



# STRATA INSURANCE POLICY

Everything you need to know.





## WELCOME TO RSA

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Dear Policyholder,

Thank you for choosing us to take care of the insurance for your Jointly Owned Property. You are now insured with one of the world's leading insurance group that writes business over 100 countries and serves over nine million customers worldwide.

This document is designed to help you check your cover and to reassure you that RSA will give you all the protection you need for the year ahead. We take pride in the claims service we offer to our customers.

This document gives you the details of what this Policy does and does not cover.

Please take a moment to read your Policy booklet and then keep it in a safe place. We would like to welcome you to RSA and wish you a safe year. If you have any questions or if there is anything we could help with, please get in touch with us or your insurance partner.

The Customer Service Team

RSA UAE

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## YOUR STRATA INSURANCE POLICY

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This is your Strata Insurance Policy. Your Policy provides cover for the insurance period shown in your Policy Schedule. This Policy is an agreement between you as the insured and us (Royal & Sun Alliance Insurance Middle East B.S.C. (c)).

We agree to provide insurance on the basis set out in this Policy based on information offered by you in the application for insurance and subject to the payment of your premium, in accordance with the terms, conditions and exclusions of the Policy.

RSA will not pay any more than the applicable limit of liability and additional benefits relating to each section of the Policy and will not pay the excesses applicable to each section shown in the schedule or in this Policy wording.

You must read this Policy together with your Policy Schedule and any endorsements as one contract. Please read all of them to make sure that they provide the cover you asked for. If they do not, please contact your insurance adviser or us as soon as possible.

There are conditions and exclusions which apply to individual sections of the Policy and general conditions and exclusions which apply to the whole Policy. Please make sure that you read these as well as the cover shown in each section.

To understand your Policy better we encourage you to read the "Commonly Used Terms" section of the Policy.

### SUMMARY OF THE BENEFITS

TYPES OF COVER AVAILABLE	COVER SUMMARY
<b>SECTION 1: Building and Common Area Contents</b>	Cover against damage to your buildings and common area contents occurring during the period of insurance up to the sum insured as specified in the Policy Schedule. This section also provides a number of additional benefits.
<b>SECTION 2: Additional Catastrophe Cover (Optional)</b>	When a catastrophe occurs, repair costs can increase significantly as demand for trades personnel building materials and other resources start to outstrip supply. This section helps protect you against these increased costs by increasing the sum insured as specified in the Policy Schedule for Section 1 by 15%.
<b>SECTION 3: Legal Liability</b>	Covers you up to the limit of liability as specified in the Policy Schedule for compensation or expenses that you become legally liable to pay in respect of: <ul style="list-style-type: none"> <li>• Personal injury</li> <li>• Property damage</li> </ul> Happening during the period of insurance as a result of an occurrence arising in connection with the ownership of insured property.
<b>SECTION 4: Fidelity Guarantee</b>	Covers the Owners Association against loss of funds set aside for the management of insured property up to the sum insured as specified in the Policy Schedule as a result of fraudulent misappropriation that occurs during the period of insurance.
<b>SECTION 5: Personal Accident (Voluntary Workers)</b>	Covers a voluntary worker for lump sum or weekly payments for an accident during the period of insurance causing bodily injury. The section also provides a number of additional benefits.
<b>SECTION 6: Office Bearers Liability (Management Committee Liability)</b>	Covers your officers against loss up to the limit of liability as specified in the Policy Schedule arising from claims: <ul style="list-style-type: none"> <li>• Arising out of a wrongful act, in their capacity as an officer of the Owners Association, occurring after the inception date of this Policy and reported to RSA during the period of insurance.</li> </ul>
<b>SECTION 7: Machinery Breakdown</b>	Covers against physical loss or damage from breakdown of your machinery up to the sum insured as specified in the Policy Schedule.

## COMMONLY USED TERMS

RSA	Royal & Sun Alliance Insurance Middle East B.S.C. (c)
<b>Aircraft</b>	Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
<b>Asbestos</b>	Crocidolite amosite chrysotile fibrous actinolite fibrous anthophyllite or fibrous tremolite or any mixture containing any of those materials. This shall include asbestos containing materials and asbestos dust which is fibres or particles of asbestos.
<b>Building(s)</b>	<p>The building(s) specified in the schedule, including</p> <ul style="list-style-type: none"> <li>• Outbuildings</li> <li>• Elevators, escalators and inclinators</li> <li>• Walls, gates and fences</li> <li>• Ducted air conditioners, intercom systems, stoves, ovens, hotplates</li> <li>• Hot water systems</li> <li>• Built-in cupboards and bathroom fittings</li> <li>• Awnings and blinds that are external of the building</li> <li>• Satellite dishes and antennas used for receiving radio and/or television signals</li> <li>• Swimming pools</li> <li>• Marinas, wharves, pontoons or similar structures which are used for non-commercial purposes and at which fuel is neither stored nor distributed</li> <li>• Services, such as, electricity and water, owned by the Owners Association or for which the Owners Association is responsible</li> <li>• Unit owner's fixtures</li> <li>• Other fixtures and improvements of a structural nature</li> </ul> <p>Building(s) does not include:</p> <ul style="list-style-type: none"> <li>• Carpets or carpet underlay however fixed</li> <li>• Vinyl and cork or other flooring material which is not fixed with an adhesive, floating floors</li> <li>• Temporary wall, ceiling or floor coverings</li> <li>• Internal window coverings including curtains and blinds</li> <li>• Light fittings which are not built or wired into the electrical wiring</li> <li>• Air conditioners that are not permanently mounted, clothes dryers</li> <li>• Washing machines, microwave ovens and any other appliances or devices that are not wired into the electrical wiring or permanently mounted</li> <li>• Fixtures removable by a lessee at the expiration of a tenancy</li> <li>• Anything described in any law or regulation governing strata title or company title property where the building is situated, as not forming part of a building</li> </ul> <p>Where this definition of building is contrary to any law or regulation governing strata title or company title property or similar scheme pertaining to the situation, then the requirements of that law or regulation will apply.</p>

