



# PROPERTY INSURANCE POLICY CONTRACT

## POLICY SCHEDULE

INSURED :  
 ADDRESS :  
 CODE :  
 Policy N° :  
 EFFECTIVE DATE :  
 EXPIRY DATE :  
 RISK INSURED :

### 1. SUMMARY OF COVERS:

By the present policy PRIME INSURANCE undertakes to indemnify the insured properties against loss or damage caused by Fire, Lightning & Full Explosion, Earthquake & Volcanic Eruption, Storm, Tempest, Flood, Windstorm, Hurricane, Cyclone & Tornado, Riot & Strike, Malicious damage, internal water damage (Bursting or overflowing of water tanks, apparatus or pipes), impact (aircraft, vehicle, animal), bush fire, subsidence and spontaneous combustion occurring during the Period of Insurance.

### Interests Insured, Limit of Liability, Perils Insured and Premium Breakdown:

N°	DESCRIPTION OF THE RISK/INTERESTS INSURED	PERILS/RISKS INSURED	SUM INSURED/ LIMITS OF LIABILITY FRW	NET PREMIUM FRW	ADMIN .FEES FRW	VAT FRW	TOTAL PREMIUM FRW
1	.....	Fire and allied perils Covering loss or damage caused by Fire, Lightning & Full Explosion, Earthquake & Volcanic Eruption, Storm, Tempest, Flood, Windstorm, Hurricane, Cyclone & Tornado, Riot & Strike, Malicious damage, internal water damage (Bursting or overflowing of water tanks, apparatus or pipes), impact (aircraft, vehicle, animal), bush fire, subsidence and spontaneous combustion.					

-Excess on Fire and Allied Perils: NIL  
 -Subject to operational of fire extinguishers

**Premium Payment Warranty:**

It is hereby agreed and understood that the cover accorded herein will stand NULL AND VOID if the considerate premium is not paid in FULL within 30 days from the date of the signature. If policy is not paid within stated period cover will automatically be cancelled without notice and the insurer will be released from any liability in respect to this contract and the insured will pay premium for period from the inception of the policy up to cancellation date.

It is warranted that the if the payment of Premium under the Policy has been made through a cheque and if the cheque is returned unpaid for whatever reasons, the policy will be null and void since inception without notice to the insured and no liability to the insurer shall attach under the Policy.

**AVERAGE CLAUSE (PROPORTIONAL RULE):**

It is hereby agreed that the Insured value must not be less than 85% of actual value of the property. If at time of loss, it is found that the Sum Insured is less than 85% of the actual value of the property, the indemnity shall be prorated as follows: [(Amount of adjusted loss x Insured Value)/Actual Value of the property].

In the case of a partial loss, the indemnity will reduce proportionally to the premiums' rate paid in relation to the premiums' rate that would have been due, if the amount of insurance had been equivalent to the value of the property (actual value that should have been insured).

**Safe and Books Clause:**

Warranted that the Insured keeps and during the whole of the currency of this Policy shall keep a complete set of Books, Accounts and Stock Sheets or Stock Books showing a true and accurate record of all business transactions, and stock in hand, and that such books, Accounts and Stock Sheets or Stock Books shall be locked in a fireproof safe or removed to another building at night, and at all times when the premises are not actually open for business. This Warranty applies separately to each and every business or branch business. Transfers of goods from one premises to another shall be a business transaction within the meaning of this Warranty. It is further Warranted that said safe shall not contain explosive or other hazardous commodities.

Subject to the Property Insurance terms and conditions attached and forming part of the contract.

Done at Kigali, on ...../ ...../20...

**For and on behalf of Insured:**

.....

**For and on behalf of Insurer:**

**PRIME INSURANCE LTD**

# PROPERTY INSURANCE TERMS AND

---

## CONDITIONS 2. Insuring Agreement

---

The *insured* has submitted to the *insurer* a *proposal* requesting insurance cover to be provided under one or more *sections* of this *policy* and the *proposal* has been accepted by the *insurer*. The insurance cover provided by this *policy* is only in respect of and subject to the wording of those *sections* to which the *schedule* has been completed and which have been signed and dated by the *insurer*.

Subject to the *insured* having paid or having agreed to pay the *premium* stated in the *schedule* to the *insurer* and subject to the terms, provisions, conditions, warranties and exclusions contained herein or endorsed hereon the *insurer* shall indemnify the *insured* in the manner and to the extent stated in this *policy*. Notwithstanding the above no claim shall be paid until the *premium* has been received in full.

