire, lightning or explosion
- (ii) the liability of the company for all loss or damage arising from any one defined event shall not exceed the limit of indemnity stated in the schedule.

Memoranda

1. Transit shall be deemed to commence from the time of moving the property described in the schedule at the consignor's premises (including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage not exceeding 96 hours in the course of the journey) and end when off-loading and delivered at any building or place of storage at the consignee's premises.
2. If any consignee shall refuse to accept property consigned, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the consignor by any means of conveyance, provided that the insured shall take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.
3. Where the means of conveyance is by specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the insured or leased or hired by them under a lease or suspensive sale agreement.
4. In the event of breakdown of the means of conveyance during transit or if, for any reason beyond the insured's control, the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.

Debris removal extension (if stated in the schedule to be included)

The insurance under this section includes costs necessarily incurred by the insured in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit of Ushs. 5,000, 000 or the limit stated in the schedule, whichever is the greater, in respect of any one defined event.

Restricted cover

Fire, explosion, collision, derailment and overturning limitation (if stated in the schedule to be included)

The insurance under this section is limited to loss or damage resulting from fire or explosion or collision or the overturning or derailment of the means of conveyance described in the schedule.

Specific exceptions

The company shall not be liable for

1. loss or damage resulting from or caused by
 - a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry to or exit from.
 - b) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - c) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
 - d) detention, confiscation or requisition by customs or other officials or authorities;
 - e) or arising whilst in transit by sea or inland transit incidental thereto;
 - f) breakdown of refrigeration equipment;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded;
4. loss of or damage to
 - a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
 - b) property outside Uganda
 - c) property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been effected;
5. Consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

Specific Extensions

1. Fire extinguishing charges extension

If the property described in the schedule is lost or damaged by fire whilst in course of a transit insured by this section the company will in addition to indemnifying the insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount

payable under this extension shall not exceed the limit of indemnity shown in the schedule opposite this clause plus (if applicable) the increased Fire Extinguishing charges extension limit.

2. **Riot and strike extension** (if stated in the schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) civil commotion, labour disturbances, riot, strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above

provided that this extension does not cover:

- a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- b) loss or damage from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) loss or damage related to or caused by any occurrence referred to in general exception 1(A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of provisos (a), (b), (c) or (d), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

SECTION 11 - PUBLIC LIABILITY (OCCURRENCE BASIS)

Defined events

Damages which the insured shall become legally liable to pay consequent upon death of or injury or damage herein defined occurring in the course of or in connection with the business within the territorial limits and commencing on or after the retroactive date stated in the schedule and which results in a claim or claims first being made against the Insured in writing during the period of insurance.

Limits of indemnity

The liability of the Company under this policy whether payable to one claimant or any number of claimants in respect of or arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the limit of indemnity stated in the schedule.

Where in the schedule the limit is expressed in the aggregate, the Company's liability shall not exceed the aggregated limit during any one period of insurance.

The Company will, within the limit stated in the schedule pay legal costs recoverable from the Insured by any claimant and costs and expenses incurred with the written consent of the Company (which consent shall not be unreasonably withheld) in respect of any occurrence to which this policy applies.

Territorial limits

Anywhere in the world but not in connection with

- (i) any business carried on by the insured at or from premises outside
or
- (ii) any contract for the performance of work outside Uganda

Specific exceptions

The Company will not indemnify the Insured in respect of

1. Employees

Liability consequent upon death or bodily injury to or illness of any person employed by the Insured under a contract of service or apprenticeship and arising from and in the course of such employment by the Insured.

2. Stated Property

Damage to:

- a) property belonging to or in the custody or control of the Insured;
- c) that part of any property on which the Insured are or have been working if such damage results directly from such work. This exception shall only apply to that property actually giving rise to damage.

3. Injury or Damage

Liability consequent upon Injury or Damage caused by or through or in connection with:

Errors and Omissions

- a) any advice or treatment of a professional nature (other than first aid treatment) given or administered for a fee by or at the direction of the Insured.

Mechanically Propelled Vehicles

- b) the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any aircraft, watercraft, locomotive or rolling stock, or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any of the aforesaid conveyances if the Insured is entitled to indemnity under any other insurance in respect of liability consequent upon such loading or unloading.
- c) caused by or through or in connection with:
 - (i) the refuelling of aircraft;
 - (ii) the ownership, possession, maintenance, operation or use of any aircraft or airline;
 - (iii) the ownership, hire or leasing of any airport or airstrip;

Products/Defective Workmanship

- d) the nature or condition of goods or products (including containers and labels) manufactured, constructed, altered, repaired, serviced, handled, treated, sold or supplied and happening elsewhere than at premises occupied by the Insured.

4. Vibration/Support

Damage (exceeding the sum of Ushs. 2,000,000) caused by vibration or by the removal or weakening of or interference with support to or any subsidence of any land, building or other structure.

5. Contractual

Liability assumed by agreement (other than under the Insured's own standard conditions of contract) unless liability would have attached to the Insured notwithstanding such agreement.

6. Pollution

- a) Liability in respect of Injury, Damage directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply to liability in respect of injury or damage where such seepage, pollution or contamination is caused by a sudden, unintended or unforeseen happening during the period of insurance;

- b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen happening at an identifiable point in time during the period of insurance.

7. Fines etc.

Fines, penalties, punitive, exemplary or vindictive damages.

8. First Amount Payable

The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all occurrences of a series consequent upon or attributable to any one source or original cause. The provisions of this clause shall apply to claims arising from damage and shall apply to costs and expenses incurred by the Insured.

The limit of indemnity applies in excess of the first amount payable.

9. Deliberate Acts

Damage or Injury resulting from deliberate act or omission on the part of the Insured's staff including **directors, officers and management**

10. Known Losses

Any claim arising from an occurrence known to the Insured

- a) which is not reported to the Company in terms of general condition 7
- b) prior to inception of this section

11. Watercraft

Liability arising out of the ownership, maintenance, operation, use, loading or unloading possession or use of watercraft by or on behalf of the Insured or the operation of any harbour facilities.

12. Professional Indemnity

Professional activities being those activities normally undertaken in exchange for a fee by persons carrying on business in law, medicine, accountancy, financial management and services, engineering, architecture, surveying, construction and project management or supervision, shipping and forwarding, insurance brokers, stock broking, estate agency or property valuation.

13. Asbestos

Bodily Injury arising out of the manufacture of, mining of, use of, installation of, removal of, distribution of or exposure to asbestos, asbestos products, asbestos fibres or asbestos dust;

- (i) Any obligation of the Insured to indemnify any party because of damages arising out of such Bodily Injury or Property Damage as a result of the manufacture of, mining of, use of, installation of, removal of, distribution of or exposure to asbestos, asbestos products, asbestos fibres or asbestos dust; or

- (ii) Any obligation to defend any proceedings initiated or third party damages claims against the Insured alleging Bodily Injury, Property Damage and seeking damages, if such proceedings initiated or third party damages claims arises from Bodily Injury or Property Damage as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to asbestos, asbestos products, asbestos fibres or asbestos dust.