## COMMONLY USED TERMS

<b>Common Area Contents</b>	<p>The domestic appliances, equipment, carpet, floating floors, furnishings and furniture in any common area of the situation surrounded by walls, gates or fences that are owned by you or for which you are legally responsible.</p> <p>Common area contents does not include:</p> <ul style="list-style-type: none"> <li>• Vehicles, caravans, trailers, Watercraft, Aircraft, or any accessories in or on any of them</li> <li>• Any appliance, equipment, furnishings, or furniture which is in open air and is designed to be neither used nor kept in open air</li> <li>• Livestock</li> <li>• The personal property of any unit owners</li> </ul> <p>Where this definition of common area contents is contrary to any law or regulation governing strata title or company title property or similar scheme pertaining to the situation, then the requirements of that law or regulation will apply.</p>
<b>Computer Equipment</b>	Computer hardware, operating system, computer network and other equipment containing or comprising any computer technology.
<b>Damage or Damaged</b>	Any accidental physical loss, destruction or damage to insured property that has the result of lessening its value.
<b>Electronic Data</b>	Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.
<b>Excess</b>	The amount that you are required to contribute towards each and every event that causes loss, damage, cost or expense insured by this Policy. The excesses that are applicable to each section of the Policy are specified in the Policy Schedule or in the Policy wording
<b>In Transit</b>	Common area contents in your personal custody or in the personal custody of any person authorised by you while in carriage to or from the situation. In transit does not mean common area contents being carried by any professional carrier or common carrier that holds valid insurance against the risk of loss or damage to such property while in their custody.
<b>Insured Property</b>	The building and/or common area contents at the situation insured under Sections 1 and 2.
<b>Landscaping</b>	Trees, shrubs, plants, lawns or rockwork.
<b>Land Value</b>	<p>The value of the land, including improvements, at the situation ascertained:</p> <ul style="list-style-type: none"> <li>• By reference to the sum certified by an approved valuer as the value of that land; and</li> <li>• After due allowance has been made for any circumstances that affects the certified value of that land had the damage to the insured property not occurred</li> </ul>
<b>Loss of Rent</b>	An amount of money calculated on the basis of annual rent payable by the tenant (including outgoings payable by the tenant) that applied immediately before the happening of damage to the building.
<b>Money</b>	Current and valid coins, bank notes, cheques, other negotiable instruments, currency notes, postal orders, money orders and unused postage and revenue stamps.



## COMMONLY USED TERMS

<b>Officer</b>	A member or former member of the Owners Association whilst engaged in or serving on the committee or governing body of the Owners Association. Officer does not include a Owners Association Manager or a director or representative of such a manager.
<b>Owners Association/Body Corporate</b>	Owners Association means the owner(s) of Your Insured Property and Common Area incorporated under the Ownership of Jointly Owned Properties in UAE as per local law or similar legislation applying where your Insured Property and Common Area is situated.
<b>Owners Association Manager</b>	Anyone whom the Owners Association has engaged to provide strata or company title management services in relation to the building and other improvements at the situation.
<b>Owner Occupied Unit</b>	A unit occupied by a unit owner for residential purposes at the time of damage to insured property.
<b>Policy</b>	The contract of insurance between you and RSA which comprises this Policy, the proposal, this wording, the Policy Schedule and any document issued by RSA varying the Policy coverage.
<b>Period Of Insurance</b>	The period stated in the Policy Schedule during which the insurance cover provided by this Policy is in place.
<b>Policy Territory</b>	United Arab Emirates (UAE)
<b>Pollutants</b>	Any solid liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
<b>Premium</b>	The premium specified in the Policy Schedule or in any endorsement to the Policy.
<b>Pressure Equipment</b>	Boilers, pressure vessels and pressure piping defined in any applicable standard.
<b>Proposal</b>	The written application completed by you or on your behalf (together with all accompanying information) relied upon by RSA to enter into this Policy.
<b>Policy Schedule</b>	The Policy Schedule issued with this Policy wording and includes a schedule issued to accompany any endorsement to the Policy.
<b>Sea</b>	Any ocean, sea, harbour or tidal water.
<b>Situation</b>	The location stated in the Policy Schedule where the insured property is situated.
<b>Sum Insured</b>	Is the maximum amount applicable to a particular section that RSA will pay in the event of a payable claim. It includes the main benefit under a section insured and specified in the Policy Schedule and additional benefits wherever applicable and payable in that section.
<b>Temporary Accommodation Costs</b>	An amount of money calculated by reference to the annual rentable value of the unit (including any outgoings payable by a tenant) that would have applied to such unit immediately before the happening of damage to insured property.
<b>Tenanted Unit</b>	A unit that is occupied for residential purposes by a rent-paying tenant at the time of damage to insured property.
<b>Tsunami</b>	A high sea wave caused by an earthquake, earth tremor or other seismological disturbance under the sea.



## COMMONLY USED TERMS

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<b>Unit</b>	An area shown on a plan of the situation as a lot or unit under any applicable law or regulation governing strata title property or an area to which a shareholding is entitled to exclusive possession in terms of any applicable law or regulation governing company title property.
<b>Unit Owner</b>	An owner, member, or proprietor registered as owner of an estate in a unit in terms of any applicable law or regulation governing strata title property or a shareholder entitling that person to exclusive possession of a unit in terms of any applicable law or regulation governing company title property.
<b>Unit Owners Contents</b>	A unit owner's personal effects, furniture, furnishings, floating floors, computer equipment, electrical and electronic equipment at the situation at the time of the happening of damage to insured property. Unit owners contents does not include livestock, vehicles, caravans, trailers, watercraft, aircraft or accessories in or on any of them.
<b>Vehicle</b>	Any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.
<b>Voluntary Worker</b>	Any person over the age of eighteen (18) and under the age of sixty five (65) undertaking work at the situation under your direct control, without fee or reward or any expectation of fee or reward. voluntary worker does not include: <ul style="list-style-type: none"> <li>• An officer</li> <li>• A Owners Association manager or a director or representative of such a manager</li> </ul>
<b>Watercraft</b>	Any vessel, craft or thing made or intended to float on or in or travel on, through or under water.
<b>We/Our/Us/RSA</b>	Royal & Sun Alliance Insurance (Middle East) B.S.C. (c)
<b>You, Your and Yours</b>	For Section 1, 2, 7 : Owners Association / Body Corporate and/or Unit Owners and/or any other parties named in the Policy Schedule for their respective rights and interests  For Section 3: Owners Association / Body Corporate and/or Officer appointed by Owners Association and/or any other parties named in the Policy Schedule for their respective rights and interests, excluding Unit Owners in their personal capacity  For Section 4: Owners Association / Body Corporate.  For Section 5: Voluntary Worker appointed by Owners Association / Body Corporate or that person's estate.  For Section 6: Officer/ Board of Directors elected by Owners Association / Body Corporate.

## MAKING A CLAIM

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### HOW TO MAKE A CLAIM UNDER THIS POLICY

You must follow these procedures if something happens which causes loss or damage or injury, which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

### WHEN LOSS OR DAMAGE OCCURS YOU MUST

1. Take all reasonable steps to reduce the loss or damage and to prevent further damage.
2. Immediately make a full report to the police if:
  - You know or suspect that property has been stolen
  - Someone has broken into your premises
  - Someone has caused malicious damage to your property
3. Not make any admission of liability, offer, promise or payment.
4. Promptly inform us by telephone or in person.
5. Preserve any damaged property or parts and make it available for inspection by our representative or agent (including a loss adjuster).
6. Not authorise the repair or replacement of anything without our agreement.

