



Property Insurance

Sompo Insurance (Singapore) Pte Ltd

Fire VS All Risks

Types of Property Insurance

- ▶ Fire
- ▶ All Risks
- ▶ Machine & Equipment
- ▶ Plate Glass
- ▶ Machinery All Risks
- ▶ Machinery Breakdown
- ▶ Deterioration of Stocks
- ▶ Theft/Burglary

Fire & Extraneous Perils

Covers the loss or damage to the insured property due to:

- ▶ Fire/Lightning/Explosion
- ▶ Aircraft damage
- ▶ Bursting or overflowing of water tanks, apparatus or pipes
- ▶ Earthquake, volcanic eruption, hurricane, cyclone, typhoon and windstorm and flood arising therefrom
- ▶ Full flood
- ▶ Explosion
- ▶ Impact by road vehicles
- ▶ Riot and strike
- ▶ Malicious damage

What are covered?

- Property owned by businesses is likely to fall under the following categories of description.



Buildings



Plant, machinery
and equipment



Stock-in-trade



Furniture, fixtures,
fittings and “all
other contents”

Other common circumstances that are caused by fire are also covered:



Property damaged by water or other extinguishing agents used for extinguishing the fire



Fire brigade in the execution of its fire-fighting activities, e.g. damaging a door or window to gain access



Damage caused by falling walls or parts of a building where there is a fire.

Underwriting Information required

- ▶ Name of company
- ▶ Nature of business
- ▶ Construction of the building, storage arrangement, housekeeping
- ▶ Risk location (e.g. Tagore Lane, Sungei Kadut, Defu Lane)/ Pre-war/Industrial
- ▶ Types of special peril extensions required
- ▶ Claims experience within the past 3 years
 - ▶ What happened / When it happened / Incurred amount (paid/reserve)
- ▶ Sum insured required for building, renovation, fixtures and fittings, machinery, equipment, stocks etc

Risks Excluded

- ▶ War; nuclear; strike; riot and civil commotion risks
- ▶ Loss by theft during or after the occurrence of a fire
- ▶ Loss of or damage to property caused by its own fermentation, natural heating or spontaneous combustion, or by its undergoing any heating or drying process
- ▶ Loss or damage caused by the burning of property by order of any public authority, or subterranean fire.

Common clauses available in Fire policies

- ▶ Hire Purchase
 - ▶ Loss Payee
 - ▶ Mortgagor/Mortgagee
 - ▶ Non-Cancellation
- ▶ Landlord
 - ▶ Waiver of Subrogation
 - ▶ Cross Liability
- ▶ Average
 - ▶ 85% Relief

3.7 Insurance

3.7.1 The Tenant must take out and maintain during the Term, a comprehensive public liability insurance policy against claims for personal injury, death or property damage or loss, arising out of all operations of the Tenant in the Premises, for an amount not less than S\$3,000,000.00 (or such higher amount specified by the Landlord at any time) in respect of any one (1) occurrence.

3.7.2 The policy must be taken out and maintained at the Tenant's cost and expense in the joint names of the Landlord and the Tenant with a reputable insurance company in Singapore approved by the Landlord.

3.7.3 The policy must include:

- (i) a provision for waiver of subrogation against the Landlord;
- (ii) a provision that the liability of the insurer to pay under such policy must not be affected by the act, default, omission or negligence of any party to such policy;
- (iii) the legal liability of the Tenant for loss or damage to the Premises (including all fixtures and fittings in it), by the deletion from the policy of the relevant exclusion relating to the property in the care, custody or control of the Tenant or any employee of the Tenant; and
- (iv) a cross liability provision so that each of the Landlord and the Tenant shall be considered a separate and distinct person and all references to "**insured persons**" under the policy shall be considered as applying to each of the Landlord and the Tenant in the same manner as if a separate policy had been issued to each of them.

3.7.4 The Tenant must insure with a reputable insurance company in Singapore approved by the Landlord and keep insured at the Tenant's own cost and expense all the property of the Tenant at the Premises against damage by fire and such other risks as the Landlord deems necessary.

Average Clause

Sum Assured	Value
Building	Reinstatement Cost
Other Property	New replacement value
Stocks	Maximum

Case Study (December 2018) - 2 Storey Shophouse



Suspected electrical fault at the reception

Front section of the premises badly burnt

Rear section suffered water and soot damage

All Risks

- Covers against **ACCIDENTAL DAMAGES** on top of **INSURED PERILS**
- Stocks, machinery, equipment and other contents can be covered on an “All Risks” basis
- Reasonable precaution -Insured has a duty to act as if uninsured.

