

OMAN UNITED INSURANCE CO. S.A.O.G.



الشركة العامة للتأمين والتأمينات في عمان

SECURITY SERVICES

P.O. Box 1522, P.C. 112, Ruwi, Sultanate of Oman C.R. 1/23725/0 Tel: 24477300

Fax 24477334 Email info@omanutd.com

Business Interruption Insurance Policy

In consideration of the Insured having paid or agreed to pay to the Insurers the first premium shown in the Schedule

The Insurers named herein hereby agree subject to the terms, exceptions, limits and conditions contained herein or endorsed hereon (hereinafter referred to as 'the Terms of the Policy') that if during the Period of insurance or during any further period in respect of which the Insured shall have paid and the Insurers shall have accepted the premium required any building or other property or any part thereof used by the insured at the Premises for the purpose of the Business shall be accidentally physically lost, destroyed or damaged (hereinafter referred to as 'Damage') and the business carried on by the Insured at the Premises be in consequence thereof interrupted or interfered with

Then the Insurers 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

- (1) At the time of the happening of the Damage there shall be in force an insurance covering the interest of the Insured in the property at the premises against such Damage and that payment shall have been made or liability admitted therefore under such insurance.
- (2) The liability of the Insurers 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 or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Insurers.

EXCEPTIONS

The Insurers will not indemnify the Insured in respect of loss directly or indirectly occasioned by or happening through or in consequence of:

1. (a) electrical or mechanical breakdown or derangement of plant, machinery or equipment,
(b) deterioration of property due to change in temperature or humidity or failure or inadequate operation of an air-conditioning, cooling or heating system,
(c) subsidence, ground heave, landslip, erosion, settling or cracking,

UNLESS EITHER

- (i) caused by
 - fire
 - lightning

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- explosion (for the purposes of this Exception "explosion" shall not mean the bursting or disruption of turbines, compressors, transformers, rectifiers, switchgear, engine cylinders, hydraulic cylinders, fly-wheels or other moving parts subject to centrifugal force or boilers, economisers or other vessels, machinery or apparatus in which pressure is used)
- aircraft or other aerial devices or articles dropped therefrom
- impact by vehicles, watercraft, locomotives or rolling stock
- earthquake
- Riots or malicious acts (other than any act excluded by reason of Exception 6(b) herein)
- Strikers, locked-out workers, or persons taking part in labor disturbances.
- storm, tempest flood

OR

(ii) resulting in the occurrence of any of the events in (i) above then the Insurers will only indemnify the Insured under the Terms of the Policy in respect of the loss resultant from damage.

2. damage to:-

- (a) property in course of manufacture if such loss, destruction or damage is sustained while the property is being actually worked on and directly resulting from such work,
- (b) property in course of construction or erection,
- (c) boilers, economisers, turbines or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture,
- (d) plant, machinery or equipment during installation, dismantling or the stripping down and assembly in respect of any re-siting operations,
- (e) electrical equipment or wiring caused by electrical current (other than lightning),
- (f) jewellery, furs, precious metals, precious stones, works of art, money, cheques, bullion, negotiable instruments and securities of all kinds,
- (g) animals, growing crops or standing timber,
- (h) dams, reservoirs, piers, wharves, jetties, bridges or tunnels,
- (i) any vehicle licensed for road use, railway locomotives and rolling stock, water craft or aircraft or property contained in water craft or aircraft,
- (j) property whilst in transit other than at any Premises described in the Schedule,

- (a) dishonesty, fraudulent action, trick, device or other false pretence,
- (b) theft unless accompanied by violence to persons or threat of violence or forcible and violent entry to or exit from the premises,
- (c) unexplained or mysterious disappearance or shortage revealed at any periodic inventory or shortages in the supply or delivery of materials or loss or shortage due to clerical or accounting error,

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- (d) the replacing or rectifying defective materials, workmanship, design or defect or omission in design, plan or specification,
 - (e) contamination, pollution, wear and tear, corrosion, vermin, fungus, rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, loss of weight, change in flavour, colour, texture or finish or action of light,
 - (f) normal upkeep or normal making good,
 - (g) the freezing or solidification of molten material,
4. damage by storm, tempest, water, hail, frost or snow to property
- (a) in the open (other than buildings, structures and plant designed to exist and operate in the open),
 - (b) contained in open-sided buildings,
- UNLESS so described and specifically insured as a separate item in the Schedule.
5. an insured event for the amount stated in the Schedule as the Deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss the subject of indemnity under this Policy,
6. (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war,
- (b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power or any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by sabotage, terrorism or violence,
- (c) total of or partial cessation of work or the retarding or interruption or cessation of any process or operation, other than that arising directly from destruction of or damage to the Premises or the property therein of the Insured caused by an event insured against under this Policy
- (d) (i) permanent or temporary dispossession resulting from confiscation, nationalisation, commandeering or requisition by any lawfully constituted authority,
- (ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person,
- provided that the Insurers are not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy,
- (e) the destruction of property by order of any public authority,

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of Exceptions 6.(a) and 6.(b) above any loss, destruction or damage is not covered by this insurance the burden of proving that such loss, destruction or damage is covered shall be upon the Insured,

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7. or contributed to by:-
- nuclear weapons material,
 - 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.

