

COMPUTER ALL RISKS POLICY

Whereas the Insured name in the Schedule hereto has made to the Atlas Insurance Limited, Lahore (hereinafter called the Insurers) a written proposal by completing a Questionnaire which together with any other written information given by the Insured for the purpose of this Policy is deemed to be incorporated herein.

Now this Policy witnesseth that in consideration of the Insured having paid to the Insurers the premium shown in the Schedule, the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided.

Provided always that the due observance and fulfillment of the terms, conditions, exceptions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal (s) shall be conditions precedent to the right of the Insured to recover hereunder.

The Schedule and the Section (s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section (s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section (s) shall bear such meaning wherever it may appear.

General Conditions

1. The Insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The insured shall fully observe the manufacturers' instructions for operating, inspection and overhaul, as well as government, statutory, municipal and all other binding regulations in force concerning the operation and maintenance of the insured equipment.
2. The Insured shall immediately notify the Insurers in writing of any material change in the risk insured hereunder; in such case continuance of the insurance shall be subject to terms and conditions to be agreed.
3. Representatives of the Insurers shall at any reasonable time have the right to inspect and examine any property insured hereunder and the Insured shall provide the officials of the Insurers with all details and information necessary for the assessment of the risk. The Insurers shall provide the Insured with a copy of the inspection report, which shall however be treated as strictly confidential, both the by the Insured and the Insurers.
4. In the event of any occurrence which might give rise to a claim under the Policy, the Insured shall:
 - a. immediately the Insurers by telephone or telegram as well as in writing and supply all such particulars and proofs of claim as may be required by the Insurers;
 - b. take all steps within his power to minimize the extent of the loss or damage;
 - c. preserve the damaged property and make it available for inspection by a representative or surveyor of the insurers;
 - d. inform the police authorities in case of loss or damage due to theft or burglary;
 - e. advise the Insurers of any other insurance covering all or part of the same risk.

The Insurers shall not in any case be liable for loss, damage or liability of which notice has not been requested by the Insurers within 14 days of its occurrence.

Upon notification being given to the Insurers under this condition, the Insured may carry out the repair or replacement of any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. Nothing herein shall prevent the Insured from taking such steps as are absolutely necessary for the security and continuance of operations.

The Insured shall not be entitled to abandon any property to the Insurers whether taken possession of by the Insurers or not.

5. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers for the purpose of enforcing any rights or remedies, or of obtaining relief or in indemnity from parties (other than those insured under this Policy) of which the Insurers shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurers.
6. All difference 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, if the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.
7. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if, any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action, suit, or reference to arbitration is commenced within three months after such rejection or, if arbitration takes place as provided herein,

8. within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
9. This insurance may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short-period premium rate for the time the Policy has been in force. This insurance may equally be terminated at the option of the Insurers by ten days notice to that effect being given to the Insured, in which case the Insurer shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of the cancellation less any reasonable inspection charges the Insurers may have incurred.
10. This insurance is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.

SPECIMEN

Material Damage Section

If, at any time during the period of insurance stated in the Schedule, the equipment described in the Schedule and used in performance of its proper function shall suffer any unforeseen or accidental loss or damage from any cause other than those specifically excluded necessitating repair or replacement, the Insurers will indemnify the Insured in respect of such loss or damage up to an amount not exceeding in any one year in respect of each of the items specified in the Schedule the sum set out opposite thereto and not exceeding in all the total sum expressed in the said Schedule as insured hereby.

The Insurers will also reimburse the Insured for the cost of Clearance of Debris from and Cleaning of insured property damaged by any cause covered by this Policy. The indemnity shall not exceed the limit fixed in the Schedule.

Insured Perils

1. incorrect operation, negligent or malicious acts of employees or third parties;
2. burglary, theft, robbery and the events related to them;
3. faulty design and material;
4. short circuit, excessive voltage, induction;
5. fire, lightning and explosion of all kinds (including the damage caused by fire-fighting and rescue operations);
6. scorching and charring, smoke, soot;
7. forces of nature such as storm, flood, hail, landslide except seismic perils;
8. any influence of water and moisture and corrosion resulting from them;
9. any other accident not hereinafter excluded.

