

**PROBIZ EXCEL PLUS**  
Small and Medium Size Business Insurance Policy

Dear Valued Insured,

Thank You for choosing Cocogen Insurance, Inc. as Your Insurer.

This insurance contract between You and Cocogen consists of the Application Form, the Policy, the Schedule, and the Endorsements, if any. Please note that in accepting this insurance, We relied on the information You have provided us.

In consideration of the payment of the premium shown in the Schedule, We agree to insure You, subject to the terms and conditions contained in or endorsed on this insurance contract, against loss or damage to Your Property, Bodily Injury You sustain or legal liability You incur for accidents during the Period of Insurance.

Should You have clarifications and concerns on this insurance contract, feel free to call Us at (632) 8-830-6000 or send Us an email at [client\\_services@cocogen.com](mailto:client_services@cocogen.com). To learn more about Our products and services, please visit Our website at [www.cocogen.com](http://www.cocogen.com).

Your Insurance Provider,

COCOGEN INSURANCE, INC.

**IMPORTANT NOTICE**

The Insurance Commissioner, with offices in Manila, Cebu, and Davao, is the Government official in charge of the enforcement of all laws relating to Insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance company and a policyholder relating to insurance matters.

**ARTICLE 1250 OF THE CIVIL CODE WAIVER**

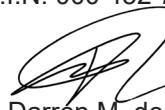
You agree that the following provision of the Civil Code of the Philippines shall not apply in determining the extent of Our liability under this insurance contract:

*"Art. 1250. In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment xxx."*

**Cocogen has caused this insurance contract to be signed by its duly authorized officer in the place and on the date appearing in the Schedule.**

COCOGEN INSURANCE, INC.

T.I.N. 000 432 798



Atty. Darren M. de Jesus  
President

**COMMITTED. COMPASSIONATE. GENUINE.**

COCOGEN INSURANCE, INC.

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## **INTRODUCTION**

This document sets out the terms and conditions of the insurance contract between You and Cocogen. You must observe and fulfill these conditions insofar as they relate to anything to be done or not to be done, for Us to pay Your claim.

Please take time to read the whole document carefully. Further, You are advised to:

- check if all the Endorsements You requested are included;
- comply with Your duties under this insurance contract; and
- keep it in a safe place.

If there are incorrect details or if the policy does not provide the cover You need, please contact Your agent, Broker or Us immediately.

## **Information You have given Us**

In deciding to accept this contract of insurance and in setting the terms and premium, We have relied on the information You have given Us. You must ensure that every information provided is accurate and complete to the best of Your knowledge.

If We establish that You deliberately or recklessly provided Us with false or misleading information, We will treat this insurance contract as if it never existed and deny all claims.

## **Applicable Law**

This insurance contract shall be subject to the laws of the Republic of the Philippines.

## **Commercial Occupancy Warranty**

You confirm that the Premises covered under this insurance is occupied mainly for commercial purposes and that no manufacturing is carried out.

Violation of this warranty makes this policy null and void from inception.

## **Premium Payment**

Except in cases where the law or applicable regulations which now are or in the future may be in force, allow payments of premiums in periodic installments, You agree that this insurance contract shall be valid and binding only when the premiums have been actually paid in full and duly acknowledged in a receipt signed by Us or Our authorized officer or representative.

## **Documentary Stamps**

Under Revenue Regulations Number 15-2001 of the Bureau of Internal Revenue (BIR), the Documentary Stamp Tax (DST) is payable upon issuance of the policy, and that no refund will be made as a result of the cancellation of the policy or reduction in the premium.

## **Limit of insurance**

We will not pay more than the sum insured shown in the Schedule.

## **Dispute Resolution**

In the event of any controversy or claim arising out of or relating to this insurance contract, or a breach thereof, You and Cocogen agree first to try and settle the dispute by mediation, administered by the Insurance Commission before resorting to arbitration, litigation or some other dispute resolution.

If You elect arbitration, You agree that the dispute will be subject to the Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules as at present in force.

If You elect litigation, You agree to file Your case before the Insurance Commission-Claims Adjudication Division if Your claim does not exceed Php 5 million.

Your claim shall be considered abandoned if You did not commence any action or suit either in the Insurance Commission or any court of competent jurisdiction within one (1) year from:

- (a) Your receipt of Our denial letter; or
- (b) termination of the mediation proceedings

## **Notice to Us**

Every notice and other communication to Us required by any of the Conditions under this insurance contract must be written or printed.

## **Assignment**

Assignment of interest under this policy shall not bind Us until Our consent is secured and the necessary Endorsement is issued. If You die, or be adjudged bankrupt or insolvent:

- (a) We will recognize Your legal representative as the Insured while he is acting within the scope of his authority;
- (b) with respect to Your property, whether real or personal, to the person or corporation having proper temporary custody thereof, as the Insured, but only until the appointment and qualification of the legal representative.

