

## Deterioration of Stock

**Whereas** the insured by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Insurer for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance.

The Insurer agree subject to the terms exceptions limits and conditions contained herein or endorsed hereon to indemnify the insured against damage to or deterioration of the insured property described in the schedule solely due to an accident.

### Limit of Liability

The total liability of the Insurer for each item of Insured property shall not exceed the Sum Insured on such items shown in the Schedule.

Accident shall mean

1. (a) a rise or fall in temperature in the cold chambers in which the Insured Property is contained  
(b) the action of refrigerant fumes escaping from the Machinery directly due to unforeseen damage to Machinery situated at the Premises from any cause not hereinafter excepted.
2. a change in the concentration of gases in the cold chambers solely due to unforeseen escape of gases due to accidental damage to the permanent structure of the cold chambers.

### Exceptions

1. This Policy does not cover damage to or deterioration of the Insured Property directly or indirectly caused by or contributed to by or arising from
  - (a) fire lightning explosion extinguishing of a fire or subsequent demolition aircraft or other aerial devices or articles dropped therefrom thefts or attempts thereat collapse of buildings flood inundation escape of water from water containing apparatus earthquake subsidence landslide avalanche hurricane cyclone volcanic eruption or similar natural catastrophes.  
(Explosion shall not mean the bursting or disruption of compressors transformers oil immersed switch-gear engine cylinders hydraulic flywheels or other parts subject to centrifugal force.)
  - (b) the imposition of abnormal conditions directly or indirectly resulting from testing intentional overloading or experiments.
  - (c) Faults or defects known to the insured or any of his responsible employees at the time the contract was arranged and not disclose to the Insurer.
  - (d) Faulty packing or stowage or inherent defects or disease.
  - (e) cessation of or fluctuation in the public supply of electricity.
  - (f)
    - (i) 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 combustion shall include any self sustaining process of nuclear fission.
    - (ii) nuclear weapons material.
    - (iii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war.
    - (iv) mutiny civil commotion assuming the proportion of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power.
    - (v) the act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism violence.
    - (vi) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority.  
permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person.  
provided that the Insurer are not relieved of any liability to the Insured in respect of deterioration or damage to the Insured Property occurring before dispossession or during temporary dispossession which is otherwise covered by this Policy.

In any action suit or other proceeding where the Insurer allege that by reason of the provisions of Exception (iii) (iv) and (v) above any loss deterioration or damage is covered by this insurance the burden of proving that such deterioration or damage is covered shall be upon the Insured.

  - (g)
    - (i) the act of any person taking part together with others in any disturbance of the public peace

(whether in connection with a strike or lockout or not) not being an occurrence mentioned in (f) (iii) (iv) and (v) above and the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.

- (ii) the wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out and 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.

2. For the purpose of this insurance the following is not damage to Machinery.

- (a) damage to parts which by their use and/or nature suffer a high rate of wear or depreciation such as flexible pipes jointing and packing materials filters ropes belts straps and brushes.
- (b) repair or replacement necessitated by wear corrosion erosion deposits of scale sludge or other sediments or any other direct consequences of progressive or continuous influences from working or atmospheric or chemical action; rust or scratching of painted or polished surfaces but other damages resulting from such causes is damage to Machinery within the terms of this policy.

## Definitions

“Machinery” means

- (a) compressors, condensers, evaporators, pumps, fans
- (b) gas generating and scrubbing equipment
- (c) piping and valves and tanks
- (d) motors engines and switchgear
- (e) controlling and recording apparatus

used for the purpose of maintaining the temperature and/or the gas concentration in the chambers in which the Insured Property is contained.

“Estimated selling price” shall mean the selling price that would have been obtained by the Insured for the Insured Property at the market selected by the insured on the dates or dates on which the insured would have sold the Insured Property had no Accident occurred. In arriving at such price due allowance shall be made for all material factors which affect or would have affected the price whether they are factors operative in the period during which but for the Accident the Insured Property would have been sold in the normal course of business or factors which would have been operative during that period had the Accident not occurred.

## Warranted

The insured shall either

- (a) arrange himself or
- (b) obtain written confirmation from the owners of the cold chambers in which the Insured Property is contained that
1. a log book will be maintained showing readings taken every morning and very afternoon of the temperature in each cold chamber in which the Insured Property is contained.
2. a firm arrangement is made for competent specialists to maintain and adjust the Machinery at intervals not exceeding three months.
3. a person competent to attend to and operate the Machinery is on the premises at all times.

## Conditions

### INTERPRETATION

1. This Policy and 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 and Schedule shall bear such specific meaning whatever it may appear.