The *insured* acknowledges that it owes a duty to the *insurer* to disclose all information that is relevant and/or material to the *insurer* so as to enable it to determine whether to provide this insurance at all or upon what terms. Further, the *insured* confirms it has made proper enquiries of all entities *insured* under this *policy* and warrants the accuracy of the information disclosed to the *insurer*. If this information proves to be inaccurate, the *insurer* may, at its option, avoid all liability under this insurance *policy*. The duty to disclose relevant or material information is not limited to questions listed in the *proposal* form if a *proposal* form is completed.

No alteration of the terms of this *policy* which may be agreed as between the *insured* and the *insurer* shall require the agreement or consent of any other party constituting the *insured* under any *section*.

In witness whereof, the duly authorised agent of the *insurer* signs this agreement on its behalf

COMMERCIAL FIRE POLICY - SPECIMEN

---

## 3. Property Damage

---

- 1. Indemnification**
- 1.1 The *insurer* shall indemnify the *insured* for any direct sudden and accidental physical loss of or damage including Earthquake to the *property insured* which the *insured* and/or its *representatives* could not reasonably have foreseen and which occurs at any time during the *period of insurance* unless specifically excluded and which results in *property insured* needing to be repaired or replaced, and occurs at the situation listed in the policy schedule.
- 1.2 The indemnity shall not exceed the sum insured specified in the *schedule* or any limit of indemnity that may be applicable.
- 2. Property insured**
- The *property insured* under this section is
- 2.1 Real property in which the *insured* has an insurable interest and is situated at the *locations* specified in the *schedule*.
- 2.2 Personal property situated at the *locations* specified in the *schedule*
- 2.2.1 in which the *insured* has an insurable interest;
- 2.2.2 held in the care, custody or control of the *insured* in which case this *policy* only provides cover to the extent of *insured's* legal liability for physical loss or damage to that property; and
- 2.2.3 owned by officers and employees of the *insured*
- other than property excluded under clause 6 of this section
- 3. Sum insured**
- 3.1 It is a requirement of this *policy* that the *sum(s) insured* specified in the *schedule* in respect of the *property insured* shall not be less than the *new replacement value* of such property.
- 3.2 In the event of any indemnification under this section the *sum insured* shall be automatically reinstated.
- 4. Premium**
- 4.1 The *premium* is to be paid by the date specified in the *schedule* and shall be calculated by multiplying the total *sum insured* by the *premium rate*
- 4.2 If during the *period of insurance* the *sum insured* is increased or decreased the *premium* shall be adjusted in accordance with 4.1 for the remaining *period*.
- 5. Deductible**
- In respect of each and every *occurrence* of loss of or damage to *insured property* the *insurer* shall not be liable for the respective *deductible* specified in the *schedule*. If two or more *deductibles* apply to an occurrence, the total to be deducted shall not exceed the largest *deductible* applicable.
- 6. Exclusions**
- The following shall be excluded from the cover provided by this section:
- 6.1 Property excluded**
- 6.1.0 Buildings with thatched roofs
- 6.1.1 Property in the course of construction or erection;
- 6.1.2 Property in transit by road, rail, air or water;
- 6.1.3 Motor vehicles licensed for public roads, railway locomotives and rolling stock, floating equipment, ships, vessels, watercraft, aircraft and spacecraft;

6.1.4 Money, deeds, evidence of debt or title, valuable papers and records, securities, bullion, furs, jewellery, precious stones, precious metals, coins, stamps and vintage or classic cars;

6.1.5 *Fine art*;

6.1.6 Flora and fauna, *including live animals, birds, fish or other living creature, standing timber, growing crops and pastures*;

6.1.7 Land (including topsoil, backfill, drainage or culverts), driveways, pavements, roads, runways, railway lines, dams, dikes, reservoirs, surface water, underground water, canals, rigs, wells, pipelines, cables, tunnels, bridges, docks, piers, wharves;

6.1.8 Property of the *insured* which has been transferred into the possession of others, under leasing or rental agreements, hire purchase, credit or other suspensive sale agreements;

6.1.9 Mining property underground, unmined or unrecovered oil, gas and mineral deposits, offshore property;

6.1.10 All property on the premises of nuclear power stations;

6.1.11 Nuclear reactors, reactor buildings and plant and equipment therein on any premises;

6.1.12 All property on any premises used or having been used for the generation of nuclear energy or the production, use, transmission or storage of nuclear material; and

6.1.13 Transmission and distribution lines and their supporting structures, unless within a radius of 1000 meters from any insured premises.