## **Changes in the Risk**

You must inform Us within 30 days of You becoming aware about any changes in the information You have provided to Us which happens before or during any Period of Insurance;

When We are notified of a change, We will tell You if it affects Your policy. For example We may not effect any change in the terms of Your policy, or amend the terms of the policy, or require You to pay additional premium for Your insurance, or discontinue Your insurance. If You do not inform Us about a change it may affect any claim You make or could result in Your insurance being invalid.

This insurance shall cease, unless You, before the occurrence of any loss or damage, obtain Our written agreement signified by Endorsement to the policy, under any of the following circumstances:

- (a) If the nature of the occupation of or other circumstances affecting the Building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by an Insured Peril.
- (b) If the Building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 consecutive days.
- (c) If the property insured be removed to any Building or place other than that stated to be insured.
- (d) If the interest in the property insured pass from the Insured otherwise than by will or operation of law.

## **Misdescription, Misrepresentation and Omission**

If there be any material misdescription of any of the property insured, or of any Building or place in which such property is contained, or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, We will not be liable under this insurance contract in so far as it relates to the property affected by said misdescription.

## **Renewal**

Unless We mail or deliver to You at least 45 days before the end of the policy period, at the address shown in the Schedule of Our intention to renew this insurance contract or to condition the renewal of this insurance contract upon reduction of limits or elimination of coverage, You are entitled to renew this insurance contract upon payment of the premium due on the effective date of renewal.

## **Inspection and Audit**

We shall be permitted but not obligated to inspect Your property and operations at any reasonable time. Neither Our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking by Us on Your behalf or for Your benefit or others to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation. We may examine and audit Your books and records at any time during the policy period and extensions thereof and within 3 years after the final termination of the policy, as far as they relate to the subject matter of this Insurance.

## **Statutory Requirements**

You shall take reasonable measures to comply with all statutory obligations and regulations imposed by any statutory or governmental authority.

## **Cancellation by Us**

This insurance contract may be cancelled by Us if:

- a) You fail to pay the premium;
- b) You are convicted of a crime arising out of acts increasing the risks and perils insured against;
- c) it is discovered that You committed fraud or material misrepresentation;
- d) it is discovered that You commit willful or reckless acts or omissions increasing the hazards insured against;
- e) physical changes in the property insured which result in the property becoming uninsurable;
- f) there is a determination by the Insurance Commissioner that the continuation of this insurance contract would violate or would place Us in violation of the Insurance Code, as amended.

Our cancellation of this insurance contract shall be based only on the grounds stated above and shall be valid upon service to You of a written notice of cancellation mailed or delivered to You in the address indicated in the Schedule. We may also serve the notice of cancellation upon Your Broker whom You have appointed to represent You in the negotiation and issuance of this insurance contract.

## Cancellation by You

You can also cancel this insurance contract at any time by serving upon Us a written notice of cancellation. The premium that may be returned to You upon Your cancellation of this insurance contract will depend on how long this insurance contract has been in force or whether You have made a claim.

When You cancel this insurance contract, We will retain a portion of the premium based on the following scale of percentages:

If policy is in force for only:	We will retain:
1 month	20% of the premium
2 months	30% of the premium
3 months	40% of the premium
4 months	50% of the premium
5 months	60% of the premium
6 months	70% of the premium
7 months	75% of the premium
8 months	80% of the premium
9 months	85% of the premium
Over 9 months	The annual premium

## Changes in the Policy

None of the provisions, conditions and terms of this policy shall be waived or altered except by Endorsement signed or initialed by Our authorized official and issued whenever applicable in accordance with the provisions of Sec. 50 of the Insurance Code.

## Policy Definitions

Each time We use the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy.

Accidental Damage	Physical damage caused suddenly and unexpectedly by an outside force.
Actual Cash Value	Actual Cash Value is the amount equal to the Replacement Cost minus depreciation of a property at the time of the loss.
Aggregate Limit	The total amount that We will pay You for all losses, damages, Bodily Injury, expenses, and/or liability that We will pay You for one year or any one Period of Insurance
Bank Cards	Credit cards, charge cards, debit cards, cash dispenser cards and similar items
Bodily Injury	Physical injury including accidental death, disease or illness
Building	<ul style="list-style-type: none"><li>the structure with a roof and walls that is used for the business</li><li>fixtures and fittings, elevators, lifts, and electrical wirings permanently attached to the Building structure</li></ul> <p>You own or for which You have an obligation to insure and within the Premises indicated in the Schedule.</p>

