

## **TERRORISM INSURANCE POLICY**

In consideration of the Insured named in the schedule hereto paying to the Atlas Insurance Limited (hereinafter called "the Company") the premium mentioned in the said Schedule, the Company agrees (subject to the Conditions contained herein or endorsed or otherwise expressed to be conditions precedent to the right of the Insured to recover hereunder), that if after payment of premium the property Insured described in the said schedule, or any part of such property, be destroyed or damaged by

### **"An Act of Terrorism"**

at any time during the period of insurance named in the said schedule or 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, the Company will pay to the Insured the value of the property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof subject otherwise to the terms and conditions stipulated in this Policy.

Provided 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 and 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 Company.

### **Insuring Clause**

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures buildings and contents against physical loss or physical damage by an Act of Terrorism, as herein defined, occurring during the period of this Policy as stated in the Schedule attaching to and forming part hereof, (hereinafter referred to as the "Schedule").

For the purpose of this Insurance, an act of terrorism means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

### **Losses Excluded**

#### **This Policy does not insure against:-**

1. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority.
3. Loss by seizure or illegal occupation.
4. Loss or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous

or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

6. Loss or damage by chemical or biological release or exposure of any kind.
7. Loss or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.
8. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless physical loss or damage is caused directly by an Act of Terrorism.
9. Loss or increased cost occasioned by any Public or Civil Authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
10. Any consequential loss or damage caused by any other ensuing cause.
11. Loss of use, delay or loss of markets, however caused or arising, and despite any preceding loss insured hereunder
12. Loss or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service.
13. Loss or increased cost as a result of threat or hoax, in the absence of physical damage due to an act of terrorism.
14. Loss or damage caused by or arising out of burglary, house – breaking, theft or larceny or caused by any person taking part therein.
15. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
16. Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.
17. Loss or damage caused by mysterious disappearance or unexplained loss.
18. Loss or damage directly or indirectly caused by 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.

#### **Property Excluded**

##### **This Policy does not cover:-**

1. Land or Land Values
2. Power Transmission or feeder lines not on the Insured's premises.
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days.
4. Aircraft or any other Aerial device, or watercraft.
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in Transit not on the Insured's premises.

## CONDITIONS

### **1-Onus Of Proof**

In any claim and/or action, suit or proceeding to enforce a claim for loss under this policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this policy applies and the quantum of loss shall fall upon the Insured.

### **2-Other Insurance**

This Policy does not cover any loss or damage, which at the time of the happening of such loss or damage is insured by, or would, but for the existence of this Policy, be insured by any other insurance policy or policies either primary or excess.

### **3-Territorial Limits**

This Policy insures property owned by the Insured and located as described in the Schedule.

### **4-Sum Insured**

The Company hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence and in the annual aggregate.

### **5-Deductible**

Each occurrence shall be adjusted separately and from the amount of each such adjusted loss; the sum stated in the Schedule shall be deducted.

### **6-Occurrence**

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the property insured herein during any period of 24 consecutive hours arising out of the same purpose or cause. However, no such period of 24 consecutive hours may extend beyond the expiration of this policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism prior to expiration and within said period of 24 consecutive hours nor shall any period of 24 consecutive hours commence prior to the attachment of this Policy.

### **7-Debris Removal**

This Policy also covers, within the sum insured, expenses incurred in the removal of debris of property covered hereunder which may be directly destroyed or damaged by an Act of Terrorism.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

### **8-Due Diligence**

The Insured (or any agent, sub or co-contractor of the Insured) shall at all times and at his own expense use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to precautions to protect or remove the property and interests insured herein) to avoid or diminish any loss herein insured.

### **9-Protection Maintenance**

It is agreed that any protection provided for the safety of the insured property shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Company without its consent.

#### **10-Valuation**

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality, subject to the following provisions:-

- (a) The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
- (b) Until replacement has been effected the amount of liability under this policy in respect of loss shall be limited to the actual cash value at the time of loss;
- (c) If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

The Company's liability for loss under this Policy including this endorsement shall not exceed the smallest of the following amounts:-

- (i) The amount of the Policy applicable to the destroyed or damaged property.
- (ii) The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use.
- (iii) The amount actually and necessarily expended in replacing said property or any part thereof.

#### **11-Incorrect Declaration of Value**

If the property hereby insured shall at the breaking out of any "Act of Terrorism", be collectively of greater value than the sum insured thereon then the insured shall be considered as being his own insurer for the difference and shall be a rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

#### **12-Notification Of Claims**

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give immediate written advice thereof to the Company within 24 hours of such knowledge of any occurrence.

#### **13-Proof Of Loss**

The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of the Company) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Company has not received such proof of loss within two years of the date of occurrence the Company shall be discharged from all liability hereunder.

#### **14-Subrogation**

If the Company become liable for any payment under this Policy in respect of loss or damage the Company shall be subrogated, to the extent of such payment, to all the rights and remedies of the Insured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Insured. The Insured shall give the Company all such assistance in his power as the Company may require to secure their rights and remedies and, at Company's request shall execute all documents necessary to enable Company

effectively to bring suit in the name of the Insured including the execution and delivery of the customary form of loan receipt.

#### **15- Salvage And Recoveries**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

#### **16- False Or Fraudulent Claims**

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

#### **17-Abandonment**

There shall be no abandonment to the Company of any property.

#### **18-Inspection And Audit**

The Company shall be permitted but not obligated to inspect the Insured's property at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Company may examine and audit the Insured's books and records at any time during the Policy period and extensions thereof and within two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

#### **19- Assignment**

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

#### **20- Rights Of Third Parties Exclusion**

This Policy is effected solely between the Insured and Company. This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy. The Contract (Rights of Third Parties) Act 1999 is expressly excluded from this Policy.

This clause shall not affect the rights of the Insured.

#### **21-Cancellation**

This Policy may be cancelled by or on behalf of the Underwriters by delivery to the Insured or by mailing to the Insured or the Broker by registered, certified, or other first class mail, at the Insured's address as shown in this Policy, written notice stating when, not less than 7 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If this Policy is cancelled by or on behalf of the Company, the Company shall retain the pro-rata proportion of the premium hereon.

Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

**22- Jurisdiction**

Pakistani law will govern this policy. Any disputes arising hereunder will be exclusively subject to Pakistani jurisdiction.

**Arbitration**

If any difference arises as to the amount of any loss or damages such difference shall independently of all other questions 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 disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party in case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator, and in case of disagreement between the arbitrators, the difference shall be referred to the decisions of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The death of any party shall not revoke or effect the authority or powers of the arbitrators or umpire respectively and in the event of the death of an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator, arbitrators or umpire of the amount of the loss or damage if disputed shall be first obtained.