## **6.2 Perils excluded**

Perils not mentioned on policy schedule are not covered by this policy.

Also, the *insurer* shall not be liable for loss or damage directly or indirectly caused by or consisting of:

6.2.1 Joint leakage, seepage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;

6.2.2 Pollution and/or contamination, direct or indirect, arising from any cause whatsoever but if pollution or contamination directly cause fire and/or explosion, then this *policy* shall cover only the ensuing physical loss or damage to insured property that directly results from fire and/or explosion only;

6.2.3 Wear and tear, fading, scratching, gradual deterioration or developing flaws, normal upkeep or making good, corrosion, rust, oxidation, but this exclusion shall not extend to loss of or damage to parts of the *property insured* lost or damaged as a direct consequence of a peril not otherwise excluded;

6.2.4 Electrical or mechanical breakdown, but this exclusion shall not extend to loss of or damage to parts of the *property insured* lost or damaged as a direct consequence of a peril not otherwise excluded;

6.2.5 Any fault, defect, error or omission in design, plan, specification, material, manufacture or workmanship, unless the loss or damage results from a direct consequence of a peril not otherwise excluded;

6.2.6 Extremes or changes of temperature or humidity or colour or light or to non-existing, non-functioning or inadequate heating, air-conditioning or cooling equipment including operating error, condensation, excessive moisture, dampness, seepage, disease, deterioration, decay, insect larvae or vermin of any kind, infestation unless the loss or damage results from a direct consequence of a peril not otherwise excluded;

6.2.7 Mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health and this exclusion applies regardless whether there is (i) any physical loss or damage to *insured* property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns;

6.2.8 Exposure to weather conditions where moveable property is left in the open or not contained in fully enclosed buildings;

6.2.9 (i) The removal of asbestos, dioxin or polychlorinated biphenols (hereinafter referred to as "materials"), from any structure or fixture or item of personal property or product, unless the "materials" are damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, *Storm* or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective systems; (ii) demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating "materials;" (iii) any governmental direction or request declaring that "materials" present in or part of or utilised on any undamaged portion of the *insured's* property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;

6.2.10 An increase in the cost of replacement or repair due to enforcement of any ordinance, law or regulation governing or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of *insured* property;

6.2.11 Loss or disappearance which is discovered only during an inventory or stocktaking or which is not traceable to a specific *occurrence* of loss or damage otherwise indemnifiable under this *section*;

6.2.12 Costs arising from false or unauthorised programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media and from loss of information caused by magnetic fields;

6.2.13 Loss or damage resulting from any faults or defects existing at the time of commencement of this *policy* of which the *insured* or its *representatives* were or ought reasonably to have been aware, irrespective of whether such faults or defects were known to the *insured* or not;

6.2.14 Theft, unless involving entry to or exit from a building by forcible and violent means or unless as a result of or in connection with actual or threatened assault or violence or use of force at the premises against the *insured* or any employee of the *insured* or any other person lawfully on the premises; and

6.2.15 Normal settlement or bedding down of new structures, cracking, shrinkage or expansion of pavements, foundations, walls, floors or ceilings.

6.2.16 Theft caused by riots or popular movements, acts of terrorism or sabotage made as party of actions concerted of terrorism or sabotage;

6.2.17 Theft caused by the employees of the insured, personnel of guarding, except if these thefts are perpetrated apart from the hours of service of work, with effraction of the systems of closing of the buildings containing the assured goods and under reserves that felt sorry for was deposited by the tenants, subtenants and other occupants authorised by the insured;

6.2.18 Theft of the goods hereafter, objects deposited outside of the working premises or on official missions area in particular in the halls or in the entry of the store, the courses and gardens.

**7. Additional insurance cover** If specified in the *schedule*, the following *additional insurance cover* shall be provided subject to the terms contained herein:

#### **7.1 Capital additions**

7.1.1 Any increase in the new replacement value or new structure value as a result of capital additions shall attract additional premium and endorsement shall be made for capital increment.

7.1.2 This additional insurance cover is also subject to the *insured* advising the *insurer* within three months of acquisition of the particulars of any such capital additions.