Contents	<p>Personal property &amp; goods normal to a dwelling that are in the Building but not part of the Building, which are Your property or which You have an obligation to insure. Contents under this insurance, unless indicated in the Schedule as covered, does NOT include:</p> <ul style="list-style-type: none"> <li>• goods held in trust or commission</li> <li>• bullion or unset precious stones, jewelry, and furs.</li> <li>• any curios or works of art</li> <li>• manuscripts, plans, drawings or designs, patterns, models or molds</li> <li>• securities, obligations, documents of any kind, Money, bank cards, cheques, books of account or other business books, computer systems records</li> <li>• coal, explosives</li> <li>• motor vehicles, caravans, trailers or watercraft or their accessories</li> <li>• any plants and animals</li> <li>• any part of the Buildings</li> <li>• deeds and registered bonds and other personal documents</li> </ul>
Endorsements	A policy document that states a change in the terms and conditions of this insurance contract.
Insured Peril	A source or cause of damage or loss which is covered by this contract of insurance. Perils covered under this insurance contract is stated in the Schedule
Money	<ul style="list-style-type: none"> <li>• current legal tender, checks, postal and Money orders</li> <li>• postage stamps not forming part of a stamp collection</li> <li>• savings stamps and savings certificates, travellers' cheques</li> <li>• premium bonds and gift tokens</li> </ul>
Period of Insurance	The length of time for which this insurance contract is in force, as shown in the Schedule and for which You have paid and We have accepted a premium.
Premises	The location or address of the property insured which is shown in the Schedule.
Replacement Cost	The amount, value or cost to replace a property at its present location and at the present time.
Schedule	The document showing Your name, the Premises, the sums insured, the Period of Insurance, conditions, clauses, warranties, and the Endorsements, which apply to this contract of insurance.
Stocks	The inventory of goods, equipment, materials, or supplies of an establishment, for sale and/or for its own use
We / Us / Our Insurer / Cocogen	Cocogen Insurance, Inc.
You / Your	The entity or entities named in the Schedule as the Insured.
Your Broker	The insurance Broker who arranged this contract of insurance on Your behalf

## **Claims**

The following shall apply to all claims under any of the sections of the policy and Endorsements to this insurance contract. Claims conditions may apply specific to each section of the policy and Endorsements.

### Things You need to do in case of claim

In the event of a claim or possible claim under this contract of insurance:

1. You must notify Us by telephone, short messaging service (SMS), letter or email, as soon as possible but not later than 30 days from the date of accident, giving full details of what has happened.
2. You must forward to Us as soon as possible, but not later than 14 days from Your receipt of any letter, claim, writ, summons or other legal document for claim for liability is made against You.
3. You must inform the Police as soon as possible following malicious act, violent disorder, riots or civil commotion, robbery, theft, burglary or lost property.
4. You must not admit liability or offer or agree to settle any claim without Our written permission.
5. You must take all reasonable precautions and care to limit any loss, damage, Bodily Injury, expenses or legal liability.

If You fail to comply with any of the above duties We may not pay Your claim

### Defense of claims

We may:

- a. take full responsibility for conducting, defending or settling any claim in Your name;
- b. take any action We consider necessary to enforce Your rights or Our rights under this contract of insurance.

### Subrogation

We will require from You an assignment of all rights against any party for loss to the extent that payment therefor is made by Us. You shall execute all papers required and do everything that may be necessary to secure such assignment.

### Sanctions

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

### Deductible

Any claim under this policy shall be adjusted separately, and from the amount of each adjusted claim, the deductible indicated in this policy shall be deducted.

In consideration of the policy having different deductibles applying, It is agreed that the highest deductible amount shall apply for each accident in case several deductibles are applicable.

### Payment of Claims

We will pay Your claim within 30 days after Our receipt of the proof of loss and after the loss or damage is ascertained by Us or by Our agreement with You.

If no ascertainment is made or no agreement is reached within 60 days from Our receipt of the proof of loss, We will pay Your claim within 90 days from Our receipt of said proof of loss.

### Action or suit clause

If a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any court of competent jurisdiction within 12 months from receipt of notice of such rejection, or in case of arbitration taking place as provided herein, within 12 months after due notice of the award made by the arbitrator or arbitrators or umpire, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

In no case whatever shall We be liable under this policy after the expiration of 12 months from the happening of any event giving rise to a claim hereunder unless such claim is the subject of pending court action or arbitration.

## **Policy Exclusions**

The following shall apply to any sections of the policy and Endorsements to this insurance contract.

### Fraudulent claims

If You, or anyone acting on Your behalf, makes a claim knowing it to be false or fraudulent in amount or in any other respect, this contract of insurance shall be invalid and all claims shall be forfeited.

