

Policy handbook
**Fire and Special
Perils**
(Loss of Profits)



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THE COMPANY AGREES (subject to the terms, definitions, exclusions and conditions of this Policy), that if after payment of the First Premium any building or other property used by the Insured at the Premises for the purpose of the Business be destroyed or damaged by any of THE PERILS specified in the Schedule during the Period of Insurance (or any subsequent period for which the Company accepts the renewal premium) and in consequence the business carried on by the Insured at the Premises be interrupted or interfered with then the Company will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference.

Provided that:

1 At the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage and that

a) Payment would have been made or liability admitted therefore.

or

b) Payment would have been made or liability admitted therefor but for the operation of a provision in such insurance excluding liability for losses below a specified amount.

2 The liability of the Company under this Policy shall not exceed:

a) In the whole the total sum insured or in respect of any item its sum insured at the time of the loss destruction or damage.

b) The sum insured remaining after payment for any other interruption or interference consequent upon loss destruction or damage occurring during the same period of insurance, unless the Company shall have agreed to reinstate any such sum insured.

This policy incorporates the Schedule, Specification and Endorsements which shall be read together as one contract. Words

and expressions to which specific meaning is given in any part of this Policy shall have the same meaning wherever they appear.

DEFINITION – The word “DAMAGE”, in capital letters, shall mean loss or destruction of or damage to the Property used by the Insured at the Premises for the purpose of Business.

1 Perils

A. Fire, Lightning, Explosion:

- i) FIRE (whether resulting from explosion or otherwise) excluding:
 - a) Any DAMAGE occasioned by earthquake, volcanic eruption or other convulsions of nature
 - b) DAMAGE occasioned by:
 - i) Its own spontaneous fermentation or heating or
 - ii) Its undergoing any process involving the application of heat.
 - c) Any DAMAGE occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, prairie, pampas or jungle, and the clearing of lands by fire.

ii) Lightning

iii) Explosion

- a) of boilers or
- b) of gas

used for domestic purposes only but excluding DAMAGE caused by earthquake, volcanic eruption or other convulsions of nature.

B. Explosion:

Excluding DAMAGE to boilers (other than boilers used for domestic purposes), economisers, or other vessels, machinery or apparatus in which pressure is used or to their contents resulting from their explosion.

C. Aircraft :

And other aerial devices and/or articles dropped therefrom excluding DAMAGE by pressure waves caused by aircraft or other aerial devices travelling at super sonic or sonic speeds.

D. Earthquake or volcanic eruption :

Including flood or overflow of the sea occasioned thereby.

The Company is not liable for the Deductible specified in the Schedule in respect of DAMAGE caused otherwise than by fire. The Deductible applies to each and every loss at each separate location as ascertained after

the application of Claims Conditions No. 6 Average (Underinsurance).

E. Riot, strikers, locked-out workers:

DAMAGE directly caused by

a) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not);

b) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any such disturbances;

c) The wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out;

d) The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act;

excluding:

1. DAMAGE occasioned

through or in consequence, directly or indirectly, of the malicious act of any person (whether or not such act is committed in the course of disturbance of the public peace) not being the wilful act of any rioter striker or locked-out worker in furtherance of a riot or strike or in resistance to a lock-out;

2. a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever;
- b) DAMAGE resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- c) DAMAGE occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- d) DAMAGE occasioned by permanent

or temporary dispossession of any building resulting from the unlawful occupation by any person of such building;

PROVIDED nevertheless that the Company is not relieved under 2 (c) or (d) above of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession.

F. Malicious Damage:

Damage to the property insured directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) other than DAMAGE arising out of theft or any attempt there at.

The Company is not liable for the Deductible specified in the Schedule. The Deductible applies to each and every loss at each separate location after the application of the Average Condition (Underinsurance).

The cover provided under this Peril is subject to the cover under Peril E being in force and to the application

of the exclusions under that Peril other than 1.

G. Storm and Tempest:

Excluding DAMAGE

- i) Caused by the escape of water from normal confines of any natural or artificial water course or lake reservoir canal or dam or any water tanks, apparatus or pipes and inundation from the sea whether resulting from storm or otherwise.
- ii) Caused by frost, subsidence or landslip.
- iii) To awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open and open sided buildings.
- iv) To premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against storm or tempest.
- v) By water or rain other than by water or rain entering the building through openings made in its fabric, by the direct force of the storm or tempest.
- vi) As a result of doors,

windows, or roof lights being left open or in a defective condition.

- vii) Solely attributable to change in water table levels.

The Company is not liable for the Deductible specified in the Schedule. The Deductible applies to each and every loss at each separate location as ascertained after the application of Claims Condition No. 6 - Average (Underinsurance).

H. Flood:

DAMAGE caused by the escape of water from the normal confines of any natural or artificial water course or lake reservoir canal or dam or inundation from the sea.

Excluding DAMAGE

- i) Caused by frost, subsidence or landslip.
- ii) To awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open and open sided buildings.
- iii) To premises in course of construction, alteration or repair except when all outside doors, windows and other openings are

complete and protected against storm or tempest.

- iv) By water or rain other than by water or rain entering the building through openings made in its fabric, by the direct force of the storm or tempest.
- v) As a result of doors, windows, or roof lights being left open or in a defective condition.
- (vi) resulting from the escape of water from any tank apparatus or pipes.
- vii) Caused as a result of inability of gutters, pipes, downpipes and apparatus to convey rain water off and out of the Building.
- viii) Solely attributable to change in water table levels.

The Company is not liable for the Deductible specified in the Schedule. The Deductible applies to each and every loss at each separate location as ascertained after the application of Claims Condition No. 6 - Average (Underinsurance).