#### **7.2 Expediting and preservation expenses**

The *insurer* shall indemnify the *insured* up to the limit of indemnity specified in the *schedule* in respect of reasonable and necessary extra costs to pay for:

7.2.1 overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to *property insured*;

7.2.2 the temporary repair of *property insured* to expedite the permanent repair or replacement of damaged property;

7.2.3 the temporary removal of property for cleaning, renovation or repair; and

7.2.4 the temporary protection or preservation of *property insured* provided that such actions are necessary to prevent immediately impending physical loss or damage to *property insured* caused by a peril insured under this *policy*.

#### **7.3 Fire-fighting expenses**

7.3.1 The *insurer* shall indemnify the *insured* in respect of fire-fighting expenses necessarily and reasonably incurred by the *insured* to prevent or minimise the extent of any loss or damage to the *property insured* indemnifiable under this *policy*, including the cost of materials expended, costs incurred in refilling fire-extinguishing appliances and replacing used sprinkler heads, wages of personnel specifically engaged for such tasks and all fire-fighting costs claimed against the *insured* from a public authority or public fire brigade provided always that the amount payable under this *additional insurance cover* shall not exceed the limit of indemnity specified in the *schedule*.

7.3.2 Payment by *insurers* of any amount under this *additional insurance cover* shall be subject to the proof of costs incurred as *insurers* may reasonably require

#### **7.4 Removal of debris**

The *insurer* shall indemnify the *insured* up to the limit of indemnity specified in the *schedule* in respect of the costs and expenses necessarily incurred to remove and dispose of debris which remains as a direct result of physical loss or damage *insured* by this *policy*.

#### **7.5 Misdescription of property insured**

In the event of an unintentional misdescription of the *location* at which *property insured* is physically situated or the unintentional failure to include any property in which the *insured* has an insurable interest, this *policy* shall cover physical loss or damage to such property as if the errors had not occurred providing the value of the *property insured* does not exceed 10% of the property values declared to this *policy* or any other limit of indemnity specified in the *schedule* and such error is reported to the *insurer* by the *insured* immediately following discovery.

#### **7.6 Accounting records**

In the event of insured physical loss or damage to documentary records created by the *insured* to record outstanding amounts due from customers, this *policy* shall refund any shortfall directly caused by such physical loss or damage providing the *insured* takes all reasonable steps to recover such shortfall and the physical loss or damage does not occur as a result of deliberate action by an employee or officer of the *insured*.

#### **7.7 Brands and labels**

If branded or labelled *property insured* by this policy is physically damaged and the *insurer* elects to salvage that property, the *insured* may remove or obliterate the brands or labels. If the *insured* determines to take such action then it must re-label so as to comply with any applicable regulation. Further, if such re-labelling or re-branding reduces the value of the property, then the *insured's* indemnity shall be reduced by that reduction in value.

**8. Measurement of loss** 8.1 In the event of any loss or damage, the basis of loss settlement under this section shall be as follows:

8.1.1 for stock, work in progress, finished goods, raw materials and supplies the costs required to replace the damaged material at the same premises by material of a similar kind and quality to that immediately before the loss;

8.1.2 for plans, drawings, records, data and programs for electronic and electromechanical data-processing equipment the cost of reproducing the same from duplicates or from originals;

8.1.3 for all other *property insured*:

8.1.3.1 if repaired, rebuilt or replaced, at the same site or at another site, within two (2) years from the date of loss or damage, the lesser of the following:  
the actual expenditure incurred by or on behalf of the *insured* to repair, rebuild or replace on the same site with new materials of like kind and quality, whichever is the lesser expenditure;

but in no event to include any increased cost(s) resulting from the enforcement of any law, ordinance, regulation or rule regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of property on an *insured location*;

8.1.3.2 if not repaired, rebuilt or replaced, at the same or another site, within two (2) years from the date of loss or damage: the *actual cash value* at the time and place of loss.

8.2 If, in the event of loss or damage, it is found that the *sum insured* is less than the amount required to be *insured*, then the amount recoverable by the *insured* under this *section* shall be reduced in such proportion as the *sum insured* bears to the amount required to be *insured*.

8.3 The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this *policy*.

8.4 The cost of any provisional repairs shall be borne by the *insurer* if such repairs constitute part of the final repairs and do not increase the total cost of repairs.

8.5 The amount payable by the *insurer* in accordance with the above

mentioned provisions shall be reduced by the value of any salvage.