### Biological and Chemical Contamination Clause

We will not pay for

1. loss or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising therefrom;
2. any expenses or legal liability of whatsoever nature;
3. death or injury to any person;

directly or indirectly caused by or contributed to by or arising from Biological or Chemical contamination due to or arising from;

- terrorism; and/or
- steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived terrorism.

For the purposes of this exclusion “terrorism” means any act(s) of any person(s) or organization(s) involving:

- the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- putting the public or any portion of the public in fear;

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

### Electronic Data Exclusion Clause

We will not pay for

1. loss or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising therefrom;
2. any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to by or arising from:

- computer viruses, erasure or corruption of electronic data;
- the failure of any equipment to correctly recognize the date or change of date;

For the purposes of this exclusion “computer virus” means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature.

### War & Terrorism Exclusions

We will not pay for any loss, damage, Bodily Injury, expenses or legal liability directly or indirectly occasioned by, happening through or in consequence of:

1. war, invasion, acts of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, martial law, military or popular rising rebellion, revolution, insurrection, military or usurped power,
2. confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; and
3. any act of terrorism.

An act of terrorism means an act, including but not limited to the use of force or violence and/or threat, of any person or group of persons, whether acting alone or on behalf of or in connection with any organization(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.

Any loss or damage happening during the existence of abnormal conditions (whether or physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance.

In any action, suit or other proceedings where We allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon You.

### Asbestos Exclusions

All liability is excluded for asbestos, directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the manufacture of, mining of, use of, sales of, installation of, survey or investigation of, management of, removal of, distribution of, existence of or exposure to asbestos products, asbestos fibers or asbestos dust, or property or materials containing any of the foregoing, including without limitation all liability to pay claimants' or Your legal costs and expenses or any other costs and expenses, howsoever incurred in the investigation, defense and/or settlement of any claim or Legal Proceeding against You.

### Radioactive Contamination and Nuclear Assemblies Exclusion

We will not pay for

1. loss or destruction of or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising from
2. any Bodily Injury, expenses, or legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
  - i. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
  - ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

### Existing and Deliberate Damage Exclusions

We will not pay for loss, damage, Bodily Injury, expenses or legal liability

- occurring before cover starts or arising from an event before cover starts
- caused deliberately by You or Your employees.

Further, We will not pay Your claim should there be prima facie evidence of arson. For this purpose, Sec. 6 of Presidential Decree No. 1613 or the Arson Law of the Philippines is deemed incorporated in this contract of insurance:

**PRIMA FACIE EVIDENCE OF ARSON** – Any of the following circumstances shall constitute prima facie evidence of arson:

1. if the fire started simultaneously in more than one part of the Building or establishment.
2. If substantial amount of flammable substances or materials are stored within the Building not necessary in the business of the offender nor for household use.
3. If gasoline, kerosene, petroleum or other flammable or combustible substances or materials soaked therewith or containers thereof, or any mechanical, electrical, chemical, or electronic contrivance designed to start a fire, or ashes or traces of any of the foregoing are found in the ruins or Premises or the burned Building or property.
4. If the Building or property insured for substantially more than its actual value at the time of the issuance of the policy.
5. If during the lifetime of the corresponding fire insurance policy more than two fires have occurred in the same or other Premises owned or under the control of the offender and/or insured.
6. If shortly before the fire, a substantial portion of the effects insured and stored in a Building or property had been withdrawn from the Premises except in the ordinary course of business.
7. If a demand for Money or other valuable consideration was made before the fire in exchange for desistance of the offender or for the safety of the person or property of the victim.

**CONFISCATION OF OBJECT OF ARSON** – The Building, Contents or Stocks which are the object of arson including the land on which it is situated shall be confiscated and escheated to the State, unless the owner thereof can prove that he has no participation in nor knowledge of such arson despite the exercise of due diligence on his part.

### Indirect Loss or Damage Exclusion

We will not pay for any loss, damage, Bodily Injury, expenses, or legal liability that is not directly associated with the incident that caused You to claim, unless expressly stated in this contract of insurance.

### Loss of Value Exclusion

We will not pay for any reduction in value of the property insured following repair or replacement paid for under this contract of insurance.

### Wear and Tear Exclusions

We will not pay for loss or damage caused by wear and tear or any other gradually operating cause.

## **MATERIAL DAMAGE**

Conditions

### What are covered

We will pay for loss or damage to the insured property due to Insured Perils indicated in the Schedule.

