



# Policy handbook

# **Industrial All Risks**

INDUSTRIAL ALL RISKS INSURANCE



# Table of contents

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1	Exceptions	5
2	Policy Conditions	10

In consideration of the Insured having paid or agreed to pay to the Company the first premium shown in the Schedule.

The Company named herein hereby agree subject to the terms exceptions limits and conditions contained herein or endorsed hereon (hereinafter referred to as 'the Terms of the Policy') that if during the Period of insurance or during any further period in respect of which the Insured shall have paid and the Company shall have accepted the premium required the Property Insured or any part thereof shall be accidentally physically lost destroyed or damaged the Company will pay to the Insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at their option reinstate or replace such property or any part thereof.

**PROVIDED THAT**

- 1) The liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may be

substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

- 2) The liability of the Company individually in respect of such loss destruction or damage shall be limited to the proportion set against its name.

# 1 Exceptions

The Company will not indemnify the Insured in respect of

- 1 a) Electrical or mechanical breakdown or derangement of plant machinery or equipment.
- b) Deterioration of property due to change in temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system.
- c) Subsidence ground heave landslip erosion settling or cracking.

UNLESS EITHER:

- i) Caused by fire lightning explosion  
  
(for the purposes of this Exception "explosion" shall not mean the bursting or disruption of turbines compressors rectifiers switchgear engine cylinders hydraulic cylinders fly-wheels or other moving parts subject to

centrifugal force or boilers economisers or other vessels machinery or apparatus in which pressure is used).

Aircraft or other aerial devices or articles dropped therefrom impact by vehicles watercraft locomotives or rolling stock earthquake.

Riot or malicious acts

Strikers locked-out workers or persons taking part in labour disturbances.

Storm tempest flood.

OR

- ii) Resulting in the occurrence of any of the events in (i) above then the Company will only indemnify the Insured under the Terms of the Policy in respect of the resultant loss destruction or damage.

2. Loss destruction or damage to:

- a) Property in course

of manufacture if such loss destruction or damage is sustained while the property is being actually worked on and directly resulting from such work.

b) Property in course of construction or erection.

c) Boilers economisers turbines or other vessels machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.

d) Plant machinery or equipment during installation dismantling or the stripping down and assembly in respect of any re-siting operations.

e) Electrical equipment or wiring caused by electrical current (other than lightning).

f) Money cheques bullion negotiable instruments and securities of all kinds.

g) Animals growing

- h) Dams reservoirs piers wharves jetties bridges or tunnels.
- i) Any vehicle licensed for road use railway locomotives and rolling stock water craft or aircraft or property contained in water craft or aircraft.
- j) Property whilst in transit other than at any Premises described in the Schedule.
- k) Documents manuscripts business books or computer systems records for the value to the Insured of the information contained therein.

HOWEVER the Company will indemnify the Insured in respect of loss destruction or damage to

- a) Documents manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up.

- b) Computer systems records but only for the value of the materials together with the costs and expenses necessarily incurred by the Insured in reproducing such records (excluding any cost or expense in connection with the production of information to be recorded therein).

- 3. a) Consequential loss of any kind or description whatsoever.
- b) Loss resulting from dishonesty fraudulent action trick device or other false pretence.
- c) Loss resulting from theft unless accompanied by violence to persons or threat of violence or forcible and violent entry to or exit from the premises.
- d) Loss resulting from unexplained or mysterious disappearance or shortage revealed at any periodic inventory or shortages in the

supply or delivery of materials or loss or shortages due to clerical or accounting error.

- e) The cost of replacing or rectifying defective materials workmanship design or defect or omission in design plan or specification.
- f) Contamination pollution wear and tear corrosion vermin fungus rot gradual deterioration deformation or distortion shrinkage evaporation loss of weight change in flavour colour texture or finish or action of light.
- g) The cost of normal upkeep or normal making good.
- h) The freezing or solidification of molten material.

- 4. Loss destruction or damage by storm tempest water hail frost or snow to property:

- a) In the open (other than buildings structures and plant designed to exist

and operate in the open)

- b) Contained in open-sided buildings

UNLESS so described and specifically insured as a separate item in the Schedule

- 5. The amount stated in the Schedule as the Deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss destruction or damage the subject of indemnity under this Policy.

- 6. 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:

- a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion,

revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

- b) Confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- c) Any act of terrorism.

For the purpose of this Exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Exclusion 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 (a), (b) and/or (c) above.

If the Underwriters allege 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.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- 7. Any loss destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:

- a) Nuclear weapons material.
- b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel Solely for the purpose of this Exception 7.(b) combustion shall include any self-

sustaining process of nuclear fission.

8. losses arising, directly or indirectly from:

1) The loss of, alteration of or damage to.

or

2) A reduction in the functionality, availability or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment that results from the malicious or negligent transfer (electronic or otherwise) of a computer programme that contains any malicious and or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse and which can be identified as the cause of loss do not in and of themselves constitute a claim under this policy.