8.6 The *insured* shall not be entitled to abandon any property to the insurer.

---

## 5. Exclusions applicable to all sections

---

1. Unless otherwise stated in any *section* of this *policy*, the *insurer* shall not indemnify the *insured* in respect of any loss or damage directly or indirectly resulting from or aggravated by or in connection with

1.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, conspiracy, military or usurped power, confiscation, nationalisation, commandeering, requisition or destruction or damage by or under the order of any government de jure or de facto or by any public or local authority;

1.2 the acts of any person or persons acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;

1.3 any act of *terrorism* including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of *terrorism*.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

1.4 ionising radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;

1.5 the radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

1.6 any weapon or device employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter.

2. In any action, suit or other proceeding in which the *insurer* alleges that by reason of the provisions of exclusions 1.1, 1.2 and 1.3 above any loss or damage is not covered by this *policy*, the burden of proving that such loss or damage is covered shall be upon the *insured*.

3. Notwithstanding any provision to the contrary within the *policy* or any endorsement thereto, it is understood and agreed as follows:

3.1 This *policy* does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of *electronic data* from any cause whatsoever (including but not limited to *computer virus*) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

3.2 However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this *policy*, subject to all its terms, conditions and exclusions, shall cover physical damage occurring during the *policy period* to *property insured* by this *policy* directly caused by such listed peril.

Listed perils

Fire  
Explosion

4. Notwithstanding any provision to the contrary within the *policy* or any endorsement thereto, it is understood and agreed as follows:

4.1 Should *electronic data* processing media *insured* by this *policy* suffer physical loss or damage *insured* by this *policy*, then the basis of valuation shall be the cost of the blank media plus the costs of copying the *electronic data* from back-up or from originals of a previous generation. These costs shall not include research and engineering nor any costs of recreating, gathering or assembling such *electronic data*. If the media is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank media. However, this *policy* does not insure any amount pertaining to the value of such *electronic data* to the *Insured* or any other party, even if such *electronic data* cannot be recreated, gathered or assembled.

COMMERCIAL FIRE POLICY SPECIMEN

---

## 6. Claims Conditions

---

**1. Claims notification** The *insurer* shall not be liable under this *policy* unless the *insured* fully complies with and the *insured's* claims obligations applicable to all sections

1.1.1 to 1.1.7.

1.1 In the event of any incidence of loss or damage or circumstances which might give rise to a claim under this *policy*, the *insured* shall

1.1.1 notify the *insurer* in writing within five calendar days, from when the *insured* has knowledge about such loss or damage or circumstance, indicating the nature and extent of the loss or damage; *insured* can immediately make first loss notification to insurer through toll free 1320 or via email claimsteam@prime.rw

1.1.2 take all such measures as may be reasonable for the purpose of minimising loss or damage;

1.1.3 ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;

1.1.4 do and concur in doing and permit to be done all such things as may be necessary to establish the cause and extent of the loss or damage;

1.1.5 preserve all parts affected and make them available for inspection by the *insurer's agent* as long as the *insurer* may require;

1.1.6 inform the police authorities of loss or damage due to fire, theft or burglary or actions by any malicious person and render all reasonable assistance to the police authorities;

1.1.7 furnish any information and documentary evidence that the *insurer* may require together with, if required, a statutory declaration of the truth of the claim.

1.2 The *insurer* shall reimburse the *insured* for any charges properly and reasonably incurred in pursuance of its duties in relation to clauses 1.1.2 and 1.1.3 above in addition to any loss recoverable under any *section* of this *policy* providing the charges do not exceed 25% in total of the final adjusted claim.

1.3 Upon notifying the *insurer*, the *insured* may repair any minor damage or replace any parts of the *property insured* that have sustained minor damage. In all other cases, the *insurer's agent* shall be given the opportunity to inspect the loss or damage before any repairs are effected and if the *insurer's agent* does not carry out the inspection within a *period* of time which could be considered reasonable under the circumstances, the *insured* shall be entitled to proceed with the repair or replacement.

1.4 The liability of the *insurer* under this *policy* in respect of any lost or damaged part or parts of the *property insured* shall cease if such part or parts are not repaired or replaced in accordance with the relevant technical manufacturer's standards.

1.5 In the event of disaster, the insured must:

- (a) Inform local police or public authority in the 24 hours which follow the moment when it was informed of the theft or the attempt at theft;
- (b) Declare the disaster to the insurer as soon as he knows that the happened and at the latest in the 2 working days;
- (c) Provide to the police and to the insurer at statement, certified sincere and signed by him, of the destroyed or damaged goods or which disappeared;
- (d) Lend his assistance to the police and to the insurer in order to facilitate the search of the criminals and the recovery of the stolen objects or values

In the event of recovery of the stolen objects, the insured must inform the insurer by registered letter immediately.