### IF YOU WANT TO MAKE A CLAIM YOU MUST

On the discovery of any circumstance which may give rise to a claim under this Policy you must:

1. Notify us in writing immediately.
2. Give immediate notice to the police authority in respect of loss or damage caused by malicious persons or thieves.
3. Carry out and permit to be taken any action which may be reasonably practicable to prevent further loss, destruction or damage.
4. As soon as possible, after discovery, cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.
5. Within 30 days after the circumstances or event or of the expiry of the period of insurance or such further time as we may allow at your own expense, deliver to us:
  - (a) Full information in writing of the claim.
  - (b) Details of any other insurance relating to the claim.
  - (c) All such business books, documents, proofs, information, explanation and other evidence as may be reasonably required all of which information and details may be produced by the insured's professional accountants or auditors who are regularly acting as such their report being prima facie evidence of such information and details.
  - (d) If demanded, a statutory declaration of the truth of the claim and of any matter connected with it.

In relation to liability insurance, every letter, claim, writ, summons and process shall be forwarded to us immediately on receipt. You shall also give us written notice immediately of knowledge of any prosecution or inquest in connection with any occurrence, which may give rise to liability under this Policy.

If the terms of this condition have not been complied with:

- No claim under this Policy shall be payable
- Any payment on account of the claim already made shall be repaid to us immediately

## MAKING A CLAIM

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### PROCEEDINGS AND NEGOTIATIONS

1. We control all claims.
2. We require that you give us all information and assistance we may need:
  - (a) To settle or defend claims.
  - (b) To recover from others any amount we have paid for a claim.
3. You must allow us to:
  - (a) Make admissions, settle or defend claims on your behalf.
  - (b) Take legal action in your name against another person to recover any payment we have made on a claim.

We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

### DISCHARGE OF OUR LIABILITIES

At any time we can pay to you or on your behalf, for all claims made against you for any one occurrence:

1. The limit of liability or sum insured of the section under which the claim is made, after deducting any amounts already paid.
2. Any lower sum for which the claim may be settled. If we do so:
  - (a) The conduct of any outstanding claim(s) will become your responsibility.
  - (b) We will not be liable to pay any further amounts other than costs, charges or expenses that we agreed to pay before we made the payment referred to above.

### LIMITS AND EXCESS

1. We will not pay more than the limit of liability or sum insured as specified in the Policy Schedule in respect of any claim:
  - Other than those benefits that are identified as payable in addition to the sum insured or limit of liability.
  - Unless we agree in writing to pay legal costs or expenses in relation to a claim
2. You must pay the amount of any excess shown in the Policy Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form or may be deducted from our payment to you.
3. If you suffer damage which leads to a claim under more than one section of this Policy:
  - The highest applicable excess is payable
  - Only one excess is payable

## MAKING A CLAIM

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### INSPECTION AND SALVAGE

1. You must give us access to your property and premises or make them available to us for inspection if you make a claim.
2. You must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

### OTHER INSURANCES

At the time you make a claim, you must give us written notice of any other insurance covering the property or legal liability which may also apply to your claim.

### CONTRIBUTION

When a loss paid under this Policy is also recoverable under another Policy and we have paid more than our rateable share, we reserve the right to seek contribution from the other insurer or insurers.

### FALSE CLAIMS

If you or someone acting on your behalf makes a false claim, or causes loss or damage deliberately, we may refuse to pay the claim, cancel this Policy, or take legal action against you.

### RIGHTS OF THE COMPANY

1. On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy, we and every person authorised by us may without thereby incurring any liability and without diminishing our right to rely upon any conditions of this Policy, enter, take or keep possession of the building or premises where the loss, destruction or damage has happened and may take possession of or require to be delivered to them any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of your leave and license to us to do so. If you or anyone acting on your behalf shall not comply with our requirements or shall hinder or obstruct us in doing any of the above-mentioned acts then all benefit 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. No admission, offer, promise payment or indemnity shall be made or given by or on behalf of you without our written consent who shall be entitled to take over and conduct in your name the defence or settlement of any claim or to prosecute any claim in your name for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
3. You shall give all such assistance as we may require.

## CLAIMS PROCEDURE

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Please follow the above guidelines to ensure your claim can be processed smoothly.  
For faster services, please quote your Policy number and claim number (if available) in all communications.

### Claims Procedures:

#### Section 1 & 2 - Buildings and common area contents & Additional Catastrophe Cover

In the event of a claim notify RSA immediately with

- Incident report
- Details of Property affected
- An indication of the approximate cost of repairs / replacement

Required Documents

- Estimates \ quotation
- Invoice \ bills \ receipts
- Police report

#### Section 3 - Legal (Public) Liability

In the event of a claim notify RSA immediately with

- Incident report
- Details of third party involved
- Extent of injury / damage to property

#### Important Note :

- No admission offer promise payment or indemnity shall be made or given by or on behalf of the Policyholder without the written consent of the company
- Every letter claim writ or summons or process shall be forwarded to the company on receipt.

#### Section 4 - Fidelity Guarantee

In the event of a claim notify RSA immediately with

- Incident report
- Details of claim

Required Document

- Police report

#### Section 5 - Personal Accident

Required Documents

- Duly completed claim form
- Original medical bills
- Original medical leave certificate
- Original medical report / disability report
- Police report in case of road accident
- Death certificate (in case of death)

#### Section 6 - Office Bearer's Liability (Management Committee Liability)

In the event of a claim notify RSA immediately with

- Incident report
- Details of claim

Required Document

- Police report

#### Important Note :

- No admission offer promise payment or indemnity shall be made or given by or on behalf of the Policyholder without the written consent of the company
- Every letter claim writ or summons or process shall be forwarded to the company on receipt

## CLAIMS PROCEDURE

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### Section 7 – Machinery Breakdown

In the event of a claim notify RSA immediately with

- Incident report
- Details of property affected
- An indication of the approximate cost of repairs / replacement

Required Documents

- Estimates \ quotation
- Invoice \ bills \ receipts
- Police report

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section I (including those applying to all sections of the Policy), RSA agrees to indemnify You in accordance with the basis of settlement applicable to Section I, up to the Sum Insured applicable to Section I, against Damage to:

1. Any Building and;
2. Common Area Contents whilst they are at the Situation or whilst temporarily removed and In Transit in the Policy Territory, occurring during the Period Of Insurance.

### BASIS OF SETTLEMENT

#### Claims for Damage to a Building

1. In respect of a claim for Damage to a Building, RSA will at its option:

- (a) Repair, replace or rebuild the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new, or
- (b) Pay the reasonable cost of repairing, replacing or rebuilding the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new, or  
Up to the Sum Insured applicable to Section I.

If We agree to pay the cost of rebuilding Your Building, You may re-build at another site.