9. a) Any loss or destruction of or damage to property or consequential loss arising therefrom or any

other loss cost or expense directly or indirectly caused by or consisting of or arising from or

b) Any legal liability directly or indirectly caused by or contributed to by or arising from the inability or failure of any computer data processing equipment or media microchip 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.

i) Correctly to recognise any date as its true calendar date or

ii) To capture save or retain and/ or correctly to manipulate interpret or process any data information command or instruction as a result of treating any date otherwise than as its true calendar date or

iii) To capture save or retain and/ or correctly to manipulate interpret or process any data or information as a result of the operation of any command which has been programmed into any computer software which causes loss of data or information or the inability to capture save retain or correctly to process such data or information on or after any date.

But this does not exclude subsequent loss destruction or damage arising therefrom as insured and not otherwise excluded by the policy which itself results from any of the following named perils which are insured by the Cover under which the loss arises.

Named perils

Fire lightning explosion aircraft aerial devices or articles falling from them riot civil commotion strikers locked out workers persons taking part in labour disturbances

malicious persons thieves robbers earthquake storm flood escape of water from any tank apparatus or pipe impact by a road vehicle or animal or subsidence.

## 2 Policy Conditions

### 1. Definition

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 meaning wherever it may appear.

### 2. Misdescription

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

### 3. Alteration

Under any of the following circumstances the insurance under this Policy ceases to attach as regards the property affected unless the Insured before the occurrence of any loss or damage obtains

the sanction of the Company signified by endorsement upon the Policy by or on behalf of the Company:

- a) If the trade or manufacture carried on be altered or if the nature of the occupation or of other circumstances affecting the building insured or containing the Insured Property be changed in such a way as to increase the risk of loss or damage.
- b) If the building insured or containing insured Property becomes unoccupied and so remains for a period of more than 30 days.
- c) If the Property Insured be removed to any building or place other than that in which it is herein stated to be insured.
- d) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.

### 4. Cancellation

This Policy may be terminated at any time

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

### 5. Safeguards and Maintenance

The Insured shall at all times and as far as is reasonably practicable take steps to safeguard the Property Insured and maintain it in a proper state of repair. The Insured shall also take steps to enforce the observance of all statutory provisions manufacturer's recommendations and other regulations relating to the safety use and inspection of the Property Insured.

### 6. Claims

On the happening of

any loss destruction or damage the Insured shall forthwith give notice thereof in writing to the Company and shall within 15 days after such loss destruction or damage or such further time as the Company may in writing allow at his own expense deliver to the Company a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property lost destroyed or damaged and of the amount of such loss destruction or damage thereto respectively having regard to their value at the time of the loss destruction or damage together with details of any other insurances on any property hereby insured. The Insured shall also give to the Company all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this

Condition have been complied with.

In the case of property lost or stolen or if wilful or malicious damage is suspected the Insured shall immediately notify the police and render all reasonable assistance in causing the discovery and punishment of any guilty person and in tracing and recovering lost or stolen property.

### 7. Company Rights after a Loss

On the happening of any loss destruction or damage to any of the Property Insured the Company may.

- a) Enter and take and keep possession of the building or premises where the loss or damage has happened.
- b) Take possession of or require to be delivered to them any property of the Insured in the building or on the premises at the time of the loss or damage.
- c) Keep possession of any such property and examine sort arrange remove, or

otherwise deal with the same.

- d) Sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that they make no claim under this Policy or if any claim is made until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of their powers hereunder incur any liability to the Insured or diminish their right to rely upon any of the conditions of this Policy in answer to any claim.

If the Insured or any person on their behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of their powers hereunder all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to

abandon any property to the Company whether taken possession of by the Company or not.

#### 8. Forfeiture

If any claims upon this Policy be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or if the loss destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

#### 9. Time Limitation

If a claim be made and rejected and an action or suit be not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of the Condition 15 of this Policy) within three months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.

#### 10. Reinstatement

If the Company elect or become bound to

reinstate or replace any property the Insured shall at his own expense produce and give to the Company all such plans documents books and information as the Company may reasonably require The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon.

#### 11. Subrogation

The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss destruction or damage under this

Policy whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

#### 12. Marine

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

#### 13. Contribution

If at the time of any loss destruction or damage happening to any Property Insured there be any other subsisting insurance or insurances whether effected by the Insured or by any other person or persons covering the same property the Company shall not be liable to pay or contribute more than their rateable proportion of such loss destruction or damage.

#### 14. Average

If the Property Insured shall at the time of any loss destruction or damage be collectively of greater value than the Sum Insured thereon then the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable proportion of the loss accordingly Every Item if more than one of the Policy shall be separately subject to this Condition.

#### 15. Arbitration

If any difference arises out of this Policy the Company shall immediately notify the Insured in writing of his right to refer the difference to arbitration Such difference 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 so to do 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 if the Company shall disclaim liability for any claim hereunder and such claim shall not within twenty four 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.

#### 16. Privity of Contract

This Policy of insurance is a private and exclusive contract between the Insured and the Company All benefits rights and obligations under the terms hereof belong to or are owned by the Insured and the Company The Company is under no obligation whatsoever to defend

settle compromise or otherwise respond to any action or claim brought directly and solely against the Company in respect of any risk covered by this Policy by any person who is not a party to the said contract.

Nothing in this clause or Condition or in the contract generally shall prevent the Company from exercising its rights of subrogation against any person who is not a party to this contract.

#### 17. Jurisdiction

The Policy applies only to judgements delivered by or obtained from a Court of Competent Jurisdiction in a member country of the Gulf Cooperation Council.

#### 18. Observance of Conditions

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



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