If recovery takes place;

- (e) Before the payment of the indemnity, the insured begins again possession of the aforesaid goods then the insurer will pay allowance corresponding to possibly undergone deterioration and expenses that the insured could expose usefully and / or with the agreement of the insurer for the recovery of these goods;
- (f) After the payment of indemnity, the insured will be able to choose either the recovery, or for the renunciation by the insured, the goods will become the property of the insurer.

In the event of recovery, the payment will be revised by giving a report on the goods taken again for the value at the day of recovery and the insured will pay to the insurer the excess of indemnity that he would have received.

Then they have suddenly known that someone holds the stolen good, they must inform the insurer in the eight (8) working days by registered letter.

**2. Fraudulent claims  
(applicable to  
all sections)**

2.1 If an *insured* makes any claim that is fraudulent or any false declaration or statement in support thereof, this *policy* between the *insurer* and the *insured* making such a claim shall become void and the *insurer* shall not be liable to make any payment hereunder to that party.

2.2 For the avoidance of doubt, the *insured* making such fraudulent claim shall not be entitled to any return of *premium* in the event that the *policy* is treated as void.

COMMERCIAL PREMISES CYPRUS

**3. Claims notification and the insured's additional claims obligations under Section 2** When complying with Clause 6.1., the *insured* must also comply with the additional obligations specified in this clause if a claim is made under *Section 2*. The *Insurer* shall not be liable under *Section 2* unless all obligations are complied with.

3.1 The *insured* shall be obliged to keep for the *period of insurance* complete records of the *business insured*, including - without limitation - inventories, production and balance sheets for the three preceding years. All records shall be held in safe keeping and, as a precaution against their being simultaneously destroyed, the *insured* shall keep separate sets of such records.

3.2 In the event of a claim being made under this *Section 2*, the *insured* shall at its own expense deliver to the *insurer* not later than thirty days after the interruption of or interference with the *business insured* or within such further *periods* as the *insurer* may allow in writing a written statement setting forth particulars of the claim.

3.3 The *insured* shall at its own expense produce and furnish to the *insurer* such books of account and other business books or other evidence as may reasonably be required by the *insurer* for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

---

## 7. General conditions applicable to all sections

---

**1. Period of insurance** The *period of insurance* shall be the *period* specified in the *schedule*.

**2. Reasonable precautions** The *insured* shall take at its own expense all reasonable precautions and comply with all reasonable recommendations made by the *insurer*, to prevent loss of or damage to the property *insured* or any liability arising under this *policy* of insurance and comply with all relevant statutory requirements and manufacturers' recommendations.

**3. Risk Inspections** The *insurer* or the *insurer's agent* shall have the right to inspect and examine and/or survey the property *insured* at any reasonable time and the *insured* shall provide the *insurer* or the *insurer's agent* with all relevant details and information. Any such survey or examination shall not waive any duty of the *insured* to disclose relevant information to the *insurer*.

**4. Increase in risk** 4.1 The *insured* shall notify the *insurer* of any material increase in risk to the *insured* property which occurs during the operation of the *policy*.

4.2 Notification shall take place within 30 days from the date that the *insured* becomes aware of the increase or from the date that the *insured* ought reasonably to have become aware of the increase, whichever is the sooner.

4.3 A material increase in risk is one which is material to a prudent underwriter when determining whether to accept risk and/or determine terms.

4.4 Upon becoming aware of an increase in risk, the *insured* shall, at its own expense, take any reasonable precautions which are necessary to prevent loss or damage.

4.5 The *insurer* shall not be liable for any loss of or damage to property *insured* resulting from an increase in risk unless the *insurer* has agreed to the increase in risk, in which case the scope of cover and *premium* shall, if necessary, be adjusted by the *insurer* to reflect the increase in risk.

**5. Time for commencing proceedings**

No suit, action or proceeding for the recovery of any claim shall be sustained in any court of law or equity unless legal action is started within 24 months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such 24 months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.

**6. Other insurances** If there is any other insurance in place that applies or would apply in the absence of this *policy*, this *policy* will apply only after such other insurance, whether collectible or not.

**7. Entire agreement** This *policy* shall form the entire agreement between the *insurer* and the *insured* and there are no understandings or agreements between the *insurer* and the *insured* other than those expressed in this *policy*

**8. 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.

**9. Several liability**

The subscribing underwriters' obligations under contracts to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing underwriters are not responsible for the subscription of any co-subscribing underwriter who for any reason does not satisfy all or part of its obligations.