2. Where a Building is destroyed, or in such a condition to make it uneconomical to repair, replace or rebuild the Building, RSA may at its option allow You to purchase an alternative existing Building, or part thereof to replace that destroyed. In such an event, RSA shall not be liable to make payment beyond the lesser of:

- (a) The reasonable cost of repairing, replacing or rebuilding the Building to a condition which is substantially the same as when new, but not better or more extensive than when new, or
- (b) The Sum Insured applicable to Section I.

#### Extra Cost of Reinstatement of Buildings

Where a Building is destroyed or Damaged, Section I extends to cover the additional costs necessarily and reasonably incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage subject to the terms, conditions and Sum Insured applicable to Section I and provided that:

1. The work of reinstatement must be commenced and completed within a reasonable period, failing which RSA will not be liable to make any payment in respect of the extra cost of reinstatement.
2. The work of reinstatement may be carried out wholly or partially at another site, if the requirements of any lawful authority makes that necessary, subject to RSA's liability not being increased.
3. RSA will not pay for any extra costs of reinstatement that would have been incurred when complying with any law, regulation, By-law or Statutory Requirement that applied to the Building prior to the Damage.
4. RSA will only pay for the extra costs incurred in reinstating only the Damaged portion of the Building.
5. RSA will not pay for the cost of reinstating illegal installations.
6. RSA will only pay for any extra costs of reinstatement when the Sum Insured applicable to Section I is not otherwise exhausted.

#### Floor Space Ratio

1. Where a Building is destroyed or Damaged and the relevant statutory authority permits reinstatement only to a reduced floor space ratio index, RSA will pay You the difference between:

- (a) The actual cost of reinstatement to comply with the reduced floor space ratio index, and
- (b) The cost of reinstatement had the reduced floor space ratio index not applied.

RSA may, at its option, allow You to purchase land on which to replace the Building to the extent of the reduction in the floor space ratio.



## SECTION I: BUILDING AND COMMON AREA CONTENTS

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2. RSA will only pay for the floor space ratio benefit described above when the Sum Insured applicable to Section I is not otherwise exhausted.

### Loss of Land Value

1. Subject to the Sum Insured applicable to Section I not being otherwise exhausted, RSA will pay for loss of Land Value caused by a statutory authority:

- (a) Refusing permission to reinstate the Building at the Situation. In this instance, RSA will pay the difference between the Land Value before and after the Damage, or
- (b) Allowing only a partial reinstatement of the Building at the Situation. In this instance, RSA will pay the difference between the Land Value before the Damage and the Land Value after such reinstatement, provided that RSA's payment for loss of Land Value:
  - (i) Will be reduced by any amount paid as compensation by such statutory authority; and
  - (ii) Will be made to You after the ruling of the statutory authority, which results in the loss of Land Value. If the statutory authority changes its ruling or if such ruling is overturned by a court or tribunal resulting in a change in Land Value after RSA has made payment to You, then You must refund to RSA any amount it has paid to You which exceeds the revised loss of Land Value.

Will allow up to a maximum of AED 1,000,000 in respect of this cover.

2. All differences relating to Land Value arising out of Section I may, by agreement, be referred to the concerned local Government Authority, who will appoint a registered and qualified valuer whose decision will, if all parties so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

### Undamaged Footings or Foundations

1. If a Building is destroyed but its footings or foundations are not and reinstatement of the Building has to be carried out at another site because of the requirements of any lawful authority preventing reinstatement at the Situation, then the abandoned footings or foundations will be deemed to be destroyed.

2. If the presence of the abandoned footings or foundations at the Situation increases the Land Value of that site, then RSA will be entitled to deduct from the settlement of a destroyed Building claim an amount equal to the difference between:

- (a) The unimproved value of the land at the Situation.
- (b) The value of that land with the footings or foundations.

Will allow up to a maximum of AED 1,000,000 in respect of this cover.

### Claims For Damaged Common Area Contents

1. In respect of a claim for Damaged Common Area Contents, RSA will at its option:

- (a) Repair or replace the item of Common Area Contents to a condition which is substantially the same as when new, but not better or more extensive than when new.
- (b) Pay the reasonable cost of repairing or replacing the item of Common Area Contents to a condition, which is substantially the same as when new, but not better or more extensive than when new.

2. The maximum that RSA will pay in respect of any one loss or series of losses arising out of one event relating to:

- (a) Common Area Contents that are not in open air is the Sum Insured specified in the Policy Schedule against Common Area Contents.
- (b) Common Area Contents In Transit is a maximum of AED 25,000.

3. When Damage occurs to an item of Common Areas Contents which:

- (a) Is part of a set, RSA will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, notwithstanding that the set is less valuable by reason of it being incomplete.
- (b) Is a wall, floor or ceiling covering (including carpets, blinds and curtains), RSA will only pay for the cost of repairing or replacing such item in the room, hall or passage in which the Damage occurred.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### Excess

The amount that RSA pays in relation to Your claim will be reduced by the amount of any applicable Excess. You must pay the amount stated in the Policy Schedule as the Excess payable in respect of Building and Common Area Contents cover for each loss or series of losses arising from one event when a claim is accepted by RSA under Section I, provided that where the Damage is caused by water or liquid (including costs in locating the source of that Damage caused by bursting, leaking or discharging or overflowing of tanks, apparatus or pipes) an Excess of an amount as specified in the Policy Schedule will apply to each loss or series of losses arising from one event.

### ADDITIONAL BENEFITS WITHIN SUM INSURED APPLICABLE TO SECTION I

The following costs will be paid when they result from Damage to Insured Property:

RSA will pay the additional benefits 1 to 9 when the Sum Insured applicable to Section I is not otherwise exhausted. The costs covered by additional benefits 1 to 9 will be paid when they result from Damage to Insured Property occurring during the Period Of Insurance caused by an event not excluded under section I.

Additional benefit 5 will be paid to Unit Owners.

#### Additional Benefit 1: Authority Fees

Fees, contributions or imposts payable by You to any government or local authority to obtain a Building or construction consent to repair, replace or rebuild any Damaged Insured Property, provided that RSA will not be liable for any fines or penalties imposed by any such authority.

#### Additional Benefit 2: Claim Preparation Costs

Costs necessarily and reasonably incurred by You, with RSA's written prior consent, in preparation of a claim under Section I of this Policy.

The maximum that RSA will pay in respect of this additional benefit 2 during any one Period Of Insurance is AED 100,000.

#### Additional Benefit 3: Fire Extinguishing

Costs necessarily and reasonably incurred by You in order to extinguish any fire that threatens Insured Property at the Situation, including the cost of replenishing fire fighting equipment and charges for shutting off the supply of water or any other substance following accidental discharge or escape of such substances from fire fighting equipment.

#### Additional Benefit 4: Minimisation of Imminent Damage

Emergency costs necessarily and reasonably incurred by You in order to prevent or minimise imminent Damage to Insured Property occurring during the Period Of Insurance, provided that if You have reasonable grounds for believing that such costs will exceed AED 10,000, You must obtain RSA's prior written consent to incurring such emergency costs. If You fail to obtain that consent, RSA shall have no liability in relation to this additional benefit.

