

Consequential Loss Policy

Whereas the insured named in the schedule hereto has delivered to the company a proposal which it is agreed shall be the basis of this contract of insurance and in consideration of the insured paying to the company the first premium.

The company agrees (subject to the conditions expressed herein, endorsed upon or attached to this policy and which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the insured to recover hereunder) that if after payment of the premium any building or other property or any part thereof used by the insured at the premises for the purpose of the business be destroyed or damaged by

- (1) Fire;
- (2) Lightning;
- (3) Explosion, in a building not being part of any works, of gas used for domestic purposes or used for lighting or heating the building. (Destruction or damage so caused being hereinafter termed damage) at any time before 12 o'clock in the midnight of the last day of the period of insurance or of any subsequent period in respect of which the insured shall have paid and the company shall have accepted the premium required for the renewal of this policy and the business carried on by the insured at the premises be consequence thereof interrupted or interfered with.

Then the company will pay to the insured in respect of each item in the schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

Provided that the company will not be liable for any loss under this policy unless the insured's property destroyed or damaged at the premises is insured against such damage and the company or companies by which such property is insured shall have paid for or admitted liability in respect of such damage.

And that 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.

Conditions

1. This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particulars.
2. No payment in respect of any premium shall be deemed to be payment to the company unless a printed form of receipt for the same signed by an official or duly appointed agent of the company shall have been given to the insured.
3. The insured shall give notice to the company of any insurance or insurances already effected or which may subsequently be effected, covering the subject matter of this insurance or any part thereof, and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this policy by or on behalf of the company before the occurrence of any loss, all benefit under this policy shall be forfeited.
4. Immediately upon any fall or displacement :-
 - (a) Of any building damage to which might give rise to a claim under this policy;
 - (b) Of any part of such building;
 - (c) Of the whole or any part of any range of buildings or of any structure of which such buildings forms part.

The insurance under this policy shall cease in respect of loss resulting from damage to such building or property therein.

If any claim whatsoever be made under this policy arising from damage whether occurring before, during or after such fall or displacement the insured shall produce such proof as may reasonably be required that the loss neither in origin nor extent, directly or indirectly, proximately or remotely, is occasioned by or contributed to by any fall or displacement as aforesaid, and neither in origin nor extent, directly or indirectly, proximately or remotely, arises out of or in connection with any such fall or displacement.

Provided that: -

- (1) The fall or displacement as aforesaid is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material;
- (2) The fall or displacement is not caused by fire, loss resulting from destruction or damage by which is covered by this policy or would be covered if such building, range of buildings or structure were included in the premises to which this policy refers.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the insured.

5. The insurance does not cover loss resulting from an interruption to or interference with the business which interruption or interference is occasioned by or through or in consequence of :-
- (a) The burning of property by order of any public authority.
 - (b) Subterranean fire.
 - (c) Explosion, whether the explosion be occasioned by fire or otherwise, except as expressly stated in this policy to the contrary.
 - (d) The burning, whether accidental or otherwise, of forests, bush, prairie, pampas or jungle and by lands by fire.
 - (e) Damage to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.
 - (f) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
 - (g) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising 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 condition 5(g) only, combustion shall include any self-sustaining process of nuclear fission.
6. This insurance does not cover any loss resulting damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-
- (a) Earthquake, volcanic eruption or other convulsion of nature.
 - (b) Typhoon, hurricane, tornado, cyclone or other atmosphere disturbance.
 - (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
 - (d) Mutiny, riot, terrorism, military or popular rising, 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.
- Any loss resulting from damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly of any of the said occurrences shall be deemed to be loss which is not covered by this insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions.
- In any action, suit or other proceeding where the company alleges that by reason of the provisions of this condition any loss is not covered by this insurance, the burden of proving that such loss is covered shall be upon the insured.
7. This policy shall be avoided if :
- (a) The business be wound up or carried on by a liquidator or receiver or permanently discontinued; or
 - (b) The insured's interest cease otherwise than by death; or
 - (c) Any alternation be made either in the business or in the premises of property therein whereby the risk of damage is increased, at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the company.
8. Notice shall be given to the company and, if required, an additional premium paid, if the rate of premium payable in respect of the insurance covering the interest of the insured in the property at the premises against damage shall be increased.
9. The insurance 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. The insurance may also at any time be terminated 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 ratable proportion of the premium for the unexpired term from the date of the cancelment.
10. On the happening of any damage in consequence of which a claim is or may be made under this policy, the insured shall forthwith give notice thereof to the company and shall 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 policy shall, not later than thirty days after the indemnity period or within such further time as the company may in writing allow, at his own expense deliver to the company in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the damage or any part of it or consequential loss of any kind resulting therefrom. The insured shall at his own expense produce, procure and give to the company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of the company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form 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 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.
11. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, 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 damage be occasioned by the wilful act, or with the connivance of the insured; or, if the 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 14th condition of this policy) within three months after the arbitrator or arbitrators or umpire shall have made their award, all benefit under this policy shall be forfeited.

12. The insured shall give notice to the company of any insurance or insurances already effected or which may subsequently be effected, covering the subject matter of this insurance or any part thereof, and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this policy by or on behalf of the company before the occurrence of any loss, all benefit under this policy shall be forfeited.
13. 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, or of obtaining relief or indemnity from other parties to which the company shall be or would become entitled or subrogated upon its paying for or making good any loss under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the company.
14. 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 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. The making of an award shall, subject to any relevant statutory provisions to the contrary, be a condition precedent to any right of action against the company, but if such action be not commenced within one year of the making of an award, the right of action shall be deemed to be abandoned and released.
15. This policy and the schedule annexed (which forms and integral part of this policy) shall be read together as one contract and words and expressions to which specific meanings have attached in any part of this policy or of the schedule shall bear such specific meanings wherever they may appear.
16. Every notice and other communications to the company required by these conditions must be written or printed.