### What are not covered

1. We will not pay loss or damage to property resulting from or arising from or occasioned by or through or in consequence of:
  - (a) theft during or after the occurrence of an Insured Peril, unless such excepted loss be the direct and necessary result of, or ultimately due and traceable to, efforts to rescue the insured property from an Insured Perils which would otherwise have caused a loss.
  - (b) its own fermentation, natural heating or spontaneous combustion, or by its undergoing and heating or drying process.
  - (c) the burning of property by order of any public authority
  - (d) subterranean fire
  - (e) earthquake, volcanic eruption or other convulsion of nature, typhoon, hurricane, tornado, cyclone or other atmospheric disturbance, unless stated otherwise in the Schedule or by Endorsement
  - (f) spontaneous combustion
  - (g) Explosives
  - (h) explosion; but loss or damage by explosion of gas used for illumination or domestic purposes in a Building in which gas is not generated and which does not form part of any gas works
  - (i) the burning, whether accidental or otherwise, of forests, bush, prairie, pampas or jungle, and the clearing of lands by fire
  - (j) over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included), unless fire ensues therefrom. Our liability shall be limited to actual damage by the ensuing fire.
2. Unless specifically mentioned as insured in this Policy, the following are not covered:
  - (a) Money. Cheques. Stamps. Bonds. Bank/credit cards, securities of any description, jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books, or works of art
  - (b) fixed glass, unfixed glass, china earthenware marble or other fragile or brittle objects, electronic installations computers and data processing equipment
  - (c) goods held in trust or on commission, documents, manuscripts, business books, computer systems records, patterns, models, moulds, plans, designs, and explosives
  - (d) vehicles licensed for road use (including accessories thereon ), caravans, trailers, railway, locomotives, or rolling stock, watercraft, aircraft, spacecraft or the like
  - (e) property in transit other than within the Premises specified in the Schedule
  - (f) property or structures in course of demolition, construction or erection, and materials or supplies in connection therewith
  - (g) land (including top-soil back fill), drainage, culverts, driveways, pavements, roads, runways, railway lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining property underground, off-shore property
  - (h) livestock growing crops or trees
  - (i) property damaged as a result of its undergoing any process
  - (j) machinery during installation removal or re-siting (including dismantling and re-erection) if directly attributable to such operations
  - (k) property undergoing alteration, repair, testing, installation or servicing including materials and supplies therefor
  - (l) boilers, economizers, turbines
3. Unless specifically mentioned as insured in this Policy, this insurance does not cover any loss or damage to property which, at the time of the happening of such a loss or damage, is insured by or would be insured by any Marine Policy or Policies.

### Fall or Displacement

This insurance contract shall cease immediately upon any fall or displacement of the Building or any part of it, or of the whole or any part of any range of Buildings or any structure of which the Building forms part. This shall apply if such fall or displacement is of the whole or substantial or important part of such Building or impairs the usefulness of such Building or any part of it or any property contained in said Building subject to increased risk of fire or is otherwise material. Further, the fall or the displacement should not be caused by an Insured Peril, the loss or damage for which is covered by this insurance contract, or would be covered if such Building, range of Buildings or structure were insured under this insurance contract.

In any action, suit or proceeding, the burden of proving that any fall or displacement is caused by an Insured Peril as discussed above, shall be upon You.

### Basis of Valuation and Indemnity

The basis of determining the amount payable for loss, damage or destruction of the insured property shall be the Actual Cash Value.

If the Basis of Valuation and Indemnity as indicated in the Schedule is Replacement Value, the following conditions shall apply:

The basis upon which the amount payable under the policy is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the Property Insured when new, subject also to the terms and conditions of the policy except insofar as the same may be varied hereby.

The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to Your requirements (subject to Our liability not being thereby increased), must be commenced and carried out with reasonable dispatch and in any case must be commenced within 12 months after the loss destruction or damage or within such further time as We may (during the said 12 months) allow in writing. Otherwise no payment beyond the amount which would have been payable under this policy if this Memorandum had not been incorporated therein shall be made.

Until expenditure has been incurred by You in replacing or reinstating the property lost, destroyed or damaged, We shall not be liable for any payment in excess of the amount which would have been payable under the policy if this Memorandum had not been incorporated therein.

This basis of valuation and indemnity shall not apply if:

- You fail to inform Us within 6 months from the date of loss destruction of damage or such further time as We may allow in writing, Your intention to replace or reinstate the property lost or damaged,
- You are unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

### **Specific Claims Conditions**

For claims under this section of the policy, the following conditions are in addition to or modify the, conditions applicable to claims under any of the sections of the policy.

### Other insurance

If at the time of the loss, damage, or expenses, there are other subsisting insurances whether effected by You or by any other person or persons, covering the properties covered by this insurance, We will only pay the excess of the amount paid or payable under said subsisting insurance, subject to the limit indicated in the Schedule.