#### Additional Benefit 5: Mortgage Discharge Fees

Fees necessarily and reasonably incurred by Unit Owners to discharge their mortgage in the event that the Building is Damaged or destroyed by an event not excluded under Section I or in such a condition to make it uneconomic to repair, replace or rebuild.

#### Additional Benefit 6: Professional fees

Fees of architects, surveyors, consulting engineers, lawyers and other professionals, including all incidental costs and fees for:

- (a) Estimates
- (b) Plans and specifications
- (c) Applications for Building or construction consents
- (d) Quantities
- (e) Tenders, and
- (f) Supervision

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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necessarily and reasonably incurred by You, with RSA's prior written consent, in repairing, replacing or rebuilding any Damaged Insured Property provided that RSA will not be liable for the costs of preparing any claim under this Policy or any other Policy.

### Additional Benefit 7: Removal of Debris

Costs necessarily and reasonably incurred by You for:

- (a) Removal, storage and disposal of debris, being the remains of any Damaged Insured Property.
- (b) Demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to any Damaged Insured Property.
- (c) Demolition and removal of any Insured Property that can no longer be used for its intended purpose, as long as such demolition and removal is necessary to repair, replace or rebuild any Damaged Insured Property, provided that such costs does not arise directly or indirectly as a consequence of:
  - (i) The discharge, dispersal, release or escape of Pollutants.
  - (ii) Any contract, except where the liability would have existed in the absence of such contract.

### Additional Benefit 8: Temporary Protection

Costs necessarily and reasonably incurred by You in order to provide temporary protection, safety of Insured Property and security of occupants pending the repair, replacement or rebuilding of Damaged Insured Property.

The maximum that RSA will pay is AED 50,000 in respect of any one loss or series of losses arising out of one event.

### Additional Benefit 9: Tsunami

Damage to Insured Property caused by a Tsunami subject to the operation of all the terms, conditions, exclusions and limitations applying to Section I.

## ADDITIONAL BENEFITS OVER SUM INSURED APPLICABLE TO SECTION I

RSA will pay the additional benefits 10 to 15 over and above the Sum Insured applicable to Section I, provided that the combined total liability of RSA to pay such additional benefits in any one Period Of Insurance shall not exceed 15 % of the Sum Insured applicable to Section I.

The additional benefits 10 to 15 will be paid to Unit Owners, subject to all of the terms, conditions, exclusions and limitations applying to Section I. (including those applying to all sections of the Policy).

If Your Policy Schedule shows that You are covered under Section 2 (Additional Catastrophe Cover) of this Policy and a claim is admitted under section 2, We will increase the maximum payable under these additional benefits 10 to 15 of Section I from 15% to 20% of the Sum Insured applicable to Section I.

### Additional Benefit 10: Emergency Accommodation Costs

Costs of emergency accommodation necessarily and reasonably incurred by a Unit Owner as a result of Damage to Insured Property occurring during the Period Of Insurance caused by an event not excluded under Section I that renders an Owner Occupied Unit:

- (a) Unfit for habitation and/ or.
- (b) Inaccessible.

RSA will not pay more than AED 1,000 a day for a maximum of 7 days per Owner Occupied Unit for additional benefit 10.

### Additional Benefit 11: Failure of Supply of Services by Public Utility

Loss of Rent for a Tenanted Unit or Temporary Accommodation Costs for an Owner Occupied Unit incurred by reason of the Unit becoming inhabitable:

- (a) As a result of the failure of supply to the Unit of electricity, gas, water or sewerage services by a public utility, and
- (b) Where the failure of supply resulted from Damage to property belonging to or under the control of the public utility occurring during the Period Of Insurance by an event not excluded under Section I.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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RSA will pay Loss Of Rent or Temporary Accommodation Costs in the circumstances described above only for the period that:

- (a) Commences 48 hours after the failure of supply occurs and
- (b) Ends 30 days later or at the time the services are reinstated, whichever first occurs.

### Additional Benefit 12: Loss of Rent

Loss of Rent for a Tenanted Unit as a result of Damage to Insured Property or Damage to other property in the vicinity of the kind covered by Section I, occurring during the Period Of Insurance caused by an event not excluded under Section I and that renders the Unit:

- (a) Unfit for habitation and/or:
- (b) Inaccessible.

RSA will pay for Loss Of Rent while the Unit is unfit for habitation until the Unit is re-let or reoccupied provided that the Unit Owner and Owners Association have taken all reasonable action to complete repair of the Damage and to secure a new tenant.

RSA will pay for Loss Of Rent where the Unit is inaccessible until the earlier of:

- (a) The date on which access to the Unit is re-established or:
- (b) The date on which it would have been reasonable for the Unit Owner or the Owners Association to have had access to the Unit re-established.

If the Unit Owner or the Owners Association provide evidence of a signed lease agreement that was to commence during the period the Unit is unfit for habitation or is inaccessible, RSA will regard the period of rental income which is foregone as an actual Loss Of Rent. RSA will also pay for costs up to a maximum equivalent value of 2 weeks rent if the tenancy or lease agreement is terminated and You incur such costs as part of re-letting within a reasonable period.

### Additional Benefit 13: Public Authority Closure

Loss Of Rent for a Tenanted Unit or Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of the unit not being able to be inhabited by reason of an order of a government authority made during the Period Of Insurance because of an infectious disease, murder or suicide occurring at the Situation.

RSA will pay Loss Of Rent or Temporary Accommodation Costs in the circumstances described above only for the period that:

- (a) Commences at the time such government order becomes effective and.
- (b) Ends 30 days later or at the time the order is revoked, whichever first occurs.

### Additional Benefit 14: Storage of Unit Owners Contents

Costs of removing, storing and returning undamaged Unit Owner's contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Period Of Insurance caused by an event not excluded under Section I that renders a Unit inhabitable.

RSA will pay this additional benefit while the subject Unit is incapable of housing the undamaged Unit Owners contents. RSA will also pay for reasonable costs incurred in insuring such undamaged unit owners contents during removal, storage and returning.

The amount that RSA will pay in respect of such costs is reduced by any amount payable under any insurance Policy benefiting a Unit Owner in respect of those costs.

### Additional Benefit 15: Temporary Accommodation Costs

Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of Damage to Insured Property or to other property in the vicinity of a kind which would be covered by Section I occurring during the Period Of Insurance caused by an event not excluded under Section I that renders the Unit:

- (a) Unfit for habitation and/or:
- (b) Inaccessible.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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RSA will pay for Temporary Accommodation Costs where the Unit is unfit for habitation until the earlier of:

- (a) The date the Unit becomes re-occupied or
- (b) The date on which it would have been reasonable for the Unit Owner or the Owners Association to have repaired the Damage to Insured Property and have the Unit fit for habitation.