14. Aviation/Aircraft

Liability arising out of the ownership, hire purchase or leasing of any aircraft (or hovercraft) by or on behalf of the Insured, the activities of the Insured or the Insured's employees as pilot or crew member thereof and the operation or maintenance or any airport hanger or fuelling facility.

Specific conditions

1. Claims

- (A) In the event of the Insured having notified the Company during the period of insurance of a circumstance which may result in a defined event (hereinafter referred to as a reported circumstance) any claim subsequently brought against the Insured in respect of such reported circumstance shall be treated as if the defined event giving rise to such claim had occurred at the time of such notification.
- (B) Any claim first made in writing or proceedings initiated against the Insured as a result of an occurrence reported in terms of general condition 7 shall be treated as if it had first been made against the Insured on the same day that the Insured reported the occurrence to the Company.
- (C) In the event of cancellation or non-renewal of this policy
 - (i) any claim resulting from an occurrence reported in terms of general condition 7 and first made in writing against the Insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the Insured on the same day that the Insured reported the occurrence to the Company, if the claimant is a minor the period of 48 months will be extended until the expiry of 12 months after the claimant has attained majority.
 - (ii) the Insured may report an occurrence in terms of general condition 7 to the Company for up to 15 days after cancellation or non-renewal provided:
 - a) such occurrence commenced during the period of insurance;
 - b) any subsequent claim first made in writing or proceedings initiated as a result of the same occurrence shall be treated as if it had first been made on the last day preceding expiry of this insurance and is subject to the 48 months period specified in specific conditions 1 (C) (i) above.
- (D) any series of claims made against the Insured or proceedings initiated against the Insured by one or more than one claimant during any period of insurance consequent upon the same occurrence shall be treated as if they had all been made against the Insured:
 - (i) on the date that the occurrence was reported to the Company in terms of general

condition 7;

or

- (ii) if the Insured was not aware of any occurrence, which could have given rise to a claim or the initiation of proceedings, on the date that the first claim of the series was first made in writing against the Insured.

Definitions

1. **Bodily Injury**

means death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease and shall include mental injury, mental anguish and shock.

2. **Personal Injury**

includes bodily injury, false arrest, invasion of the right of privacy, detention, false imprisonment, false eviction, discrimination, libel, slander or defamation of character.

3. **Property Damage**

means physical damage to, loss of use or destruction of tangible property.

SECTION 12 - WORKER'S COMPENSATION

WORKER'S COMPENSATION POLICY

WHEREAS the Insured carrying on the *business* described in the Schedule and no other for the purpose of this insurance by a written application or proposal and declaration (which shall be the basis of this contract and be deemed to be incorporated herein) has applied to **UAP Insurance Uganda Limited** (hereinafter referred to as "*the Company*") for the insurance hereinafter contained and has paid the Premium as consideration for such insurance,

NOW THIS POLICY WITNESSETH that if any *insured employee* in the Insured's immediate service shall sustain bodily injury by accident or disease arising out of and in the course of employment by the *Insured* in the *Business* described in the Schedule for which a claim shall first be made against the insured and reported to the company during the period of insurance

THE COMPANY WILL subject to the Jurisdiction Clause, other terms, exceptions and conditions contained herein or endorsed hereon (all of which are hereinafter collectively referred to as the Terms of this Policy), indemnify the Insured against liability under the Workers' Compensation Act.

Provided that,

- a) The accident or first signs of disease giving rise to the claim shall have occurred on or after to the *retroactive date* stated in the schedule, and
- b) the Limit of Liability under this policy in respect of any claimant(s) arising out of one occurrence(s) attributable to one source(s) or original cause shall not exceed the limit of liability stated in the Schedule hereto, and
- c) in the event of any change in the *Act* or its substitution by other legislation during the Period of Insurance, this Policy shall remain in force subject to the Insured providing revised estimated earnings and paying additional premium as appropriate and in the event of the Insured's failure to provide such estimated earnings the liability of *the Company* in respect of the Insured's liability under such Law(s) shall be limited to such sums as *the Company* would have been liable to pay if the *Act* had remained unaltered.

THE COMPANY WILL ALSO in the event of death of the *Insured employee* indemnify the Insured employee's legal personal representatives in the Terms of this Policy in respect of liability incurred by the Insured provided that such personal representatives shall as though they were the Insured observe fulfil and be subject to the Terms of this Policy in so far as they can apply.

MEDICAL EXPENSES

The indemnity provided by this Policy includes all medical expenses, as defined in the *Act*, incurred as a result of an accident or disease subject to the maximum amount stated in the Schedule.

FUNERAL EXPENSES

The indemnity provided by this Policy includes funeral expenses incurred by the insured in the event of death of an employee as a result of an accident or disease as defined in the *Act* subject to the maximum amount stated in the Schedule.

JURISDICTION CLAUSE

The indemnity provided by this Policy shall apply in respect of judgements, which are in the first instance

delivered by or obtained from a Court of competent jurisdiction within the Republic of Uganda.

DEFINITIONS

- a) **Act** shall mean the Workers' Compensation Act, 2000

- b) **Business shall** mean the trade, industry or service described under Item 4 of the schedule.

- c) **Company shall** mean UAP Insurance Uganda Limited or as described under Item 1 of the schedule.

- d) **Insured** shall mean the entity or entities named under Item 3 of the policy schedule.

- e) **Insured Employee** shall mean a person so employed as to qualify under Part 1 section 1(u) of the Workers' Compensation Act, 2000 and whose position or name is listed under Part III of the schedule of the policy

- f) **Retroactive Date** shall mean the date stated in the schedule, on or after which, the event, accident or initial signs of illness giving rise to the claim must have occurred.

EXCEPTIONS

The Company shall not be liable in respect of;

- a) any liability not provided for in the Workers' Compensation Act stated in the Schedule;

- b) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;

- c) any injury by accident or disease sustained outside the Geographical Area by any employee whose contract of service is not made in Uganda and not subject to the Laws of Uganda;

- d) any injury by accident or disease sustained by any employee who is below the age of sixteen years.

- e) any injury caused or contributed to directly or indirectly by deliberate and wilful misconduct of the employee.

- g) any liability arising out of any court proceedings;

- h) any liability arising out of pre-existing medical conditions unless the same has been declared.

- i) any sum which the Insured would have been entitled to recover from any party but which cannot be recovered due to an agreement between the Insured and such party;

- j) any business or occupation other than that described in the Schedule, unless and until relevant particulars have been supplied to and accepted by the Insurer and endorsed in the Policy.