COMMERCIAL FIRE POLICY SCHEDULE

---

## 10. Subrogation

10.1 Upon indemnifying the *insured* for loss or damage under this *policy*, either wholly or partly, the *insurer* shall automatically be entitled to subrogate to the rights of the *insured* so as to enable it to recover against third parties responsible for the loss or damage. In addition, to these rights of subrogation, the *insurer* shall be entitled to require the *insured* to assign to the *insurer* all rights of recovery against third parties any time after indemnifying the *insured* either wholly or partly.

10.2 The *insured* shall at the *insurer's* expense do and concur in doing and permit to be done all actions that may be necessary or required by the *insurer* in the interest of any rights or remedies or for the purpose of obtaining relief or indemnity to which the *insurer* is or would become entitled or which is or would be subrogated or assigned to him upon indemnification or rectification of any loss or damage under this *policy*, regardless of whether such action is or becomes necessary or required before or after the *insured's* indemnification by the *insurer*.

10.3 Any recovery from a third party for a loss paid by the insurer under this insurance shall be apportioned in the following order:

10.3.1 To the insured and/or the insurer for amounts they paid as an expense necessary to obtain the recovery;

10.3.2 To the insured for its losses not paid under this insurance, and to the insurer (via subrogation) for any losses paid under this insurance, on a pro rata basis (based on the size of their respective claims for recovery), until the insurer has fully recovered for any losses paid under this insurance; and

10.3.3 To the insured for any remaining recovery.

## 11. Arbitration

All disputes and differences arising under or in connection with this contract shall be referred to arbitration under KIAC (RWANDA) Arbitration Rules.

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.

The Arbitrators shall be lawyers with not less than ten years' experience of insurance or reinsurance law.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application KIAC (RWANDA) shall appoint an arbitrator to fill the vacancy. At any time prior to the appointment by KIAC (RWANDA) the party or arbitrators in default may make such appointment.

The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders of directions.

The seat of arbitration shall be Kigali, Rwanda.

**12. Choice of Law and Jurisdiction**

This policy shall be governed by the law of RWANDA and except where subject to the provisions of the Arbitration clause, the courts of RWANDA shall have sole jurisdiction in any dispute.

**13. Termination of policy**

This *policy* may be terminated at any time at the request of the *insured* in writing to the *insurer* or the *insured's* agent, if so appointed, and the *premium* hereon shall be adjusted on a pro rata temporis basis, or as otherwise agreed.

This *policy* may also be terminated by or on behalf of the *insurer* by 45 days' notice given in writing to the *insured* or the *insured's* agent, if so appointed, at its last known address, and the *premium* hereon shall be adjusted on the basis of the *insurer* retaining pro rata *premium*.

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed to the last known address.

The insurer is not liable for any claim(s) incurred during the notice period.

COMMERCIAL FIRE POLICY SPECIMEN

---

## 8. Definitions applicable to all sections

---

The terms – written in *italics* – used in this *policy* shall have the following meanings unless they are defined differently in any *section* hereof or the context so requires.

*Actual cash value*

The cost to repair or replace at the time of loss or damage with material of like kind and quality, less allowance for physical deterioration, physical *depreciation*, obsolescence and depletion.

*Computer Virus*

Any set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instruction or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. This definition includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

*Consequential loss*

Any financial loss of any kind or description whatsoever, including loss of profit, loss of business opportunity, losses due to delay, lack of performance, loss of contract or penalties.

*Deductible*

The amount to be deducted from any payment otherwise to be made by the *insurer* to the *insured*.

*Depreciation*

The method to account for assets whose value is considered to decrease over time.

*Earthquake*

Any natural or man-made earth movement and/or *earthquake* including, but not limited to earth movement or landslide, regardless of any other cause or event contributing concurrently or in any other sequence of loss.

*Electronic Data*

Any facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronic controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

*Fine Art*

Paintings/pictures/sketches of any kind whether created by applying water/oil/acrylic based paints, charcoal, pencil or collage; art photographs; tapestries; sculptures; statuary; antiques; valuable rugs; rare glassware and windows; antique jewellery; porcelains; and similar property containing intrinsic rarity, historical or artistic value.