RSA will pay for Temporary Accommodation Costs where the Unit is inaccessible until the earlier of:

- (a) The date on which access to the Unit is re-established or
- (b) The date on which it would have been reasonable for the Unit Owner or the Owners Association to have had access to the Unit re-established.

### FURTHER ADDITIONAL BENEFITS OVER THE SUM INSURED APPLICABLE TO SECTION I

RSA will pay the additional benefits 16 to 31 over and above the Sum Insured applicable to Section I.

The Additional Benefits 18, 27 and 29 will be paid to Unit Owners, subject to all of the terms, conditions, exclusions and limitations applying to Section I (including those applying to all sections of the Policy).

#### Additional Benefit 16: Reward for Information

A reward for information that leads to a conviction for arson, malicious Damage, theft of property in connection with Damage covered under Section I.

The maximum that RSA will pay in respect of this additional benefit 16 is AED 20,000 for any one event irrespective of the number of informants.

#### Additional Benefit 17: Damage to Domestic Electric Motors

Costs necessarily and reasonably incurred by You in repairing or replacing an electric motor within an electrical machine used for domestic purposes comprising part of Insured Property which has burnt out during the Period Of Insurance by electric current.

RSA will not pay for:

- (a) Motors covered by any form of warranty.
- (b) Motors with an output greater than five(5) kilowatts (5kW).
- (c) Motors more than twenty(20) years old.
- (d) Other parts of any electrical machine.
- (e) Non-electrical components such as bearings, seals and solenoids.
- (f) Lighting filaments or heating elements.
- (g) Fuses or protective devices.
- (h) Electrical contacts or switches at which sparking or arcing occurs during ordinary operation.
- (i) Costs of flushing or recharging with refrigerant.
- (j) Any additional costs arising from loss of use of the machine.

RSA will not pay any benefit if You have selected Section 7 (Machinery Breakdown) of this Policy.

The maximum that RSA will pay is AED 50,000 for each loss or series of losses arising from one event.

#### Additional Benefit 18: Domestic Pets

Costs of temporary boarding of a Unit Owner's domestic pet normally kept at the Situation necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Period Of Insurance caused by an event not excluded under section I that renders the affected Unit inhabitable.

The maximum amount that RSA will pay is AED 3,000 for each affected Unit.

#### Additional Benefit 19: Landscaping

Costs necessarily and reasonably incurred by You in replacing Damaged Landscaping occurring during the Period Of Insurance caused by an event not excluded under Section I.

The maximum amount that RSA will pay is AED 50,000 for each loss or series of losses arising from one event.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### Additional Benefit 20: Locating Source of Leak

Costs necessarily and reasonably incurred by You in:

- (a) Locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes used to carry water or oil (including Damage to other property necessary to effect the repair or replacement)
- (b) Repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of AED 3,000 for each loss or series of losses arising from one event.
- (c) Cleaning up any pollution Damage to land at the Situation, as a direct result of leakage described under this additional benefit, up to a limit of AED 3,000 for each loss or series of losses arising from one event, provided that the leaking, bursting, discharging or overflow occurs during the Period Of Insurance and occurring and notified during the Period Of Insurance and is caused by an event not excluded by the Policy.

### Additional Benefit 21: Maintenance Fees

Maintenance fees and levies required to be paid to You by a Unit Owner for the period during which the Unit has become inhabitable as a result of Damage occurring during the Period Of Insurance and not excluded under Section I.

The maximum that RSA will pay is AED 5,000 per Unit.

RSA reserves its right of subrogation to recover the outstanding maintenance fees from the relevant Unit Owner or Owners.

### Additional Benefit 22: Money

Loss of Your Money while in the personal custody of:

- (a) An Officer; or
- (b) Duly appointed Owners Association manager

acting on Your behalf and provided that RSA will not pay for any loss of Money arising from any dishonest, fraudulent, criminal or malicious act or omission by:

- (a) Any person employed by You.
- (b) Any Unit Owner or any family member normally residing with that Unit Owner; or
- (c) Any person acting as a proxy of an Unit Owner.

The maximum that RSA will pay during any one Period Of Insurance is AED 20,000 for each loss or series of losses arising from one event.

### Additional Benefit 23: Personal Property Under Control of Owners Association

The personal property of others that is lost, destroyed or Damaged from any cause not excluded by Section I while in the physical or Your legal control.

For the purposes of this additional benefit, "others" means any person not insured under this Policy, including persons employed by You.

The maximum that RSA will pay is AED 20,000 for any one loss or series of losses arising out of one event.

### Additional Benefit 24: Replacement of Keys and Locks

Where a key to an external door or window of a Building (excluding any individual Unit) is stolen or where there are reasonable grounds to believe keys have been duplicated as a consequence of forcible entry into that Building during the Period Of Insurance, RSA will pay, at its own option, the reasonable costs of either:

- (a) Re-keying or re-coding those locks together with replacement keys or
- (b) Replacing those locks with locks of a similar type or quality.

RSA will not pay where keys or codes have been stolen or duplicated by tenants of Unit Owners or where there are reasonable grounds to believe that such keys or codes have been stolen or duplicated by current or former tenants of Unit Owners, or by their family or friends.

The maximum amount that RSA will pay is AED 15,000 for any one loss or series of losses arising out of one event.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### Additional Benefit 25: Rewriting of Records

Costs necessarily and reasonably incurred by You in preparing and/or rewriting the records of the Owners Association which have been Damaged during the Period Of Insurance from an event not excluded under Section I:

- (a) At the Situation.
- (b) While in the safe keeping of a duly appointed Owners Association Manager; or
- (c) At a bank for safekeeping.

The maximum that RSA will pay is AED 50,000 in any one Period Of Insurance.

### Additional Benefit 26: Storage of Common Area Contents

Costs of removing, storing and returning undamaged Common Area Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Period Of Insurance caused by an event not excluded under Section I that renders the subject common area incapable of housing the undamaged Common Area Contents.

RSA will pay this additional benefit while the subject common area is incapable of housing the undamaged Common Area Contents, provided that the maximum amount RSA will pay for this additional benefit is AED 100,000 any one loss or series of losses arising out of one event.

RSA will also pay reasonable costs incurred in insuring such undamaged common area contents during removal, storage and returning.

### Additional Benefit 27: Certificate of Title

RSA will pay up to AED 5,000 to replace the Certificate of Title documents for Unit Owners if they are destroyed or Damaged as a result of Damage not excluded by this Section I for any one loss or series of losses arising out of one event.

### Additional Benefit 28: Removal of Water from Basement

RSA will pay up to AED 5,000 for the necessary and immediate removal of water from the basement of Your Building directly caused by a storm event covered by this section. We will not pay if the water inundation is caused by any other excluded peril.