- k) any injury by accident or disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power acts of terrorism committed by a person or persons acting on behalf of or in connection with any organization. (For the purpose of this provision, "terrorism" shall mean an act, including but not limited to the use of violence or force and/or the threat thereof, whether harmful to human life or not, by any person or group(s) of person(s), whether acting alone or on behalf of, or in connection with any organisation(s) or government(s) or any person or body of persons, committed for political, religious, personal, ethnic or ideological reasons or purposes including any act committed with the intention to influence any government and/or for the purpose of inspiring fear in the public or any section thereof:
- l) The following diseases or by whatever other name they may be referred to
- (i) pneumoconiosis
 - (ii) asbestosis
 - (iii) silicosis
 - (iv) byssinosis
 - (v) any disease which may be brought within the provisions of the Work Injury Benefits Act specified in the Second Schedule by exercise of powers conferred by any provision therein;
- m) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
- (i) nuclear weapons material
 - (ii) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission.

CONDITIONS

1. Specific Meaning of Words

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.

2. Conditions Precedent To Company's Liability

The due observance and fulfilment of the Terms 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 conditions precedent to any liability of the Company to make any payment under this Policy.

3. Notices and Communications

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

4. Requirement of Insured to observe statutory obligations

The Insured shall take reasonable precautions to prevent accidents and disease and shall comply with all statutory obligations in the conduct of the Business.

5. Notification of all possible occurrences and co-operation by Insured

In the event of any occurrence which may give rise to a claim under this Policy the Insured shall immediately give notice thereof to the Company with full particulars as specified in the Act. 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 inquiry in connection with any such occurrence.

6. Requirement of Insured Not To Admit Liability

No admission offer promise or payment shall be made by or on behalf of the insured without the written consent of the Company which shall be entitled if it so desires to take over and conduct in its name the defence or settlement of any claim or to prosecute in its 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.

7. Double Insurance

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 its rateable proportion of any such claim and costs and expenses in connection therewith.

8. Premium Conditions & Wages Declarations by the Insured

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 properly recorded and the Insured shall at all times allow the Company to inspect such records and shall supply the Company with a correct account of all such wages salaries and other earnings paid during any Period of Insurance duly certified by the Insured's then auditors within three months 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 shall be met by a further proportionate payment to the Company or by a refund by the Company as the case may be but such refund by the Company shall at no time exceed fifty per cent of the deposit premium charged at inception or renewal of the insurance.

If the Insured shall not have supplied to the Company with the audited account of all wages salaries and other earnings paid within the aforesaid Period, the Company shall not pay any claim.

9. Alteration of Policy Terms

No alteration in the terms of this Policy and no endorsements hereon or additions hereto shall be valid unless they are made and signed at a registered office of the Company.

10. Cancellation of Policy

The Company may cancel this policy by sending seven days' notice in writing to the insured. The notice shall be deemed to have been received by the Insured if it is delivered by hand to the insured's offices or on completion of transmission if it is sent by telex or facsimile. Where the notice is sent by Courier, it will be deemed to have been received after three days with effect from the date of posting to the insured's last known address. In such event the Company will return to the insured the premium paid less the pro rata portion thereof for the period of insurance the policy has been in force (provided no claim has arisen during the period).

The policy may be cancelled at any time by the insured and (provided no claim has arisen during the current period of Insurance) the insured shall be entitled to the difference (if any) between the premium paid and premium calculated at the Company's short period rates for the period of Insurance the policy has been in force.

11. Arbitration of Disputes under this Policy

All differences arising out of this Policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference, or if they cannot agree upon a single Arbitrator, to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing to do so by either of the parties, or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against the Company or to institution of any court process.

If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

POLICY WARRANTIES

A. Records Warranty

It is **warranted** that the insured shall at all times keep full and proper records of all employees including details of:

- a) their full names and national identity card number (if present), passports or any other acceptable form of identity;
- b) the date and the time of engagement;
- c) their salaries wages or earnings and,

Such records shall be retained for a period of not less than six (6) years as required by the Act.

B. Statutory Requirements

It is hereby **warranted** that the insured shall comply with all statutory requirements.

Transportation of Workers Clause

The indemnity provided by this Policy shall apply to transportation of employees in vehicle(s) owned or hired by the Insured to and from their officially designated places of work and only in the course of their employment and/or (if applicable under the Schedule) to and from social recreational and sporting activities and whilst participating in such activities organised by or on behalf of the Insured

PROVIDED that such vehicle(s) conform to the requirements of the Traffic Act of the Law(s) of Uganda.

SECTION 14 - GROUP PERSONAL ACCIDENT

Defined Events

The company will pay the benefits shown in the Personal Accident Table of Benefits in the event of an Accident that occurs during the period of insurance and that directly and within 24 months of the date of such Accident causes or results in a Bodily Injury and an Insured Event.

Specific Definitions

Any One Life Limit	means the maximum liability of the company under this section 14 of the policy to any one Insured Person specified in the schedule.
Aircraft Accumulation Limit	means the maximum liability of the company under this section 14 of the policy in respect of any one Accident or number of Accidents arising from one source or cause whilst travelling as a fare paying passenger and airborne in an aircraft, including the insured's private aircraft or a chartered aircraft.
Ground Accumulation Limit	means the maximum liability of the company under this section 14 of the policy in respect of any one Accident or number of Accidents arising from one source or cause.
Insured Person/s	means an Insured Person referred to in the schedule.
Medical Expenses	means the Reasonable and Customary Charges levied by a registered medical or paramedical practitioner for actual costs incurred, up to the maximum limit stated in the Schedule and/or Personal Accident Table of Benefits, as a result of an Accident if an Insured Person's medical condition requires Immediate Medical Treatment. "Medical Expenses" excludes any amount of any compensation recoverable by or on behalf of an Insured Person under any occupational injury enactment or workmen's compensation enactment or any other similar legislation or any other insurance policy or medical aid scheme. "Medical Expenses" include the cost of necessary medical or surgical treatment, services, or supplies, including necessary hospital, nursing and ambulance services. "Medical Expenses" in respect of dental charges are limited to treatment of Bodily Injuries sustained to sound natural teeth and received within 30 days of the time and Date of Loss.
Permanent Total Disablement	Shall mean total and absolute disablement which entirely prevents an Insured Person from engaging in or giving attention to any occupation for which the Insured Person is qualified or has received specialised training and which will in all probability be lasting and continuous for the lifetime of the Insured Person.