POLICY CONDITIONS

1. DEFINITION

This Policy and the 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 or of the Schedule shall bear such meaning wherever it may appear.

2. MISDESCRIPTION

If there be any material misdescription of the Business or Premises to which this insurance refers or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact the Insurers shall not be liable upon this Policy.

3. ALTERATION

The insurance by this Policy shall cease if:-

- the business be wound up or carried on by a Liquidator or Receiver or permanently discontinued
- the Insured's interest ceases otherwise than by death
- any alteration be made either in the business or in the premises or 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 Insurers.

4. PROPERTY DAMAGE RATE OF PREMIUM

Notice shall be given to the Insurers 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.

5. CANCELLATION

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

6. CLAIMS

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 in writing to the Insurers 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 any claim being made under this Policy shall not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Insurers may in writing allow, at his own expense deliver to the Insurers 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 Insurers such books of account and other business books, vouchers, invoices, balance sheets and other document, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of Insurers 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 Insurers forthwith.

7. FORFEITURE

If any claims upon this Policy be 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 any benefit under this Policy or if the loss, destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

8. TIME LIMITATION

If a 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 Condition 11 of this Policy) within three months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.

9. SUBROGATION

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 reasonably required by the Insurers for the purpose of

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enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated upon their paying for any loss under this Policy whether such acts and things shall be or become necessary or required before or after his indemnification by the Insurers.

10. CONTRIBUTION

If at the time of any loss under this Policy there be any other subsisting insurance or insurances whether effected by the Insured or by any other person or persons covering such loss or any part of it the Insurers shall not be liable to pay or contribute more than their rateable proportion of such loss, destruction or damage.

11. ARBITRATION

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the Statutory provision in that behalf for the time being in force. Where any difference is by this Condition to be referred to arbitration the making of an award shall be conditions precedent to any right of action against the Insurers.

12. OBSERVANCE OF CONDITIONS

The due observance and fulfilment of the terms, conditions and endorsements of this Policy by the Insured in so far as they relate to anything to be done or complied with by them shall be conditions precedent to any liability of the Insurers to make payment under this Policy.

13. JURISDICTION

The provisions of this Policy shall be subject to the Law(s) of the Sultanate of Oman and the exclusive jurisdiction to hear all the disputes arising therefrom shall be vested in the law courts of the Sultanate of Oman.

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SPECIFICATION attaching to & forming part of Policy No.

<u>Item No.</u>	<u>Description</u>	<u>Sum Insured</u>
1.	Gross Profit	
2.	Auditor's Fee	

Item No. 1 - Gross Profit

The insurance under this item is limited to loss of 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 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 of 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.

Item No. 2 - Auditors Fee

The insurance under Item No. 2 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 proofs, information or evidence as may be required by the Insurers under the terms of Condition 6 of this policy.

DEFINITIONS

Gross Profit: The amount by which-

- (i) the sum of the amounts of the Turnover and the amounts of the closing stock and work in progress shall exceed
- (ii) the sum of the amounts of the opening stock and work in progress and the amount of the specified Working Expenses

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Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation

Specified Working Expenses:

Turnover: The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

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.

Indemnity Period: The period beginning with the occurrence of the damage and ending not later than the maximum indemnity period thereafter during which the results of the business shall be affected in consequence of the damage.

Maximum Indemnity Period : The period stated in the schedule.

Rate of Gross Profit: The Rate of Gross Profit earned on the 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 other 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 }

Annual Turnover: The turnover during the 12 months immediately before the date of the date of the damage }

Standard Turnover: The Turnover during that period in the 12 months immediately before the date of damage which corresponds with the Indemnity Period }

CLAUSES

Alternative Trading: If during the Indemnity Period goods 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 services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Auditor's Clause : Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer under any condition of this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the professional auditor accountants if at the time they are regularly acting as such for the insured and their report shall be prima facie evidence of the particulars and details to which such report relates

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Premium Adjustment: In the event of the gross profit earned (or a proportionately increased multiple thereof where the maximum indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance being less than the sum insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such period of insurance will be made in respect of difference if any damage shall have occurred giving rise to a claim under this section such return shall be made in respect only of so much of the said difference as is not due to such damage