Exclusions

The Insurers shall not be liable for:

1. loss or damage for which the seller, the lessor, or the repair or maintenance company is legally or contractually liable;
2. loss or damage resulting from faults and defects of which the Insured or the management responsible to him knew or should have known;
3. loss or damage resulting from use of any insured object after damage has occurred but before permanent repair has been effected and normal operation guaranteed;
4. any costs for standard adjustment, rectifying functional failures and maintenance of the insured object unless necessary in connection with the repair of an insured loss;
5. loss of or damage to valves, tubes, fuses, seals, belts exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, fabrics, or any operating media (e.g. lubricating oil, chemicals);
6. aesthetic defects, such as scratches on painted, polished or enameled surfaces unless such parts are directly affected by an indemnifiable loss of or damage to the insured items;
7. wear and tear, corrosion, erosion, oxidation, and gradual deterioration due to lack of use and normal atmospheric conditions;
8. consequential loss of any kind or loss of use;
9. any costs for the replacement or data media, data and regeneration of data even if the data was lost in connection with an insured event;
10. direct and indirect damage which arises in connection with seismic activity such as earthquake, volcanic eruption, tsunami, etc.

Period of Insurance

The Insurance Period under this Policy begins and ends on the dates shown in the Schedule

General Exclusions

The Insurers will not indemnify the Insured in respect of:

1. The excesses stated in the Schedule to be borne by the Insured
2. Wilful act or omission or gross negligence of the Insured or his representatives
3.
 - a. Loss or destruction or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - b. Any legal liability of whatsoever nature
Directly or indirectly caused buy or contributed to by or arising from ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission.
4. any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material
5. loss, damage or liability directly or indirectly caused by or arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, or malicious persons acting on behalf of or in connection with any political organization, confiscation, commandeering, requisition or destruction of or damage to property by order of the government de jure or de facto or by any public authority.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of Exclusion (5) above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

Sum Insured

It is requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the insured equipment by new equipment of the same specifications and same capacity including all freight costs to site, erection costs and customs duties and other dues.

Underinsurance

If in the event of loss or damage, it is found that sum insured is less than the amount required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sum insured bears to the amount required to be insured. This condition applies separately to every object and item.

Premiums

Premiums are based on the Sums Insured and shall be adjusted for any increase or decrease in such sums.

Loss Settlement

The Insurers will make payments on the basis of valid bills, documentary evidence and justification, as the case may require, that the loss or damage in respect of which a claim is made falls under the scope of this Policy.

Extra charges, incurred in connection with a claim covered by this Policy, for overtime, night work, work on public holidays, express and air freight, shall not be reimbursed, unless specially provided for by endorsements to the Policy.

The cost of any provisional repairs will be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total repair costs.

The cost of any alteration, additions and/or improvements which may be undertaken as a result of any loss or damage shall not be recoverable hereunder.

The basis of any loss settlement under the Policy shall be:

1. In cases where damage to an insured item can be repaired, the Insurers will pay expenses necessarily incurred to restore the damaged machine to the operating condition in which it was before the occurrence of the damage. If the value of one item or a part thereof is increased by the repair, the liability of the Insurers shall be reduced by the amount of such increase.

The Insurers will also pay dismantling and re-erection charges incurred for the purpose of effecting the repairs as well as ordinary freight charges, customs duties and dues, if any. If the repairs are executed at a workshop owned by the Insured, the Insurers will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to convert the overhead charges. The value of any salvaged material shall be deducted.

2. In the case of total loss, the actual value of the property immediately before the occurrence of the loss less salvage.

All damage which can be repaired shall be repaired, but if the repair costs equal or exceed the value of the property immediately before the occurrence of the damage, settlement shall be made on the basis provided for in 2 above.

The Insurers may at their own option repair, reinstate or replace any property lost or damaged or pay in cash the amount payable hereunder.