### Open Policy

This insurance contract is an open policy as defined in Section 60 of the Insurance Code, as amended. In the event of loss, whether total or partial, it is understood that the amount of loss shall be subject to appraisal, and Our liability, if established, shall be limited to actual loss, subject to the applicable terms, conditions, warranties and clauses of this insurance contract, and in no case shall exceed the sum insured.

### Deductible

The amount of deductible stated in the Schedule shall be deducted from the amount of loss. In case this policy is to contribute proportionately to the amount of loss due to the existence of other insurance (whether secured by You or on Your behalf), the application of the deductible stated in the Schedule shall be applied proportionately also.

### Average Clause

This section of the policy is subject to the Average Clause. If You are under-insured, then Average will apply, which means if the sum insured is lower than the Actual Cash Value (or the Replacement Cost as the case may be) of the property insured at the time of loss or damage , then We will only pay a proportion of the claim.

Also, if Your sum insured is less than the Actual Cash Value (or the Replacement Cost as the case may be) of the property insured at the time of the loss, in case the property insured is totally destroyed, the amount We will pay You will not be more than the sum insured.

### Proof of Loss You will submit

In the event of a claim or possible claim under this insurance:

1. You must provide Us with a complete inventory of the damaged, destroyed and undestroyed property showing in details the quantities, costs and the value of the property. Within 60 days after the loss, unless the period is extended by Us in writing, You must submit to Us proof of loss which must:
  - a. be signed and sworn to by You;
  - b. state Your knowledge and belief as to the following:
    - i. the time and origin of the loss;
    - ii. Your interest in the property;
    - iii. other persons' or entities interest in the property;
    - iv. the Replacement Cost or Actual Cash Value of each property for which claim is made;
    - v. the amount of loss to said property;
    - vi. the encumbrances on the property;
    - vii. all other insurance contracts covering the property; and
    - viii. the changes in the title, use, occupation, location, possession or exposures of the property since the issuance of this insurance contract.

When required, You should submit to Us verified plans and specifications of Your Building and/or property insured and the improvements thereon.

When necessary, We may also require You:

- a. to exhibit to any person designated by Us all that remains of the damaged property;
- b. to submit to examination under oath by any person named by Us; and
- c. to produce for examination all other documents relevant and material to Your claim under this insurance contract.

In any case, You are required to submit the originals of said documents. In case the originals are not available, You may be allowed to submit certified copies of said documents.

2. You must protect the property from further damage and not abandon any property to Us without Our written permission.

If You fail to comply with any of the above duties We may not pay Your claim

### How We deal with Your claim

1. On the happening of any loss or damage to any of the property insured by this policy, We may:
  - a. enter, take and keep possession of the Building or Premises where the loss or damage has happened.
  - b. take possession of or require to be delivered to it any of Your property in the Building or on the Premises at the time of the loss or damage.
  - c. keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
  - d. sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Conditions shall be exercisable by Us at any time until notice in writing is given by You that You make no claim under the policy, or if any claim is made, until such claim is fully determined or withdrawn, and We shall not, by any act done in the exercise or purported exercise its powers hereunder, incur any liability to You or diminish Our right to rely upon any of the Condition of this policy in answer to any claim.

If You or any person on Your behalf shall not comply with Our requirements or shall hinder or obstruct Our exercise of Our powers hereunder, all benefits under this policy shall be forfeited.

You shall not in any case be entitled to abandon any property to Us whether taken possession of by Us or not.

2. We will not pay the cost of repairing any undamaged parts of the property which form part of a pair, set, suite or part of a common design or function when the loss or damage is restricted to a clearly identifiable area or to a specific part.
3. We may, at Our option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other Insurers in so doing, but We shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall We be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured by Us thereon.

If We so elect to reinstate or replace any property, You shall, at Our own expense, furnish Us with such plans, specifications, measurements, quantities, and such other particulars as We may require, and no acts done, or cause to be done by Us with a view to reinstatement, or replacement shall be deemed an election by Us to reinstate or replace.

If in any case We shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, We shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

4. The amount of insurance shall be reduced automatically by the amount of any claim paid under this policy.

## **Insured Perils**

### Fire and/or Lightning

The insurance under this policy shall extend to cover loss or damage resulting from Fire and/or Lightning. It is understood under that:

- Fire is a destructive burning or combustion of something.
- Lightning is the occurrence of a natural electrical discharge of very short duration and high voltage between a cloud and the ground or within a cloud, accompanied by a bright flash and typically also thunder.