### Additional Benefit 29: Unit Owners' Fixtures

RSA will pay up to AED 100,000 per Unit for Damage to Unit Owners fixtures permanently attached to or fixed to Your Building arising from Damage not excluded Under Section I subject to the Sum Insured under Section I being exhausted.

This additional benefit will not be paid if You elect not to rebuild, replace or repair the Unit Owners fixtures.

### Additional Benefit 30: Reinstatement of Cover

Following payment of a claim by RSA under Section I and provided that all Buildings or Common Area Contents are not destroyed, the Sum Insured applicable to Section I will automatically reinstate until expiration of the Period Of Insurance at no extra Premium except when we pay total loss or full Sum Insured.

### Additional Benefit 31: Access Modification Following Permanent Disability

If a Unit Owner who occupies their Unit, becomes a permanent quadriplegic directly as a result of bodily injury sustained at the time of Damage to Your Building, We will allow up to AED 30,000 for access modifications to the insured building as part of the reinstatement costs.



## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### WHAT WE DO NOT COVER

In addition to the general exclusions applying to all sections of the Policy, RSA will not pay for:

1. Consequential loss of any kind other than as specifically covered in Section 1.
2. Any legal liability of any kind except Your legal liability described in additional benefit 7 (Removal of Debris) and additional benefit 23 (Personal Property under Control of Owners Association).
3. Damage to any:
  - (a) Livestock including fish, birds and animals.
  - (b) Awnings and blinds made of textile or fabric more than ten (10) years old caused by wind, rainwater or hail.
  - (c) Building or other Insured Property which are undergoing demolition.
  - (d) Docks, wharves and piers not forming part of any Building.
  - (e) Money, except to the extent covered by additional benefit 22, bullion, precious stones and jewellery.
  - (f) Pathways, driveways and tennis court surfaces caused by wind, rainwater or hail.
  - (g) Property in open air unless it is part of the Common Area Contents designed to function without the protection of walls or a roof.
  - (h) Retaining walls caused by wind, rainwater or hail.
  - (i) Swimming pools, spas or surrounds caused by movement of their foundations or structure.
  - (j) Insured Property directly resulting from construction, erection, alteration or addition where the value of such work exceeds AED 2,000,000 unless Our written consent to continue cover has been obtained before the commencement of such work.
4. Damage arising directly or indirectly out of or in any way connected with:
  - (a) Change in texture or finish.
  - (b) Creeping, heaving
  - (c) Demolition ordered by any lawful authority due to You or Your agents' failure to obtain necessary Building, construction or development consents or permits.
  - (d) Erosion, subsidence, landslide, mudslide, or any other earth movement or collapse unless the Damage arises out of an earthquake or seismological disturbance, explosion or physical impact by Aircraft.
  - (e) Hydrostatic pressure, changes in the water table, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles and pavers.
  - (f) Incorrect siting of any Building.
  - (g) Mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature.
  - (h) Normal settling seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements.
  - (i) Removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
  - (j) Roots of trees or other plants.
  - (k) Spontaneous combustion, fermentation or heating or any process involving the direct application of heat except that this exclusion will be limited to the item or items immediately affected and will not extend to other Damaged Insured Property as a result of such combustion, fermentation or heating process.
  - (l) Sea, except to the extent covered by additional benefit 9 (Tsunami).
  - (m) Smoke or smut from industrial operations.
  - (n) The actions of birds, vermin, moths, termites or other pests.
5. The cost of replacing or rectifying defective materials workmanship design or defect or omission in design plan or specification
6. Mechanical, hydraulic, electrical or electronic breakdown except to the extent covered by additional benefit 17 (Damage to domestic electric motors) However, the resultant Damage will be covered under the Policy unless specifically excluded.
7. Loss resulting from contamination, pollution, inherent vice, latent defect, wear and tear, corrosion, rust, vermin, fungus, rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, loss of weight, change in flavor colour texture or finish or action of light.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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### **SPECIFIC CONDITION APPLICABLE TO SECTION I**

In addition to the general conditions applying to all sections of the Policy, the following condition applies to Section I.

#### **Replacement by Similar Styles and Materials**

Where a Building has architectural features and structural materials of a particular ornamental, antique or historical character; or the materials are not readily available, RSA shall be permitted to calculate the cost of repairing, replacing or rebuilding the Building by reference to cost of repairing, replacing or rebuilding a similar type of Building of current design and materials and of a reasonably equivalent utility and capacity.

## SECTION 2: ADDITIONAL CATASTROPHE COVER

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### WHAT WE COVER

In the event of:

- (a) Your Building(s) being destroyed or if RSA declares such Building(s) beyond economic repair and
- (b) Such Damage is not excluded under Section 1 and
- (c) Such Damage was caused by an event leading to a declaration by the relevant authority of a state of emergency or disaster at the Situation,

RSA will increase the Sum Insured applicable to Section 1 by 15%.

In all other respects, the terms, conditions, exclusions and limitations of Section 1 apply.

## SECTION 3: LEGAL LIABILITY

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 3 (including those applying to all sections of the Policy), RSA agrees to indemnify You, up to the limit of liability applicable to Section 3, against all sums, costs and expenses with RSA's written consent which You become legally liable at law to pay as compensation in respect of:

- (a) Personal injury.
- (b) Property Damage.

occurring within the Policy premises as specified in the Policy Schedule during the Period Of Insurance as a result of an occurrence happening in connection with ownership of Insured Property.

Solely for the purposes of this Section 3 of the Policy the definition of 'You, Your and Yours' shall extend to include any Officer.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 3

1. **Compensation** means any amount paid or payable by You for personal injury or property Damage pursuant to any:

- (a) Court judgement; or
- (b) Settlement with the consent of RSA together with any defence costs.

Compensation does not include:

- (a) Aggravated, punitive or exemplary damages;
- (b) Fines or penalties imposed by law (including civil penalties); or
- (c) Any matters which are deemed uninsurable under the law.

2. **Defence Costs** means legal costs and disbursements and related expenses incurred by:

- (a) You with the written consent of RSA; or
- (b) RSA after it has assumed conduct of any proceedings

in:

- (i) Defending any proceedings;
- (ii) Conducting any claim for contribution or recovery or
- (iii) Investigating, avoiding or reducing or settling any claim for compensation.

Defence costs does not include any of Your internal or overhead expenses or the cost of Your time. Defence Costs will be paid in addition to the Limit of Liability applicable to Section 3 of this policy.

3. **Employment Practices** means any wrongful or unfair dismissal, denial of natural justice, defamation, unfair discipline or evaluation of employment performance, breach of employment contract, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

4. **Occurrence** means an event including continuous or repeated exposure to substantially the same general conditions, which results in personal injury or property Damage, neither expected nor intended from Your standpoint. All events of a series consequent on or attributable to one source or original cause are deemed one occurrence.