Permanent Disfigurement	means disfigurement of the external features or appearance including scarring as a result of a surgical procedure required as a direct result of an Accident.
Salary or Wages or Earnings	means the amount of remuneration paid to an Insured Person immediately preceding the date of the Accident as basic salary or as calculated in accordance with a formula agreed in writing by the company at inception or renewal, provided that in respect of an Insured Person employed by the insured under contract for a period of less than one year the term "Salary or Wages or Earnings" means the average monthly amount due to be paid to such person during the contract period.
Temporary Partial Disablement	means disablement substantially preventing an Insured Person from engaging in or giving attention to his or her usual occupation until such time as the Insured Person has recovered or the Insured Person is declared as having a Permanent Total Disablement. The company will not be liable to pay a benefit for a Temporary Partial Disablement during the Excess period. This definition is only applicable if stated in the schedule to be included.
Temporary Total Disablement	means disablement wholly preventing an Insured Person from engaging in or giving attention to his or her usual occupation until such time as the Insured Person has recovered or the Insured Person is declared as having a Permanent Total Disablement. The company will not be liable to pay a benefit for a Temporary Total Disablement during the Excess period. This definition is only applicable if stated in the schedule to be included.
Specific Conditions	
1.	This section 14 of the policy cannot be ceded, assigned or in any way transferred to a third party. Benefits shall be payable only to the insured or its legal representative whose receipt shall discharge the company.
2.	This section 14 of the policy is between the company and the insured only and all of its provisions and conditions are for the sole and exclusive benefit of those parties. Nothing in this policy, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under this policy or any of its provisions. Without limitation, no third party (including the Insured Person) shall have any rights under this policy or any right to receive policy benefits.
3.	If the premium is calculated on estimates supplied by the insured, an accurate record containing all relevant particulars must be maintained by the insured and the company shall have the right of access to that record. The insured shall furnish such information within one month of the expiry of each period of insurance and the premium shall be adjusted accordingly. The estimates and declaration of Salary or Wages or Earnings on which the premium is based is limited to the basic salary of the Insured Person.
4.	Insured Persons must be between the ages of 18 and 75 years at inception of this section 14 of the policy. All cover under this section 14 of the policy in respect of an Insured Person shall cease on the renewal

date following such Insured Person's 80th birthday.

5. Insured Persons must be resident in Uganda.
6. The insured Event must have directly resulted from Bodily Injury.

Specific Claims Conditions

1. The insured shall not be entitled to recover benefits under this section 14 of the policy exceeding 100% of the compensation in respect of any one benefit. As soon as the insured has received such compensation, all further rights of the insured in respect of such benefit shall cease.
2. The company's liability to the insured in respect of any one Insured Person for all compensation arising out of any one Accident and/or occurrence shall be limited to the amount stated under the Any One Life Limit.
3. The company shall not be liable under this section 14 of the policy for more than the Aircraft or Ground Accumulation Limit as stated in the schedule in respect of any one Accident and/or occurrence or number of Accidents and/or occurrences arising from one source or cause.
4. If an Insured Person dies as a direct result of a road or traffic accident of which the cause or the consequence could be a heart attack, the company will deem the Accident to be an Insured Event.
5. Any compensation payable by the company in respect of Temporary Total Disablement or any Medical Expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of the Insured Person under any other insurance policy or medical aid scheme or occupational injuries and diseases enactment and/or workmen's compensation enactment or any other similar legislation.
6. The company shall not be liable to pay any benefit for Medical Expenses directly to the Medical Practitioner or other medical service provider.

Specific Exclusions

The company shall not be liable to pay any benefit under this section 14 of the policy in respect of any Insured Person for any Insured Event caused by or arising directly or indirectly from:

1. an Accident occurring whilst the Insured Person is traveling by air other than as a fare paying passenger in an aircraft duly licensed for the carriage of passengers or as a passenger in the insured's private aircraft or a chartered aircraft;
2. illness.

If the company alleges that by reason of clause 2 of the above exclusions, loss or damage is not covered by this section 14 of the policy, the burden of proving the contrary shall rest on the insured.

Extensions

It is agreed that subject to the terms, conditions, provisions, limitations and exclusions of the policy, this section

14 of the policy is extended to cover the following:

Final Expenses

In the event of death as a direct result of an Accident and provided that the notification of death is received by the company within 30 days, the company shall pay to the insured a sum of Ushs 500,000 in respect of final expenses.

Repatriation/Body Transportation

Provided that there is a valid death claim in terms of this section 14 of the policy, the company will pay the reasonable and necessary expenses incurred in the repatriation or transportation of the body of a deceased Insured Person to his or her normal place of residence, up to an amount not exceeding:

Death within Uganda: Ushs 250,000

Death outside the borders of Uganda - Ushs 500,000

Mobility

In the event the company has admitted a claim for Permanent Disability, if as a direct result of that disability the Insured Person is permanently dependent on a wheelchair for mobility, the company will, in addition to any amount payable for Permanent Disability, pay for:

- 1.1 a self-propelled wheelchair or;
- 1.2 the modification of the controls to the Insured Person's motor vehicle or;
- 1.3 if necessary, the fitting of wheelchair loading equipment and/or alterations to the Insured Person's residence to facilitate the use of such wheelchair,

up to an amount not exceeding Ushs 500,000

Claims Preparation Costs

The company will pay costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company to substantiate a claim under this section 14 of the policy, provided that the liability of the company for such costs in respect of any one claim shall not exceed Ushs 100,000 extension replaces general provision A, which general provision shall not apply to this section 14 of the policy.

Emergency Transportation/Rescue

The company will pay costs and expenses necessarily incurred for emergency transportation and for freeing, rescuing or otherwise bringing an Insured Person to a place of safety following Bodily Injury to such Insured Person, up to an amount of Ushs 1000,000

Seat Belt Benefit

The company will pay an additional 5% of the Insured Person's death benefit, up to a maximum of Ushs 1,000,000 per occurrence, provided that the Insured Person is wearing a properly fastened, original, factory-installed seat belt while operating or traveling as a passenger in a Private Motor Vehicle when the Accident causing the death occurs. Verification of the actual use of the seat belt at the time of the Accident must be a

part of an official report of the Accident or must be certified in writing by the investigating officer(s).

Private Motor Vehicle as used in this extension shall mean a self-propelled private motor car with 4 or more wheels which is of a type both designed and required to be licensed. "Private Motor Vehicle" includes but is not limited to a sedan, station wagon or jeep-type vehicle, designed to seat not more than 9 persons including the driver. "Private Motor Vehicle" does not include a mobile home or any motor vehicle which is used in mass or public transit.

Permanent Disfigurement

The company will pay a benefit, calculated as a percentage of the principal sum of the Insured Person's benefits for that part of the body in direct proportion to the area affected by the disfigurement (limited to a maximum of 50%), for Bodily Injury resulting in permanent disfigurement in respect of:

- a) The head and neck - provided the total area affected by the disfigurement exceeds 20% of the total area of the head and neck
- b) The hands - provided the total area affected by the disfigurement exceeds 20% of the total area of the hands
- c) All other areas of the body - provided the total area affected by the disfigurement exceeds 5% of the total area of the body

Notwithstanding the limitations stated in a), b) or c) above, in the event of serious permanent disfigurement the company may in its sole discretion pay to the insured an additional sum which in its opinion is not inconsistent with the degree of disfigurement and its consequential disability. The benefits payable in terms of a), b) and c) above shall apply independently and be cumulative, but the overall liability of the company for permanent disfigurement resulting from an Accident or series of Accidents, arising from any one cause in respect of any one Insured Person, shall be limited to the principal sum less any compensation payable for Permanent Disability.

SECTION 15 – POLITICAL RISKS (PROPERTY TERRORISM SABOTAGE INSURANCE EXTENSION)

PROPERTY DAMAGE

1. BASIS OF INSURANCE

All information provided to Underwriters by the Insured and/or its agent(s) in connection with this insurance, including but not limited to the Proposal Form specified in item 10 of Schedule 1, forms the basis of and is incorporated into this insurance.