Specification I

Specification referred to in consequential loss policy no: _____ issued by Etiqa Insurance Pte. Ltd. of One Raffles Quay, #22-01 North Tower, Singapore 048583 in the name of as specified in the schedule and forming an integral part of policy.

The insurance under gross profit is limited to loss gross profit due to (a) reduction in turnover and (b) increase in cost of working and the amount payable as Indemnity thereunder 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 the damage.

Provided that if the sum insured by this Item be less than the sum produced by applying the rate of gross profit to the annual turnover (or to a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months) the amount payable shall be proportionately reduced.

Definitions

Gross Profit

The amount by which the sum of the turnover and the closing stock shall exceed the sum of the opening stock and the specified working expenses.

- N.B.1. The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accounting methods, due provision being, made for depreciation.
- N.B.2. The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the insured unless otherwise defined in this specification.

Specified Working Expenses /Insured Standing Charges

As per list specified in the schedule. The words and expression used in this definition shall have the meaning usually attached to them in the books and accounts of the insured.

Shortage in Turnover

The amount by which the turnover during a period shall in consequence of the damage fall short of the part of the standard turnover which relates to that period.

Turnover

The money (less discounts allowed) paid or payable to the insured for goods sold and delivered and for services rendered in course of the business at the premises.

Indemnity Period

The period beginning with the occurrence of the damage and ending not later than the indemnity period as specified in the schedule thereafter during which the results of the business shall be affected in consequence 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

Annual Turnover

The turnover during the twelve months immediately before the date of the damage

Standard Turnover

The turnover during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period.

To which such adjustment shall be made as may be necessary to provide for the trend of the business and for variation in or special 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.

Memo 1.

If during the indemnity period 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 the insured's behalf the money paid or payable in respect of such sales or service shall be brought into account in arriving at the turnover during the indemnity period.

Memo 2.

If any standing charges of the business be not insured by this policy, then in computing the amount recoverable hereunder as increased 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.

Memo 3.

In the event of the gross profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the insured's auditors being less than the sum insured thereon, a pro-rata return of premium not exceeding 50 per cent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred, giving rise to a claim under this policy, such return shall be made in respect only or so much of the said difference as is not due to such damage.

Memo 4.

The insurance under auditor's Fees is limited to the reasonable fees payable by the insured to their auditors for producing and certifying any particulars or details contained in the insured's books of account or other business books or documents, or such other proof, information or evidence as may be required by the company under the terms of condition 10 of this policy.

Specification II

SPECIFICATION INSURING WAGES UNDER THE DUAL BASIS SCHEME

The insurance under wages under the dual basis is limited to loss in respect of wages and the amount payable as indemnity thereunder shall be:

- (a) In respect of reduction in turnover:
- (i) during the portion of the indemnity period beginning with the occurrence of the damage and ending not later than as specified in the schedule weeks thereafter. The sum produced by applying the rate of wages to the shortage in turnover during the said portion of the indemnity period. Less any saving during the said portion of the indemnity period through reduction in consequence of the damage in the amount of wages paid;
 - (ii) during the remaining portion of the indemnity period the sum produced by applying the rate of wages to the shortage in turnover during the said remaining portion of the indemnity period. Less any saving during the said remaining portion of the indemnity period through reduction in consequence of the damage in the amount of wages paid but not exceeding. The sum produced by applying as specified in the schedule of the rate of wages to the shortage in turnover during the said remaining portion of the indemnity period. Increased by such as is deducted for savings under the terms of clause (i);
- Note - At the option of the insured the number of weeks referred to in clause (a) (i) above may be increased to provided that the amount arrived at under the provision of clause (a) (ii) shall not exceed such amount as is deducted under clause (a) (i) for savings effected during the said increased number of weeks.
- (b) In respect of Increase in cost of working:
So much of the additional expenditure described in clause (b) of Item No. 1 as exceeds the amount payable thereunder but not more than the additional amount which would have been payable in respect of reduction in turnover under the provision of clauses (a) (i) and (ii) of this item had such expenditure not been incurred.

Provided that if the sum insured by this Item be less than the sum produced by applying the rate of wages to the annual turnover the amount payable under this item shall be proportionately reduced.

Definitions

Wages

The remuneration (including holiday pay and national insurance contributions) of all employees other than those whose remuneration is treated as salaries in the insured's books of accounts.

Rate of Wages

The rate of wages to 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 in or special 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.

Shortage in Turnover

The amount by which the turnover during a period shall in consequence of the damage fall short of the part of the standard turnover which relates to that period.

Policy Owner's Protection Scheme

This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact your insurer or visit the GIA / LIA or SDIC websites (www.gia.org.sg or www.lia.org.sg or www.sdic.org.sg)

Personal Data Use

Any information collected or held by us whether contained in your application or otherwise obtained may be used and/or disclosed to our associated individuals/companies or any independent third parties (within or outside Singapore) for any matters relating to your application, any policy issued and to provide advice or information concerning products and services which we believe may be of interest to you and to communicate with you for any purpose. Your data may also be used for audit, business analysis and reinsurance purposes.

Important Notice

In accordance to section 25(5) of the insurance act, we would remind you that you must disclose to us fully and faithfully all the facts you know or could reasonably be expected to know, otherwise you may not receive any benefit from this policy.