### Riot and/or Strike

The insurance under this policy shall extend to cover Riot and Strike loss or damage which for the purpose of this insurance shall mean

Loss of or damage to the property insured directly caused by:

1. The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not).
2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
3. The willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
4. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

This cover does not include:

- (a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever,
- (b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- (c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (d) Loss or damage occasioned by permanent or temporary dispossession of any Building resulting from the unlawful occupation of any person of such Building.

Provided nevertheless that We are not relieved under (c) or (d) above of any liability to You in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

### Malicious Damage

This insurance by this clause is extended to include Malicious Damage, which for the purpose of this clause shall mean loss of or damage to the property insured directly caused by the malicious act of any person (whether or not such act is committed in the course of disturbance of the public peace) not being an act amounting to or committed in connection with any of the following occurrences:

- (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 organization with activities directed towards the overthrow by force of the Government "de jure" or "de facto" or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition, any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

We shall not be liable under this cover for any loss or damage by fire or explosion nor for any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or any attempt thereat or caused by any person taking part therein.

### Civil Commotion

This insurance is extended to cover loss or damage due to civil commotion which for this purpose shall mean loss or damage to the insured property directly caused by:

- the act of any person taking part together with others in any disturbances of the public peace not being an occurrence that assumes the proportion of or amounts to a popular rising, military rising, mutiny, insurrection, rebellion, revolution, military or usurped power;
- the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance; and
- the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

But not being an act amounting to or committed in connection with any of the following occurrences:

- (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 organization with activities directed towards the overthrow by force of the Government "de jure" or "de facto" or to the influencing of it by terrorism or violence.

This insurance does not cover:

- a) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- b) loss or damage occasioned by permanent or temporary dispossession of any Building resulting from the unlawful occupation by any person of such Building.

Provided however that We are not relieved of any liability to You in respect of physical damage to the insured property occurring before dispossession or during temporary dispossession.

In any action, suit or other proceeding, where We allege that by reason of the provisions of the above conditions, any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon You.

Provided that this insurance shall, if indemnity is provided under separate and more specific insurance arranged by You on the insured property for loss or damage due to perils of Civil Commotion as described above, only apply in excess of the indemnity under the separate and more specific insurance. In such circumstances, the deductible hereon shall be deemed to be non-applicable.

### Extended Coverage (explosion, vehicle impact, falling aircraft, smoke)

This insurance extends to include loss or damage directly caused by explosion, aircraft, vehicle and/or smoke.

#### *Provision applicable to Explosion*

Loss of or damage to the property insured by fire or otherwise directly caused by explosion, but excluding loss of or damage to boilers, economizers or other vessels, Machinery or apparatus in which pressure is used or their Contents resulting from their explosion, and rotating parts of machinery, including the machinery itself, caused by centrifugal force.

The following are not explosions within the intent or meaning of this Endorsement:

- a) Concussion unless caused by explosion,
- b) Electrical arcing,
- c) Water hammer,
- d) Rupture or bursting of water pipes.

#### *Special Conditions*

1. We shall not be liable under this extension for loss or damage occasioned by, or through or in consequence, directly or indirectly, of any act of any person acting on behalf of, or in connection with any organization with activities directed towards the overthrow by force of the Government "de jure" or "de facto" or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding, where We allege that by reason of the provisions of this condition, any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon You.

2. We shall not be liable under this extension for loss or damage which at the happening of such loss or damage is insured by or would, but for the existence of this extension, be insured by any other existing policy or policies, except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

#### *Provisions applications to Aircraft & Vehicle*

The term "vehicle" as used in this Endorsement, means vehicles running on land or tracks but not aircraft. Loss by aircraft or by vehicles shall include only direct loss resulting from actual physical contact of an aircraft or a vehicle with the property covered hereunder or with the Building the property covered hereunder, except that loss by aircraft includes direct loss by objects falling therefrom. We shall not be liable, however, for loss:

- (a) by any vehicle owned or operated by You or by any tenant of the described Premises;
- (b) by any vehicle to fences, driveways, walks or lawns;
- (c) to any aircraft or vehicle, including Contents thereof, other than Stocks of aircraft or vehicles in process of manufacture or for sale.

#### *Provision applicable to Smoke*

The term "smoke" as used in this Endorsement, means only smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or by a vent, and while in or on the Premises described in this policy, excluding however, smoke from fire places or industrial apparatus.

#### *Deductible applicable to Explosion, Aircraft, Vehicle and Smoke*

It is understood and agreed that You shall bear the deductible stated in the Schedule.

#### *Conditions applicable to Explosion, Aircraft, Vehicle and Smoke*

1. It is a condition of this insurance that You undertake to exercise all ordinary and reasonable precautions for maintenance and safety of the property.
2. We shall not be liable for loss or damage occasioned by or through or in consequence of the action or order of any government or public authority.