### CLAIMS PROCEDURE AND PROVISIONS

2. On the happening of any event giving rise or likely to give rise to a claim under this Policy coming to the knowledge of the insured the Insured shall
- (a) give notice thereof to the insurer or their nearest representative as soon as possible.
- (b) take steps to minimise the loss and to prevent any further deterioration or damage.
- (c) when called upon to do so deliver to the insurer or their representative a statement in writing of all particulars and details reasonably practicable of the insured property affected and the value thereof and the loss or damage thereto and furnish all such vouchers proofs explanations and other evidence

- including appropriate certificates from Public Health or similar authorities as may be reasonably required by the Insurer together with a statutory declaration if required in verification of the statement.
- (d) at the expense of the Insurer do or permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights or remedies or obtaining relief or indemnify from other parties to which the insurer shall be or would become entitled or subrogated upon its paying for or making good any deterioration or damage insured under this Policy whether such acts and things shall be or become necessary or required before or after his indemnification by the insurer.
  - (e) notify the Insurer in writing of the dates and markets at which he would have sold the Insured Property had no Accident occurred at least 24 hours in advance of such dates.
3. In the event of any Accident likely to give rise to a claim under this Policy the Insurer may at their option take over and control the disposal of any Insured Property likely to be the subject of the claims.
  4. If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned with the connivance of the insured all benefit under this Policy shall be forfeited.

#### **BASIS OF INDEMNIFICATION**

5. In the settlement of claims for loss or damage covered under this Policy the indemnity payable under this policy is limited to:
  - (a) the difference between the amount realised from the sale of the Insured Property damaged or deteriorated as a direct consequence of an Accident and the Estimated Selling Price of such Property.
  - (b) additional expenditure necessarily and reasonably incurred by the insured for the sole purpose of avoiding damage to or deterioration of Insured Property which but for that expenditure would have occurred as a consequence of an Accident but the amount payable in respect of such expenditure shall not exceed a sum equivalent to the value of the damage or deterioration thereby avoided.

Any sums saved in respect of changes expenses or commissions that cease or are reduced in consequence of the damage or deterioration shall be deducted from the indemnity otherwise payable.

Provided that if the Sum insured in respect of any item of Insured Property be less than the Estimated Selling Price the Indemnity payable shall be proportionately reduced.

In respect of each loss, the excess shown in the Schedule shall be deducted from the amount of indemnity calculated in accordance with the foregoing bases.

#### **CONTRIBUTION**

6. The Insurer shall not be liable for loss or damage which is or would but for the existence of this policy be insured by any other policy, except in respect of any excess beyond the amount that would have been payable under such policy or policies had this insurance not been effected.
 

If such other insurance be subject to any condition of advantage to the Insurer this Policy shall be subject to such condition in a like manner and in no case shall the Insurer be liable for more than their rateable proportion of any loss or damage covered by such other insurance.

#### **CHANGE OF RISK**

7. The Insured shall notify the Insurer of any defects or conditions of working which affect the risk of loss or damage and shall cause such additional precautions to be taken as the circumstances require. The Insurer shall not be liable for any loss or damage caused by a departure from normal working conditions with the Insured's approval and which creates an aggravated risk unless the Insurer shall have given prior consent.

#### **AVOIDANCE**

8. If at any time after commencement of this insurance
  - (a) the business of the Insured be wound up or carried on by liquidator or receiver or permanently discontinued
  - (b) the Insured interest cease otherwise than by death
  - (c) any alternation been made whereby the risk of loss or damage is increased

this policy shall be avoided unless its continuance be admitted by endorsements signed by or on behalf of the Insurer.

#### **CANCELLATION**

9. The Insurer may cancel this Policy by sending ten days' notice by registered letter to the insured at his last known address and in such event will return to the Insured proportionate part of the premium corresponding to the unexpired period of insurance.

#### **OBSERVANCE**

10. The due observance and fulfillment of the terms and conditions 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 and declaration, shall be conditions precedent to any liability of the Insurer to make any payment under this Policy.

#### **ARBITRATION**

11. All differences arising out of this Policy shall be referred to the arbitration of some person to be appointed by both parties, or if they cannot agree upon a single Arbitrator, to the decision of two Arbitrators, one to be appointed in writing by each party and in the case of disagreement between the Arbitrators to the decision of an Umpire, who shall have been appointed in writing by the Arbitrators before entering on the reference. The Umpire shall sit with the

Arbitrators and preside at their meeting and the making of an Award shall be a condition precedent to any right of action against the Insurer. If the Insurer shall disclaim liability to the Insured or his personal representatives for any claim hereunder and such claim shall not within twelve 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.

### Policy Owners' 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](http://www.gia.org.sg) or [www.lia.org.sg](http://www.lia.org.sg) or [www.sdic.org.sg](http://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

It is our duty to remind you that you must disclose to us, fully and faithfully, all the facts you know or ought to know, otherwise you may not receive any benefit from this Policy.