2. INSURING CLAUSE

In consideration of the premium paid and subject to the exclusions, limits and conditions contained herein, this Policy indemnifies the Insured for its ascertained Net Loss for any one Occurrence up to but not exceeding the Policy Limit against:

2.1 Physical loss or physical damage to the Buildings and Contents which belong to the Insured or for which the Insured is legally responsible, directly caused by one or more of the following perils occurring during the Policy Period and in respect of which the Insured has purchased cover as specified in item 4 of Schedule 1:

1. Act of Terrorism;
2. Sabotage;
3. Riots, Strikes and/or Civil Commotion;
4. Malicious Damage;
5. Insurrection, Revolution or Rebellion;
6. Mutiny and/or Coup d'Etat;

Such perils as are specified in item 4 of Schedule 1 and in respect of which cover has been purchased by the Insured shall be the "Covered Causes of Loss".

2.2 Expenses incurred by the Insured in the removal of debris directly caused by any one or more of the Covered Causes of Loss. The cost of removal of such debris shall not be considered in determination of the valuation of the property insured.

2.3 The Underwriters hereon shall not be liable for more than the Policy Limit stated in item 5 of Schedule 1 in respect of any one Occurrence and in the aggregate. For the avoidance of doubt, the limit of indemnity under Clauses 2.1 and 2.2 shall be in the aggregate and shall not exceed the Policy Limit.

3. DEFINITIONS

"Act of Terrorism" shall mean an unlawful act, 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 organization(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.

"Actual Cash Value" means the cost to repair or replace the Buildings or Contents with a proper deduction for obsolescence, wear and tear.

"Buildings" shall mean any roofed and walled structure, machinery and equipment, signs, glass, lifts, fixed fuel tanks, driveways, footpaths, walls, gates, satellite dishes and their fittings and masts, provided always that the Insured owns or is legally responsible for such Buildings and provided that the Buildings are situated at an Insured Location. Where specifically requested by the Insured and agreed to by Underwriters and declared to Underwriters in Schedule 2 to the Policy, "Buildings" shall also include underground mines, tunnels, wells, caverns, dams, water shafts, power tunnels, dikes, levees, gates, flumes and any property contained therein.

"Civil Commotion" shall mean the same as Riots as defined in this Policy.

"Civil War" shall mean an internecine war, or a war carried on between or among opposing citizens of the same country or nation.

"Contents" shall mean fixtures and fittings, interior decorations, office furniture and stock (including finished goods manufactured by the Insured or held for sale), provided always that the Insured owns or is legally responsible for such Contents and provided that such Contents are situated at an Insured Location.

"Coup d'Etat" shall mean the sudden, violent and illegal overthrow of a sovereign government or any attempt at such overthrow.

"Declared Values" shall mean the amounts stated in Schedule 2 to the Policy.

"Deductible" shall mean the deductible(s) stated in item 7 of Schedule 1 in respect of any one Occurrence. Each Occurrence shall be adjusted separately and from the amount of each adjusted loss, the Deductible shall be deducted.

"Electronic Data" shall mean facts, concepts and information converted to a form useable for communication, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Insured" shall mean the entity or entities stated in item 1 of Schedule 1.

"Insured Country" shall mean the country in which the Insured's principal place of business is situated as described in Schedule 2 to the Policy. **"Insured Location"** shall mean the locations as described in Schedule 2 to the Policy.

"Insurrection, Revolution and Rebellion" shall mean a deliberate, organized and open resistance, by force and

arms, to the laws or operations of a sovereign government, committed by its citizens or subjects and/or a rising against a sovereign government or other authority.

"Malicious Damage" shall mean all physical loss or physical damage resulting directly from a malicious act by anyone during a disturbance of the public peace where such malicious act is perpetrated for political reasons by known or unknown person(s).

"Mutiny" shall mean a willful resistance by members of legally armed or peacekeeping forces to a superior officer.

"Net Loss" shall, in respect of Buildings, mean the reasonable cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) to a condition substantially the same as but not better than the condition of the Buildings immediately prior to the loss, subject to the repairing, replacing or reinstating being carried out and subject to the following provisions:

1. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

2. If the Buildings are not repaired, replaced or reinstated within a reasonable period of time the Underwriters shall only pay the Actual Cash Value;

3. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, Underwriters' total liability for any increased cost of replacement due thereto shall be limited to the Policy Sub-Limit stated in item 6 of Schedule 1 for any one Occurrence which liability shall, for the avoidance of doubt, form part of and shall not be in addition to the Policy Limit.

4. In respect of Contents, "Net Loss" shall mean:

(i) on finished goods sold and awaiting collection, the regular selling price, less all discounts and charges to which such goods would have been subject to had no loss occurred;

(ii) on all other stock, the value of raw materials and labour expended;

(iii) for property of others, the amount for which the Insured is legally liable but in no event to exceed the Actual Cash Value;

(iv) for film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, an amount not exceeding the cost of such media in an unexposed or blank form plus the costs of copying electronic data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such electronic data. If the media is not repaired or replaced the basis of valuation shall be the cost of the blank media. This insurance does not insure any amount pertaining to the value of such electronic data to the insured or any other party.

(v) on documents other than (iv) above an amount not exceeding the cost of blank material plus the cost of labour incurred by the insured for transcribing or copying such records. This insurance does not insure any amount pertaining to the value of such documents to the Insured or any other party.

(vi) on all other property, the Actual Cash Value.

5. In respect of the removal of debris pursuant to Clause 2.2 above, "Net Loss" shall mean the necessary and reasonable expenses incurred by the Insured with Underwriters' prior written consent in the removal of said debris.

All amounts shall be calculated at the date of loss and in no event shall Underwriters be liable for more than the Policy Limit.

"Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Insured in respect of Buildings and Contents insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

"Operations" shall mean the Insured's business operations at one or more of the Insured Locations.

"Policy Period" shall mean the period stated in item 3 of Schedule 1.

"Policy Limit" shall mean the limit stated in item 5 of Schedule 1 in respect of any one Occurrence and in the aggregate for all loss and damage insured hereunder, including for the avoidance of doubt, any amount(s) paid in respect of the Policy Sub-Limit.

"Policy Sub-Limit" shall mean the Net Loss Clause 3 Policy sub-limit stated in item 6 of Schedule 1 for any one Occurrence and in the aggregate for all loss and damage under Clause 3 of the definition of "Net Loss", which sub-limit shall, for the avoidance of doubt, form part of and shall not be in addition to the Policy Limit.

"Riots" shall mean any act committed in the course of a disturbance of the public peace (where such disturbance is motivated by political reasons) by any person taking part together with others in such disturbance or any act of any lawfully constituted authority for the purpose of suppressing or minimizing the consequence of such act.

"Strikes" shall mean any willful act of any striker or locked-out worker in the furtherance of a strike or in resistance to a lock-out or any act of any lawfully constituted authority for the purpose of suppressing or minimizing the consequence of such act.

"Sabotage" shall mean willful physical damage or destruction perpetrated for political reasons by known or unknown person(s).

