

DETERIORATION OF STOCK SECTION

Only applicable if this Section is shown as operative in the Schedule

1. Definitions

Where the following words and phrases appear in this Section they will always have these meanings

Accident

1. rise or fall in temperature within the cold chamber of any machine described in the Schedule resulting from any cause not excluded
2. action of refrigerant fumes which have escaped from any machine described in the Schedule

Stock in the Cold Chamber

shall include stock which at the time of the happening of the Accident is elsewhere on the Premises but which would in the normal course be placed in the said cold chamber

Premises

The buildings at the situation shown in the Schedule

2. Indemnity

If Stock in the Cold Chamber of any machine described in the Schedule is lost or damaged by deterioration or putrefaction due to the occurrence of an Accident at the Premises the Company will pay the Insured the amount of the loss or damage provided that the liability of the Company under this Section shall not exceed

- i) In the whole the total Sum Insured or in respect of any item its Sum Insured at the time of the Accident
- ii) the Sum Insured remaining after deduction for any other loss destruction or damage occurring during the same period of insurance unless the Company shall have agreed to reinstate any such Sum Insured

This Section incorporates the Schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

3. Clauses

Loss Avoidance Measures

The Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by this Section provided that

- a) loss or damage would reasonably be expected if such measures were not implemented
- b) the Company are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
- c) the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
- d) the terms and conditions of this Section apply as if loss or damage had occurred
- e) the liability of the Company under this clause in the event of loss shall not exceed the Sum Insured

Automatic Reinstatement

The Sum Insured will be reinstated from the date of occurrence of any claim at additional premium The Company will waive the additional premium if the cost of the claim does not exceed £25,000

Payments on Account

In the event of loss the Company will make interim payments to the Insured if required

Average

If any Item has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

Automatic Cover

The Schedule shall include additional cold chambers belonging to the Insured from the time the installation is completed and the cold chamber is ready to commence normal working at the Premises shown in the Schedule provided that

- a) the cold chamber belongs to a Category shown in the Schedule and is of a type similar to that which the Insured previously declared his intention to insure
- b) the cold chamber is free from defects so far as the Insured is aware and complies with any statutory obligations concerning its examination and certification
- c) the Insured shall inform the Company in writing of such cold chamber within twelve months of installation and shall pay the appropriate additional premium

Subject otherwise to the terms conditions and exclusions of the Policy

Debris Removal

In respect of each claim for loss or damage for which liability is accepted the cover provided by this Section extends to include costs incurred in the removal of debris and protection of the Stock in the Cold Chamber following an indemnifiable loss not exceeding £25,000 or 20% of the indemnifiable loss whichever is the lower

4. Exclusions

The Company shall not be liable for

1. Amount Excluded

5% of the loss (subject to a minimum of £250) but not exceeding £1,000

2. Fire and Perils

Deterioration or putrefaction resulting from loss or damage at the Premises caused by fire lightning theft explosion flood earthquake aircraft or other aerial devices or articles dropped therefrom or by leakage of a sprinkler installation

3. War Risks

Any loss or damage directly or indirectly occasioned by or in consequence of war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or 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

4. Nuclear Risks

Loss destruction or damage to property or loss expense or consequential loss directly or indirectly caused by or arising from

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

5. Sonic Bangs

Any loss directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

6. Restriction of Electricity Supply

Loss or damage resulting from the deliberate act of any Public Electricity Supply Authority or the exercise by any such authority of the power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authority's property

7. Date Recognition

Loss directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000

- i) correctly to recognise any date as its true calendar date
- ii) to capture save or retain or correctly to 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 to process such data on or after any date
- iii) to capture save or retain or correctly to 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 to process such data on or after any date

but this shall not exclude subsequent loss or damage not otherwise excluded which itself results from 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 malicious persons theft earthquake storm flood

escape of water from any tank apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by this Section

8. Northern Ireland

Loss or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- i) riot civil commotion and (except in respect of loss or damage by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
- ii) TERRORISM as defined under 10. Terrorism Exclusion Clause

In any action suit or other proceedings where the Company alleges that by reason of this definition any loss or damage is not covered by this Section (or is covered only up to a specified limit of liability) the burden of proving that such loss or damage is covered (or is covered beyond that limit of liability) shall be upon the Insured

9. Consequential Loss

Consequential loss or damage of any kind or description

10. Terrorism Exclusion Clause

Loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with:

- 1. Any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- 2. Any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

If the Company alleges that by reason of this exclusion any loss damage cost or expense is not covered by this Section of the Policy 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

Definition - Terrorism

For the purpose of this exclusion an act of Terrorism shall mean 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 put the public or any section of the public in fear

11. Electronic Risks

Damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information programs or software) and whether the property of the Insured or not where such DAMAGE is caused by programming or operator error Virus or Similar Mechanism or Hacking

but this shall not exclude DAMAGE not otherwise excluded which itself results from a Defined Peril save in respect of malicious persons other than thieves

For the purposes of this Section Exclusion the following Definitions apply:

Definitions:

- a) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

This Definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data

Special Conditions

Claims Notification and Inspection

In the event of loss or damage for which a claim is to be made under this Section the Insured shall retain any damaged machinery or parts for Inspection

Precautions

The Insured shall exercise due diligence in

- a) complying with any statute or order
- b) ensuring that insured items are properly maintained and in taking reasonable precautions to prevent loss or damage

Access

The Company or their representatives shall have right of access to the machinery at reasonable times

Alteration or Modification

The Insured shall notify the Company of any proposed alterations or modifications to the insured Machinery

Suspension of Cover

The Company reserves the right to suspend the insurance at any time by written notice to the Insured until the Company requirements have been fulfilled

Special Clauses

(Clause 1 applicable only if the Clause number is entered in the Schedule Clause 2 applicable only if referred to in the Schedule)

1. Temporary Cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with particulars lodged with the Company) pending issue of this Policy

2. Long Term Agreement

The discount shown in the Schedule is allowed off the net premiums on this Section in consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that –

- a) the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b) where appropriate the Sum Insured may be reduced at any time to correspond with any reduction in value

The above-mentioned undertaking applies to any Policy (or policies) which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premiums on any substituted Policy or policies issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this Clause.