Case Study - All Risks



July 2017- Rainwater seeped through the skylight glass roof after heavy rainfall

Shop was flooded, furniture was damaged, goods were damaged

Total Damage - \$4574 paid in claims

November 2017- Rainwater seeped through the skylight glass roof after heavy rainfall

Shop was flooded, furniture was damaged, goods were damaged,

Total Damage - \$8232 paid for damage + \$600 for consequential loss

Industrial All Risk Policy?

Consequential Loss - Business Interruption Insurance

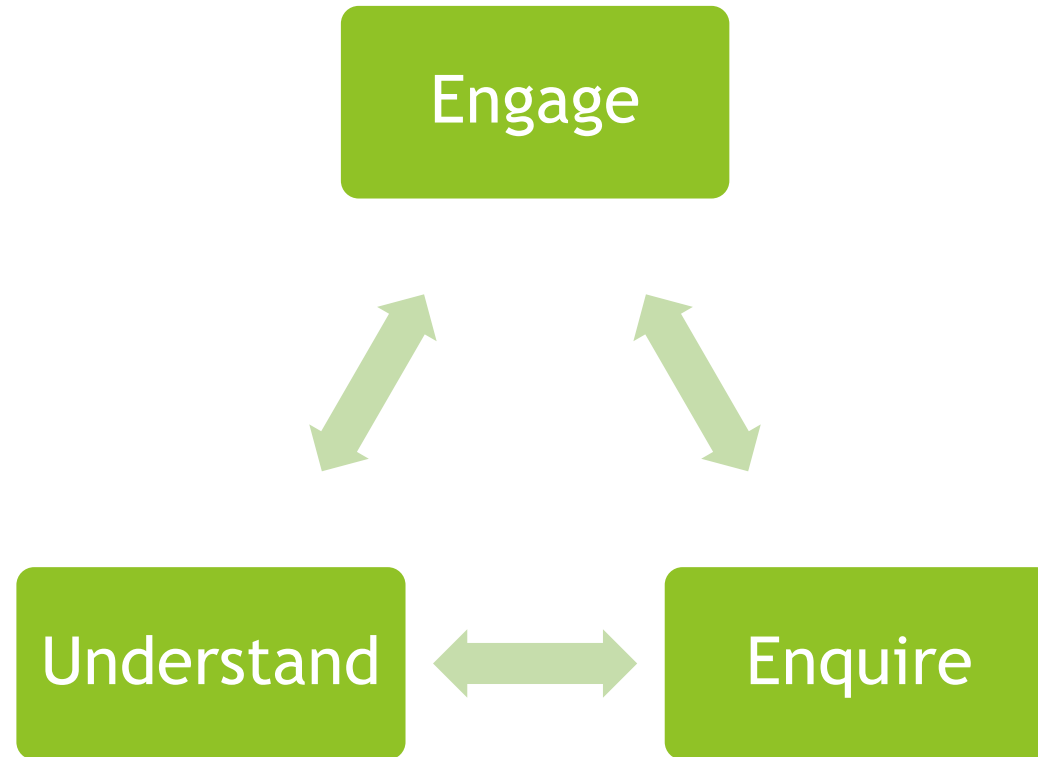
Covers the indemnity of any interruption in the business caused by a material loss or damage to the property due to fire.

- ▶ Protection against loss of profit, overhead expenses, employees' wages and salaries and increase cost of working resultant to the loss or damage to insured property due to perils covered by us.
- ▶ Case study - \$30,000/month rental and is on Spectra Service plan.