"War" shall mean a contest by force between two or more sovereign nations, carried on for any purpose, armed conflict of sovereign powers and/or declared or undeclared and open hostilities between sovereign nations.

"Underwriters" shall mean the underwriters and insurers subscribing to this Policy.

4. EXCLUSIONS

This Policy **DOES NOT INDEMNIFY AGAINST:**

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

nuclear contamination may have been caused nor from any loss or damage directly or indirectly caused by or contributed to from any nuclear waste or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

2. Loss or damage directly or indirectly caused by seizure, confiscation, nationalization, requisition, expropriation, detention, legal or illegal occupation of any property insured hereunder, embargo, condemnation, nor loss or damage to the Buildings and/or Contents by law, order, decree or regulation of any governing authority, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

3. Any loss arising from War (whether before or after the outbreak of hostilities) Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

4. Delay, loss of market, loss of income, loss of use, denial of access, cancellation of business, depreciation, reduction in functionality, increased cost of working (except as may be insured specifically under any Business Interruption Extension to this Policy);

5. Consequential loss or damage howsoever arising (except as may be insured specifically under any Business Interruption Extension to this Policy);

6. Third party liability howsoever arising;

7. Loss or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants or contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release or of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

8. Loss or damage directly or indirectly caused by chemical or biological release or exposure of any kind, nor any loss or damage directly or indirectly caused by any chemical, biological, bio-chemical or electromagnetic weapon.

9. Loss or damage directly or indirectly caused by electronic means including computer hacking or the introduction of any form of computer virus (save where a mobile phone is used as a remote trigger device in order to cause physical loss or physical damage insured hereunder).

10. Loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data.

11. Loss or damage or increased cost directly or indirectly occasioned by any public or civil authority's enforcement of any ordinance, law, order decree or regulation concerning the reconstruction, repair or demolition of any property insured hereunder except as may be insured specifically by this Policy in accordance with the provisions of Clause 3 of the definition of "Net Loss".

12. Loss or damage directly or indirectly caused by cessation, fluctuation, variation in, or insufficiency of, water, gas or electricity supplies and/or telecommunications or any other type of service or utilities.

13. Loss or damage or increased cost directly or indirectly the result of threat or hoax.

14. Loss or damage directly or indirectly caused by burglary, house-breaking, theft or larceny, looting, pillaging, mysterious or unexplained disappearance of property insured hereunder or directly or indirectly caused by any person taking part in any such activity.
15. Loss or damage directly or indirectly caused by the suspension, lapse or cancellation of any lease, license, contract or order (including non-completion of any order).
16. Any infidelity, fraudulent, dishonest or criminal act by any director, officer or trustee of the Insured whether acting alone or in collusion with others.
17. Any loss due to fines or damages for breach of contract or penalties of whatever nature.
18. Loss or damage caused by, connected to, relating to or howsoever arising from exposure to or the existence of asbestos or asbestos containing materials or products (including for the avoidance of doubt the cost of removal of asbestos or materials or products containing asbestos).
19. Loss or damage caused by insects or vermin.
20. Any debt, insolvency or commercial failure, whether to provide bond or security or otherwise, or any other financial cause of any party or person whatsoever.

5. PROPERTY EXCLUDED

This Policy **DOES NOT PROVIDE INDEMNITY IN RELATION TO:**

1. Land or land values.
2. Transmission, feeder lines or distribution lines and their supporting structures unless located on premises owned by the Insured and on which the Buildings and/or Contents are located.
3. Any Buildings or Contents contained therein while such Buildings are vacant or unoccupied or inoperative for thirty (30) days or more.
4. Aircraft or other aerial devices.
5. Watercraft.
6. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is expressly declared to and agreed by Underwriters hereunder.
7. Animals, plants and living things of all types including loss as a result of physical, mental or bodily injury to any person.
8. Property in transit (except as may be insured specifically under any Property in transit Endorsement to this Policy).
9. Accounts, bills, currency, money, deeds, notes, securities, evidences of debt or title, letters of credit, stamps, tickets, bullion, gold, silver and other precious metals, diamonds, precious and semi-precious stones, jewellery or furs.
10. Offshore property.

11. Underground mines, tunnels, wells or caverns and any property contained therein save as may be insured specifically hereunder and declared to Underwriters in Schedule 2 to the Policy.

12. Dams, water shafts, power tunnels, dikes, levees, gates and flumes save as may be insured specifically hereunder and declared to Underwriters in Schedule 2 to the Policy.

6. CONDITIONS

6.1 Other Insurance

This Policy does not indemnify any loss or damage which at the time of the occurrence of such loss is insured or would, but for the existence of this Policy be insured by any other policy or policies of insurance except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected.

6.2 Territorial Limits

This Policy insures Buildings and Contents owned by the Insured or for which the Insured is legally responsible and situated at the Insured Locations specified in Schedule 2 to the Policy.

6.3 Due Diligence

It is a condition precedent to Underwriters' liability that the Insured shall at all times and at its own expense use due diligence, and do and concur in doing and permit to be done, all things reasonably practicable (including but not limited to precautions to protect or remove the Buildings and Contents insured herein) to avoid or diminish any loss or damage under this Policy and including action against other parties to enforce any rights and remedies or to obtain relief or indemnity. It is also a condition precedent to Underwriters' liability that the Insured shall do all things necessary to ensure and require that its agents sub and co-contractors do all things reasonably practicable to avoid or diminish any loss or damage under this Policy.

6.4 Protections Maintenance

The Insured shall ensure that effective protections exist for the safety of the Buildings and Contents and that such protections shall be maintained in good order throughout the currency of this Policy and shall be in use at all appropriate times. Such protection shall not be withdrawn or varied without Underwriters' prior written consent.

6.5 Declared Values Penalty

If at the time that any Buildings or Contents are lost or damaged, the total value of all such insured property at the Insured Location at which said loss or damage occurred is greater than the Declared Value for that Insured Location by more than 10%, then the Insured shall be entitled to recover no more hereunder than such proportion of the loss or damage as the Declared Value bears to the total value of all insured property at that Insured Location. For the avoidance of doubt, Underwriters' maximum liability in respect of any one Insured Location shall not exceed the Declared Value for such Insured Location.

6.6 Notification of Loss or Damage

It is a condition precedent to Underwriters' liability that in the event of loss or damage or circumstances arising that may give rise to a claim under this insurance notice is to be given to Underwriters as soon as reasonably

possible but no later than 14 days after the occurrence of said loss or damage.

6.7 Co-operation

It is a condition precedent to Underwriter's liability that the Insured must provide Underwriters with such relevant information and evidence as Underwriters may reasonably require and co-operate fully in the investigation and/or adjustment of any claim. If required by Underwriters, the Insured agrees to submit to examination under oath by any person designated by Underwriters.

6.8 Proof of Loss

The Insured shall render a signed and sworn proof of loss within 60 days after the occurrence of such loss (unless such period shall be extended with the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the Buildings and Contents, the Declared Values and the amount of loss or damage thereto. If Underwriters have not received such proof of loss within 1 year of the expiry of this Policy, they shall be discharged from all liability in relation to such loss.