*Flood*

Surface waters; rising waters; waves; *storm* surge; tide or tidal water; the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray there from; or sewer-backup resulting from any of the foregoing; excluding "*Storm*" as defined in the definition *section* of this *policy*.

*Insured*

All the parties named as the *insured* in a *section* of this *policy*.

*Insurer*

The party named as such in this *policy*.

*Insurer's agent*

An individual, firm or company, appointed by the *insurer* to act on its behalf.

*Location*

The *location(s)* of the *property insured* as listed in the *schedule*.

*Storm*

The term "*Storm*" shall mean a weather condition (including one that has been declared by any meteorological authority to be a hurricane, typhoon, tropical storm or cyclone) that results in loss or damage to *insured* property directly or indirectly by:

1. the force of wind caused by or resulting from a *Storm*; or
2. any material, object or debris that is carried, propelled or in any manner moved by a *Storm*; or
3. hail, lightning, or tornado(es) that are a result of actions or effects of a *Storm*; or
4. rain or water, whether the rain or water is driven by wind or not, that enters the *insured* building or structure through an opening(s) created by the force of wind from a *Storm*; or
5. water inundation, storm surge, or *flood* as defined herein, if covered by this *policy*, including loss or damage from the destruction or breaching of any levee, dam, or dike as a result of actions or effects of a *Storm*;

regardless of any other cause or event contributing in any sequence before, after or concurrently to the loss.

*New replacement value*

The costs which would be incurred to replace the *property insured* at the *location* with new items of similar kind and quality at any time during the *policy period*.

*Occurrence*

The term "loss occurrence" shall mean the sum of all individual losses directly occasioned by any one disaster, accident or loss or series of disasters, accidents or losses arising out of one event. Where the term applies to disasters, accidents or losses from the perils of tornado, windstorm, named windstorm, hail, flood, earth movement, riot, civil commotion, strike, lockout, vandalism and malicious mischief, in so far as such perils are covered under this policy, one loss occurrence shall be further limited to all individual losses arising during a continuous period of seventy-two (72) hours. When filing proof of loss, the Insured may elect the moment at which such seventy-two (72) hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to property or interests insured under this policy occurs. However, the Insurer shall not be liable hereunder for individual losses or the sum of all individual losses:

1. directly occasioned by disasters, accidents or losses occurring before this policy becomes effective; or
2. arising from an event which is in progress at the time this policy becomes effective, even if such event occurs after this policy becomes effective; or
3. directly occasioned by disasters, accidents, or losses occurring after the expiration of this policy, except such individual losses arising from an event which is in progress at the time this policy expires.

*Period*

The *period* during which cover is provided by this *policy* as specified in the *schedule*.

*Policy*

The *proposal*, the definitions, the conditions, the exclusions, the *schedule* and the *sections* of this *policy*.

*Premium*

The *premium* payable under this *policy* calculated in accordance with its terms.

*Premium rate*

The rate referred to as such in the *schedule* agreed between the *insured* and the *insurer*.

*Property insured*

The *property insured* as specified in the *schedule* to this *policy*.

*Proposal*

The written information submitted to the *insurer* by the *insured* seeking insurance cover under this *policy*.

*Representatives*

The directors, officers or any other individuals that have the authority to exercise administrative or executive control over the execution of a contract or over an operation or business.

*Schedule*

The *schedule* to the *section(s)* of this *policy* in which reference is made to it.

*Section*

Any *section* of this *policy* including the *schedule* thereto.

*Sum(s) insured*

The amount of insurance cover specified in the *schedule* in respect of any particular item of *property insured* or *interest insured* or the total amount of insurance cover specified in the *schedule* as the context may require.

*Terrorism*

An act of *terrorism* means an act, including but not limited to the use of force or violence and/or the 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 to put the public, or any *section* of the public, in fear.

*Tsunami*

Sea Wave produced by a submarine *earthquake* such as a subduction of crustal plates or by submarine *volcanic eruption*.

*Volcanic Eruption*

The issuance of molten or hot rock or steam, gas or liquid from a vent or vents in the earth's crust.

Please read your policy and its conditions and, if incorrect return to the company with any written advice regarding the necessary rectifications.

IN WITNESS WHEREOF the undersigned acting on behalf of and under the authority of the Company and Insured who have hereunto set his hand.

Done at Kigali, on ...../ ...../20...

**For and on behalf of Insured:**

.....

**For and on behalf of Insurer:**  
**PRIME INSURANCE LTD**

COMMERCIAL FIRE POLICY SPECIMEN