#### Broad Water Damage with bursting or overflowing of tanks, apparatus, and pipes

The insurance under this policy is extended to include loss or damage caused by:

1. Accidental discharge, leakage or overflow of water/steam from plumbing, septic tanks, heating systems, elevated and/or underground tanks and cylinders, bursting or overflowing of water tanks, apparatus or pipes, standpipes for fire hose, domestic appliances, refrigerating system, air-conditioning system.
2. Breakage of or leakage from street water supply mains or fire hydrants; and
3. Accidental discharge or leakage of refrigerants from airconditioning or refrigeration systems;

Provided that:

- A. You undertake to exercise all ordinary and reasonable precautions for the maintenance and safety of the property;
- B. You shall bear the deductible stated in the Schedule.
- C. This Endorsement does not cover the following:
  - a. Damage to plumbing, septic tanks, heating systems, elevated and/or underground tanks and cylinders, standpipes for firehose, industrial and domestic appliances, refrigerating systems, airconditioning systems from which the accidental discharge, leakage or overflow of water/ steam emanated.
  - b. Loss or damage by water discharge or leaking from any automatic sprinkler installation within the described Buildings.

#### Robbery and/or Burglary

This insurance extends to cover direct loss and/or damage to the property insured against Burglary and Robbery following upon violent and forcible entry of or followed by violent and forcible exit from the Premises covered. However, this does not include Pilferage or Theft. The term "Premises" under this Endorsement shall not include a yard, garden, verandah, or out-building and other appurtenances unless the Contents thereof are specifically insured under this insurance.

#### Special Provisions

This clause shall not cover any loss or damage:

- a) proximately caused by any means other than those specified in this insurance
- b) if the Premises referred to in the policy shall be left uninhabited by day and night for a longer period than 7 consecutive days and nights
- c) caused, committed, colluded or inflicted, either directly or indirectly by:
  - i. You,
  - ii. any of Your family, domestic servants, employees, or directors, any of the employees of Your contractors,
  - iii. any person lawfully on the Premises

either as principal, accomplice or accessory as defined in the Revised Penal Code of the Philippines;

Upon happening of any event likely to give rise to a claim under this Endorsement

1. You shall as soon as possible give notice thereof in writing to Us at Our Head Office or to the Police or other peace authorities having jurisdiction, stating the circumstances of the case and shall within 14 days after any loss or damage shall have come to his knowledge or within such further time as We may allow in that behalf, deliver to Us a claim in writing with an estimate of the intrinsic value of each article lost and the amount of the damage sustained.
2. You shall furnish Us all such particulars and evidence or otherwise and execute and do all such acts and things as We may reasonably require:
  - a) to substantiate the claim;
  - b) to discover and to punish the guilty person or persons; to trace and recover the property lost; and
  - c) to recoup Us so far as may be in respect of any amount which We shall pay under this policy.

We shall bear the expenses of all such evidence, particulars, material things as We may require with the above objects or any of them other than those required to substantiate the claim.

You shall take all due precaution for the safety of the property insured as regards selection and supervision of employees securing all existing protective devices on all doors and windows and other means of entrance or otherwise, and shall not do or permit anything whereby Our risk shall be increased and this policy shall cease to be in force so far as regards any of the property or articles thereby insured if You shall make any change or alteration in the Premises of the property insured therein or otherwise so that the particulars and information set forth in the proposal to insure are no longer correct statements of the facts.

You shall maintain a Security Guard or Special Watchman on the Premises for 24 hours service. Failure on Your part to comply with this condition will make this particular coverage of the policy null and void.

#### Sprinkler Leakage

This policy insures against loss or damage occasioned by:

- a. Water or other substance discharge from within any part of the fire protective equipment on the Premises insured by this policy or on adjoining Premises.

- b. Collapse or fall of tanks forming part of the fire protective equipment or the component parts of such tanks. The term "fire protective equipment" include tanks, water mains, hydrants or valves and any other equipment whether solely used for protection or for other purposes as well, but does not include:
  - (i) branch piping from adjoining systems where such branches are used entirely for purposes other than fire protection;
  - (ii) any underground water mains or appurtenances located outside the insured Premises and forming part of the public water distribution system; and
  - (iii) pond or reservoir in which water is impounded by dam.

Subject to the deductible indicated in the Schedule.

#### **Clauses**

This insurance is subject to the following clauses:

#### Special Conditions Applicable To Stocks

This special condition shall apply in respect of Stocks only covered under the policy.

In the event of loss and/or damage to Stocks covered under this policy, You shall submit the documents listed below and/or in the Schedule, in addition to other relevant documents and/or proof that may be required by Us in support of the claim under this policy.

Documents: Purchase Order, Invoice, and/or Delivery Receipt