I. Escape of water from any tank, apparatus or

pipes excluding:

- i) DAMAGE by water discharged or leaking from an installation of automatic sprinklers.
- ii) DAMAGE in respect of any building which is empty or left unoccupied for more than 30 days consecutively.
- iii) DAMAGE to the component or appliance from which the water escapes.
- iv) Costs of locating and rectifying the source of escape of water.

The Company is not liable for the Deductible specified in the Schedule. The Deductible applies to each and every loss at each separate location as ascertained after the application of Claims Condition No. 6 - Average (Underinsurance).

J. Impact by any road vehicle or animal excluding:

DAMAGE by any road vehicle or animal belonging to or under the control of the Insured or any occupier of the premises or their respective employees.

The Company is not liable for

the Deductible specified in the Schedule. The Deductible applies to each and every loss at each separate location as ascertained after the application of Claims Condition No. 6 - Average (Underinsurance).

2 General Exclusions

1. DAMAGE

- a) To any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - i) Any nuclear weapons material.
 - ii) Ionizing 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 Exclusion 'combustion' shall include any self-sustaining process of nuclear fission.
- b) To any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by overrunning, excessive pressure,

short circuiting, self heating, arcing or leakage of electricity arising from whatever cause (lightning included).

PROVIDED that this Exclusion shall only apply to the particular machine, apparatus, or portion of the electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

- c) Caused by pollution or contamination except (unless otherwise excluded) DAMAGE to the Property Insured caused by:
 - i) Pollution or contamination which itself results from a Peril hereby insured against.
 - ii) Any Peril hereby insured against which itself results from pollution or contamination

This Insurance also excludes any liability in connection with disposed or dumped wasted materials or substances.

2. 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.

3. a) Any loss or destruction of or damage to property or consequential loss arising therefrom or any other loss cost or

b) Expense directly or indirectly caused by or consisting of or arising from or 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) To correctly 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 earthquake storm flood escape of water from any tank apparatus or pipe impact by a road vehicle or animal or subsidence.

4. Losses arising, directly or indirectly from:

The loss of, alteration of or damage to or 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.

3 Claims Conditions

1. Action by the Insured

a) In the event of any DAMAGE in consequence of which a claim is or may be made under this Policy the Insured shall:

- Notify the Insurer immediately
- With due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss.

b) In the event of a claim being made under this policy the Insured at his own expense shall

- Not later than 30 days after the expiry of the Indemnity Period or within such further time as the Insurer may allow, deliver to the Company

in writing particulars of his claim together with details of all other insurances covering the DAMAGE or any part of it or any resulting consequential loss.

- Deliver to the Company such books of account and other business book vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by the Company for the purpose of investigating or verifying the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

2. Forfeiture

a) All benefit under the Policy shall be forfeited if any claim made is 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 benefit under this Policy or if any DAMAGE is caused by the willful act or with the connivance of the Insured.

b) Benefit under the Policy shall also be forfeited in respect of any claim

- i) Made and rejected if an action or suit be not commenced within twelve months after such rejection.
- ii) Where arbitration takes place in pursuance of Claims Condition 8 of this Policy and an action or suit be not commenced within twelve months after the arbitrator or arbitrators or umpire shall have made their award.

3. Contribution

If at the time of any DAMAGE resulting in a loss under this policy there be any other insurance effected by or on behalf of the Insured covering such loss or part of it, the liability of the Company hereunder shall be limited to its rateable proportion of such DAMAGE.

4. Subrogation

Any claimant under this Policy shall at the request and 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 in the name of the Insured before or after any payment is made by the Company, of obtaining relief or indemnity from other parties to which the Company.

5. 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.

4 General Conditions

1. 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 obligations 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.

2. Identification

This Policy and the Schedule and Specification (which form an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings

have been attached in any part of this Policy or of the Schedule or Specification shall bear such specific meanings wherever they may appear.

3. Policy Voidable

This Policy shall be voidable by the Company in the event of misrepresentation, misdescription or non-disclosure by the Insured in any material particular.

4. Alteration

This policy shall cease if after the commencement of this insurance:

- a) The Business is wound up or carried on by a liquidator or receiver or permanently discontinued or
- b) The interest of the Insured ceases other than by death or
- c) Any alteration is made either in the Business or in the Premises or property therein whereby the risk of DAMAGE is increased unless admitted by the Company in writing.

5. Cancellation

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

6. No alterations in the Terms of this Policy or of its Conditions shall be held valid unless the same be signed or initialed by an authorised Official of the Company.

7. Jurisdiction

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

8. The due observance and fulfillment of the Terms

of this Policy so far as they relate to anything to be done or complied with by the Insured shall be conditions precedent to any liability of the Company to make payment under this Policy.



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Gulf Insurance Group (Gulf) B.S.C. (c)

UAE: Registered in the Insurance Companies Register - Certificate no. (69) dated 22/01/2002.
Subject to the provisions of Federal Law no. (6) of 2007 concerning the establishment of Insurance Authority and Organisation of its work.

Bahrain: A company incorporated in the Kingdom of Bahrain (CR 22373) with an authorised and paid up capital of BD 15,000,000 and regulated by the Central Bank of Bahrain as a Bahraini insurance licensee.

Oman: A foreign branch of Gulf Insurance Group (Gulf) B.S.C. (c), a company incorporated in the Kingdom of Bahrain and registered with the Ministry of Commerce, Industry & Investment Promotion in the Sultanate of Oman under the Commercial Registration no. 1112244 and holding insurance registration no. 6 issued by the Capital Market Authority.

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