7. MULTIPLE INSURED

7.1 Each of the Insured's individually warrants that the information which has been provided to Underwriters in relation to placement, renewal, amendment of or extension to this Policy by or on behalf of itself or any of the other Insured's, is materially accurate and complete so far as it concerns the risks in which that Insured (by itself or with others) has an interest that is insured hereunder.

7.2 Breach of any warranty hereunder by any one of the Insured's shall be deemed to be in breach of warranty by all of the Insured's as if the same had been committed by each and every one of the said Insured's, subject only to Underwriters' express written waiver of the same.

7.3 The total liability of the Underwriters in the aggregate for any loss or losses sustained by any or all of the Insured's, or at any or all of the Insured Locations, shall not exceed the amount for which Underwriters would be liable had such loss or losses been sustained by any one Insured, or at any one Insured Location, alone. For the avoidance of doubt, the Policy Limit applies to the aggregate of all claims by all Insured's and in respect of all Insured Locations hereunder, and Underwriters shall have no liability in excess of the Policy Limit whether insured losses are sustained by all of the Insured's or any one or more of them or whether insured losses are sustained at any one or more of the Insured Locations.

7.4 The application of any Exclusion against any Insured shall be deemed to exclude loss for all Insured's hereunder, subject only to Underwriters' express written waiver of the same.

8. SUBROGATION

If Underwriters become liable for any payment under this Policy in respect of loss or damage, they shall become subrogated, to the extent of such payment, to all the rights and remedies of the Insured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Insured to recover for Underwriters' benefit the amount of any payment made under this insurance, in addition to Underwriters' own costs and expenses. The Insured shall give to Underwriters all such assistance in its power as Underwriters may require to secure said rights and remedies (including attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements and in conducting litigation, arbitration or other proceedings) and, at Underwriters' request, shall enter into such agreements and execute or sign such documents as may be necessary to enable Underwriters to bring suit in the name of the Insured.

9. RECOVERIES

All salvage, recoveries and payments recovered or received by the Insured from any source subsequent to a loss settlement under this Policy, after reimbursement of Underwriters' expenses of recovery if any, shall inure to the benefit of Underwriters until they shall have been reimbursed to the extent of any loss settlement. Any further salvage, recoveries and payments shall accrue to the benefit of the Insured.

10. ABANDONMENT

Unless Underwriters elect to take the Buildings and Contents as salvage, said property will at all times remain the property of the Insured who may not abandon it to Underwriters.

11. FALSE OR FRAUDULENT CLAIMS

If the Insured 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.

12. INSPECTION AND AUDIT

12.1 Underwriters shall be permitted but not obligated to inspect the Buildings and Contents at any time. Neither Underwriters' 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. No other party shall be entitled to rely on Underwriters' inspection without their prior written consent.

12.2 Underwriters shall be entitled to examine and audit the Insured's books and records at any time during the Policy period and any extensions thereof and within 2 years after the final termination of this Policy, as far as they relate to the subject matter of this insurance.

13. ASSIGNMENT

No assignment or change of interest in this insurance or any amount payable under it shall be binding on or recognized by Underwriters, except with their prior written consent.

14. RIGHTS OF THIRD PARTIES

This Policy is effected solely between the Insured and Underwriters. This Policy shall not and is not intended to confer any benefits on any third parties, including but not limited to shareholders, and no third party may enforce any term of this Policy.

15. PREMIUM PAYMENT

The Insured undertakes that the premium shall be paid in full to Underwriters before commencement of cover.

16. CANCELLATION

16.1 This Policy may be cancelled by the Insured by written notice to Underwriters stating when, not less than 30 days thereafter, the cancellation shall be effective.

16.2 Save where Clause 15 above applies, this Policy may be cancelled by Underwriters by written notice to the Insured at the address shown in item 1 of Schedule 1 stating when, not less than thirty (30) days thereafter such cancellation shall be effective.

16.3 The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation in the notice shall become the end of the Policy period. Delivery (where permitted by law) of such written notice either by the Insured or by Underwriters shall be equivalent to mailing.

16.4 If the Insured cancels this Policy, 25% of the premium charged shall be deemed fully earned upon inception of the Policy and the remaining earned premium shall be computed in accordance with the customary short rate table and procedure. If Underwriters cancel this Policy the premium shall be computed pro rata.

16.5 The premium shall be deemed fully earned if any loss, damage, circumstance or Occurrence has been notified under this Policy.

16.6 Premium adjustment may be made either at the time of cancellation or as soon as practicable thereafter but payment or tender of unearned premium is not a condition of cancellation.

17. WARRANTY AS TO USES

The Insured warrants that the building uses declared to Underwriters at inception and detailed in Schedule 2 to the Policy are correct and that such uses shall not change during the Policy Period without Underwriters' prior written consent.

18. CHANGES/AMENDMENTS

Any addenda, amendments or endorsements to this Policy shall only be valid if agreed by Underwriters in writing.

19. GOVERNING LAW AND DISPUTE RESOLUTION

19.1 Any dispute arising out of, in connection with or in relation to this Policy or any claim under it, including any question regarding the Policy's existence, validity or termination, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA) Rules (as may be amended from time to time and are in effect at the date of the submission to arbitration), which Rules are deemed to be incorporated by reference into this Clause. The number of arbitrators shall be three (3). The seat of the arbitration shall be Kampala, Uganda. The language to be used in the arbitral proceedings shall be English.

19.2 The governing law of this Policy and any dispute arising in connection with or in relation to this Policy shall be the laws of Uganda.

20. SEVERAL LIABILITY

Underwriters' obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

21. CLAIM SETTLEMENT

Settlement of any valid claim under this Policy shall be payable, subject to the application of the Deductible, within 60 days after the conclusion of Underwriters' investigation(s) necessary for the assessment of the extent of their liability.

BUSINESS INTERRUPTION EXTENSION (BUSINESS INCOME)

1. INSURING CLAUSE

1.1 Loss of Income: In consideration of the additional premium paid, this Policy is extended to cover the actual loss of Income sustained by the Insured resulting directly from Business Interruption.

1.2 Due consideration shall be given to the continuation of such reasonable charges and expenses, including payroll expenses, to the extent necessary to resume the Operations with the same operational capability as existed immediately before the physical loss or damage occurred to Buildings and/or Contents.

1.3 Expenses to reduce loss: Underwriters shall also pay to the Insured the additional necessary and reasonable costs and expenses incurred by the Insured in order to minimize its losses under this Extension and continue its business, less any savings which result from the reduced costs and expenses during the period of business interruption. Underwriters' liability for such costs and expenses shall not exceed the amount by which loss otherwise payable under this Extension is thereby reduced. For the avoidance of doubt, any sums paid by Underwriters in respect of such costs and expenses shall form part of and shall not be in addition to the Business Interruption Limit (if applicable) or Policy Limit (if applicable).