Importance of Relationship Building

Continuous relationship building

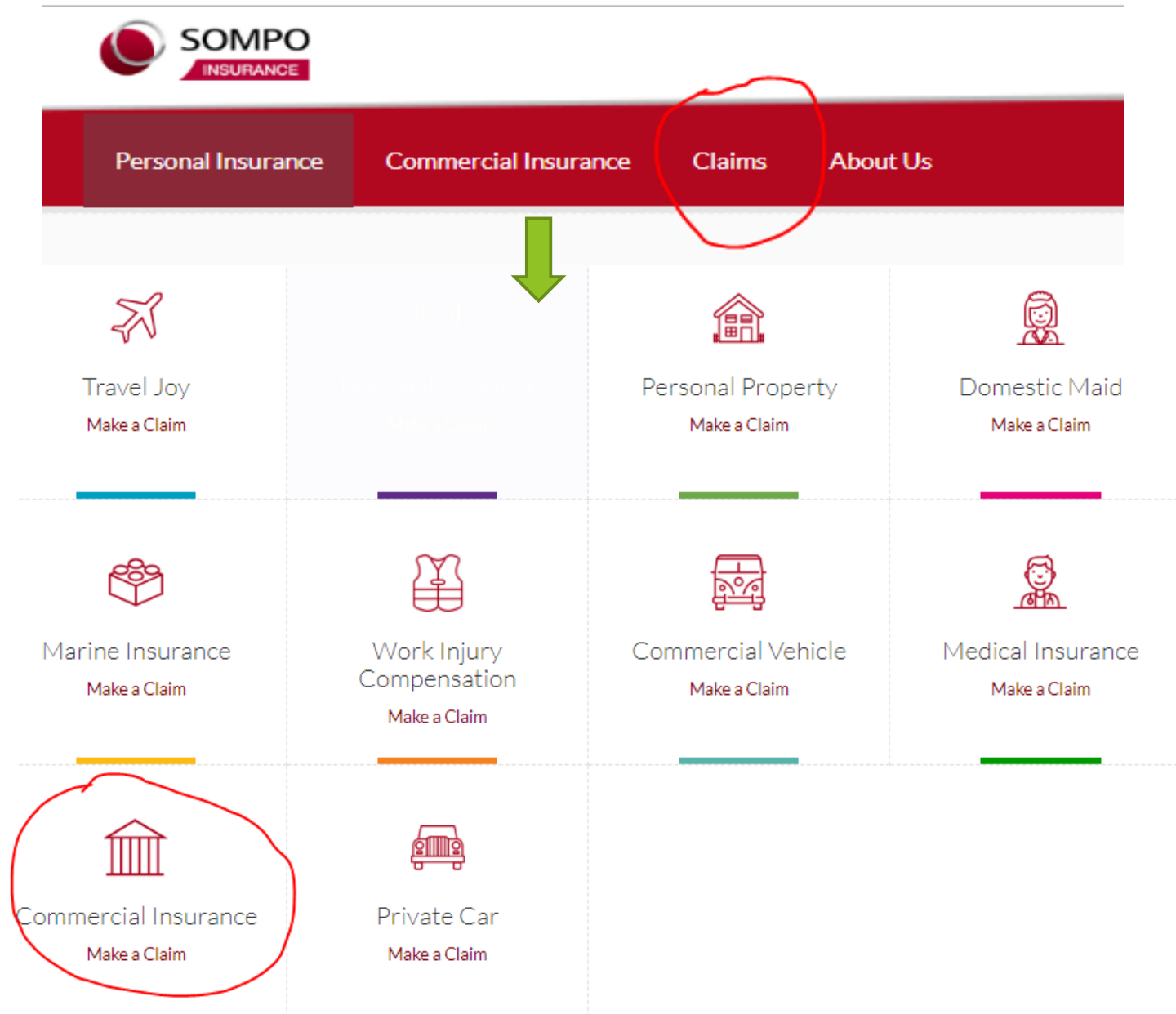


- ▶ To ensure business retention
- ▶ To ensure you are aware of expansions
- ▶ For easier gathering of information in the event of claims

Claims

- ▶ Take all reasonable steps to reduce the extent of loss or damage. Take photographs to show the damage when it is safe to do so.
- ▶ As far as possible do not throw away or repair or move damaged items as this may affect evidence as to the cause of loss or damage. Check with us or our appointed loss adjusters first.
- ▶ If a criminal act is involved, please make a police report. A copy of the police report must be extended to us.
- ▶ Record the particulars of the witnesses (if any).
- ▶ We may appoint service providers when necessary to investigate the loss. Co-operate fully with the adjuster or investigator and provide all requested information quickly so that we can respond to you as soon as possible.

Claims



Claims

Get In Touch

Emergency Assist Numbers

Contact Us

Feedback Procedure

Join Us

Be Our Agent



Commercial
Property

Commercial
Liabilities
(Including Cyber
Risks)

Construction &
Engineering

EMERGENCY SERVICES (Available after office hours)

1) McLarens Singapore:

- Amos Tan 9695 1340
- Harold Seow 9695 1335

2) CunningHam Lindsey (Singapore):

- David Seng 9147 8178
- Gary Theng 9791 5855

3) Insight Adjusters & Surveyors:

- Stephen Kwang 9677 7268
- Thanga 9168 3609