1.4 Indemnity under this Extension shall commence from the date on which the physical loss or physical damage occurs to Buildings and/or Contents and continue for the entire period of interruption of business but not beyond the lesser of:

1. the time required, with the exercise of due diligence and dispatch, to repair, rebuild or reinstate such part of the Buildings and/or Contents as has been destroyed or damaged commencing with the date of such direct physical loss or damage; or
2. TWELVE (12) calendar months.

2. DEFINITIONS

"Business Interruption" shall mean the necessary and unavoidable interruption of or interference with the Insured's Operations provided always that:

1. a business interruption value is declared in Schedule 2 to the Policy for the relevant Insured Location(s); and
2. such business interruption occurs at an Insured Location; and
3. such business interruption occurs as a direct consequence of one or more of the Covered Causes of Loss as are specified in item 4 of Schedule 1 and in respect of which cover has been purchased by the Insured.

"Business Interruption Policy Limit" shall mean the business interruption policy limit stated in item 12 of Schedule 1.

"Income" shall mean the net income (net profit or loss before income taxes) that would have been earned or incurred.

"Finished Stock" shall mean stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment and sale.

"Merchandise" shall mean goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

"Raw Stock" shall mean material in the state in which the Insured receives it for conversion into Finished Stock.

"Stock in Process" shall mean Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become Finished Stock.

3. CONDITIONS

3.1 Direct Damage

No claim shall be payable under this Extension unless and until a claim has been paid or liability admitted by Underwriters, in respect of one or more of the Covered Causes of Loss (as specified in item 4 of Schedule 1 and in respect of which cover has been purchased by the Insured) and which Covered Cause(s) of Loss give rise to Business Interruption. This condition shall not apply where no claim payment has been made or liability admitted solely owing to the operation of a Deductible which excludes liability for losses below a specified amount.

3.2 Basis of Settlement

1. The amount of Income loss shall be determined based on:

- a) the net income of the Operations before the direct physical loss or damage to Buildings and Contents occurred;
- b) the likely net income of the Operations if no physical loss or damage had occurred, but not including any net income that would likely have been earned as a result of an increase in the value of business due to favourable business conditions caused by the impact of the Covered Causes of Loss on customers or on other business;
- c) the operating expenses, including payroll expenses, necessary to resume Operations with the same operational capabilities that existed immediately before the direct physical loss or damage; and d) other relevant sources of information including: the Insured's financial records and accounting procedures; bills, invoices and other vouchers; and deed, liens or contracts.

2. Resumption of Operations

If the Insured could reduce the loss under this Extension resulting from Business Interruption:

- a) by complete or partial resumption of Operations, and/or

b) by making use of Merchandise, Raw Stock, Stock in Process or Finished Stock, or any other property at the Insured Locations or elsewhere, and/or

c) by using or increasing Operations elsewhere, then such possible reduction(s) shall be taken into account in arriving at the amount of loss under this Extension.

If the Insured does not resume Operations, or does not resume Operations as quickly as possible, Underwriters' liability shall be limited to the length of time it would have taken for the Insured to resume Operations as quickly as possible.

3. Appraisal

If Underwriters and the Insured disagree on the amount of Income and/or operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by the LCIA. The appraisers will state separately the amount of Income and operating expense of the amount or loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a) pay its chosen appraiser; and

b) bear the other expenses of the appraisal and umpire equally. If there is an appraisal, Underwriters shall still retain the right to deny the claim

Proof of Loss

The Insured shall give immediate written notice to Underwriters of any loss or damage under this Extension and shall protect the property from further damage that might result. Within 60 days following the date of physical loss or damage, the Insured shall render to Underwriters a proof of loss, signed and sworn by the Insured, stating the knowledge and belief of the Insured as to the following:

1. the time and origin of the property loss or damage causing the interruption of business;
2. the interest of the Insured and of all others in the business;
3. all other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this policy;
4. any changes in the title, nature, location, encumbrance, possession of said business since the issuing of the Policy; and

4. by whom and for what purpose any building at which loss or damage has occurred and the several parts thereof were occupied at the time of loss or damage, and shall furnish a copy of all the description and schedules in all policies, and the actual amount of business interruption value and loss claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based. The Insured shall exhibit to any person designated by Underwriters all that remains of any property insured under this Extension, shall submit to examination under oath by any person named by Underwriters, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by Underwriters or its representatives and shall

permit extracts and copies thereof to be made.

4. EXCLUSIONS

This Extension **DOES NOT INDEMNIFY AGAINST:**

- 4.1 Increase in loss or damage resulting directly or indirectly from interference at the Insured Locations, by strikers or other persons, with rebuilding, repairing or reinstating the property or with the resumption or continuation of Operations.
- 4.2 Increase in loss or damage caused directly or indirectly by suspension, lapse or cancellation or any lease, license, contract, or order, unless such results directly from Business Interruption and then Underwriters shall be liable only for such loss as affects the Insured's Gross Earnings during and limited to the Policy Period.
- 4.3 Increase in loss or damage caused directly or indirectly by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder.
- 4.4 Loss of market or any other consequential loss or damage except as specifically insured herein.
- 4.5 Loss or damage as a result of physical or mental or bodily injury to any person.
- 4.6 Any loss or damage during any period in which goods would not have been produced, or Operations or services would not have been maintained, for any reason other than physical loss or physical damage of the type insured against to which this coverage applies.
- 4.7 Any loss or damage due to fines or damages for breach of contract or penalties of whatever nature.
- 4.8 Any loss or damage with respect to any additional time required for making change(s) to the buildings, structures, or equipment for any reason, nor any additional time required for re-staffing or retraining employees.

5. LIMITATIONS

5.1 In respect of loss or damage suffered under this Extension, Underwriters' maximum liability shall never be more than the Business Interruption Policy Limit (if applicable), or Policy Limit (if applicable) where this Policy Limit is a combined amount for losses arising from both physical loss or physical damage and Business Interruption, for any one Occurrence.

For the avoidance of doubt, where a Business Interruption Policy Limit applies to losses suffered under this Extension, it shall apply to the aggregate of all claims by all Insured's and in respect of all Insured Locations hereunder, and Underwriters shall have no liability in excess of the Business Interruption Policy Limit whether insured losses are sustained by all of the Insured's or any one or more of them or whether insured losses are sustained at any one or more of the Insured Locations. Where the parties to this insurance have agreed that the Policy Limit shall be a combined amount for losses arising from both physical loss or physical damage and Business Interruption, Clause 7.3 shall apply in respect of Underwriters' maximum liability for losses suffered under this Extension.

5.3 With respect to loss under this Extension resulting from damage to or destruction of film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, the length of time for which Underwriters shall be liable hereunder shall not exceed:

1. Thirty (30) consecutive calendar days or the time required with exercised due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or
2. the length of time that would be required to rebuild, repair or reinstate such property but not exceeding twelve (12) calendar months, whichever is the greater length of time.

SUBJECT OTHERWISE TO ALL THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS OF THE POLICY TO WHICH THIS EXTENSION IS ATTACHED