5. **Personal Injury** means

- (a) Bodily injury, death, illness, disability.
- (b) False imprisonment, malicious prosecution or humiliation.
- (c) Wrongful entry or wrongful eviction or other invasion of the right to private occupancy.

6. **Property Damage** means

- (a) Physical Damage to, destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom; or
- (b) Loss of use of tangible property which has not been physically Damaged or destroyed, provided such loss of use is caused by physical Damage of other tangible property.

## SECTION 3: LEGAL LIABILITY

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### LIMIT OF LIABILITY AND EXCESS APPLICABLE TO SECTION 3

#### Limit of Liability

RSA's liability to You in respect of compensation, arising from any one occurrence shall not exceed the Sum Insured applicable to Section 3.

#### Excess

You must pay the amount stated in the schedule as the Excess payable in respect of legal liability cover. The Excess applies to each occurrence and RSA's liability to indemnify You under Section 3 is over and above the Excess.

### WHAT WE DO NOT COVER

In addition to the exclusions applying to all sections of the Policy, RSA will not cover any legal liability directly or indirectly arising out of or in any way connected with the following:

#### 1. Assault or Wrongful Arrest

Assault and/or battery (including sexual assault) or wrongful arrest and/or detention unless committed for the purpose of preventing or eliminating danger to persons or property.

#### 2. Building Alterations

The construction, erection, alteration, addition, renovation or demolition of any Building by You or on Your behalf where the contract value of the work exceeds AED 2,000,000.

#### 3. Business or Profession

The conduct of any business or profession or the provision of any services by You other than as owner of Insured Property.

#### 4. Claims Outside UAE

Any actions or claims brought in a court or tribunal outside UAE.

#### 5. Contractual Liability

Assumed under a contract except where that liability would otherwise exist at law in the absence of the contract.

#### 6. Employers Liability

Any liability:

- (a) In respect of which You are or would be entitled to indemnity under any fund, scheme, Policy of insurance or self insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected.
- (b) Imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination or
- (c) Relating to employment practices.

## SECTION 3: LEGAL LIABILITY

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### 7. Facilities

Ownership, possession, maintenance, repair, operation or use by You or on Your behalf of any facilities at the Situation that are used for commercial purposes, including:

- (a) Child care
- (b) Conference or meeting rooms
- (c) Golf or putting course
- (d) Gymnasium or other exercise facility
- (e) Laundry or dry cleaner
- (f) Man-made lake or natural water course
- (g) Medical or chemist
- (h) Marina
- (i) Playground
- (j) Shops
- (k) Swimming or other aquatic complex
- (l) Tennis or squash court

unless such facility is specifically noted on the schedule as not subject to this exclusion 7 (Facilities).

### 8. Fines and Penalties

Fines, penalties, punitive, exemplary, liquidated or aggravated damages.

### 9. Goods

Any good designed, manufactured, installed, treated, assembled, altered, processed, sold or supplied by You or by anyone on Your behalf whether for reward or not.

### 10. Occupation of Unit

Occupation of any Unit.

### 11. Participation in Organised Activities

Participation in any sport, exercise or other activity, which You organise, supervise or otherwise control.

### 12. Professional Liability

The rendering of or failure to render professional advice or service by You or by anyone on Your behalf. This exclusion does not apply to first aid services rendered by You or by Your employee.

### 13. Property Owned by You or Under Your Control

Property Damage to property owned, leased, hired by, under hire purchase, on loan or rented to You or otherwise in Your care custody or control other than visitors' clothing and personal effects.

### 14. Removal of Support and Vibration

Vibration, removal or the weakening or interference with support to land, Buildings or other property.

### 15. Tobacco and Smoke

Tobacco, tobacco smoke, or any ingredient or additive present in or used with tobacco.

## SECTION 3: LEGAL LIABILITY

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### 16. Vehicles

The use of a Vehicle owned by You, or in Your physical or legal control:

- (a) Which is required by law to be registered; or
- (b) In respect of which insurance is required by virtue of any legislation.

but this exclusion does not apply to:

- (i) Damage to a Vehicle (other than a Vehicle owned or used by You or on Your behalf) whilst in a car park owned or operated by You other than for income or reward as a car park operator; or
- (ii) Personal injury or property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such personal injury or property Damage occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability.

### 17. Watercraft and Aircraft

Any:

- (a) Aircraft or hovercraft or
- (b) Airstrip or helipad; or
- (c) Watercraft and all operations necessary and incidental to such craft.

### 18. Defamation, Libel and/or Slander.

#### SPECIFIC CONDITION APPLICABLE TO SECTION 3

In addition to the general conditions applying to all sections of the Policy, the following condition applies to Section 3:

#### Cross Liability

Under Section 3, where You are comprised of more than one entity, the term "You" will be considered a separate legal entity and applies to each party as if a separate Policy had been issued to each of the said parties but nothing contained in this clause will operate to increase RSA's liability under Section 3 subject to the terms, exclusions and conditions.



## SECTION 4: FIDELITY GUARANTEE

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 4 (including those applying to all sections of the Policy), RSA agrees to indemnify You, up to the Sum Insured applicable to Section 4, against loss of funds as a result of an event, provided that:

- (a) Such loss of funds occurs during the Period Of Insurance.
- (b) The loss of funds is discovered not later than twelve (12) months after the expiration of the Period Of Insurance.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 4

**Event** means: Fraudulent misappropriation of funds allocated to or set aside for the management of Insured Property by any person who is acting without any participation or knowledge on Your part.

**Funds** means: Money, securities, negotiable instruments or other tangible property received by You to be allocated to or set aside for the management of Insured Property.

Funds do not include: personal Money, securities, negotiable instruments or other tangible property of Unit Owners.

### SUM INSURED AND EXCESS

#### Sum Insured

RSA's liability to indemnify You under Section 4 will not exceed the Sum Insured applicable to Section 4 for each event.

RSA's total liability to You under Section 4 for all events in the Period Of Insurance shall also not exceed the Sum Insured applicable to Section 4.

#### Excess

You must pay the amount stated in the Policy Schedule as the Excess payable in respect of fidelity guarantee cover.

The Excess applies to each event and RSA's liability to indemnify You under Section 4 is over and above the Excess.

### WHAT WE DO NOT COVER

In addition to the general exclusions applying to all sections of the Policy, RSA will not be liable for any loss:

1. Unless You have previously exhausted Your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not.
2. Connected with any further event committed after the initial discovery of loss.
3. Any losses arising out of an event committed prior to the Period Of Insurance.
4. Any consequential loss of any kind or nature.

RSA will not be liable for any loss arising directly or indirectly arising from or having any connection with:

5. The conduct of any person if You have any prior knowledge of any prior act of fraud or dishonesty by that person.
6. Loss or part of a loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that You are able to prove the amount of the loss through other evidence unrelated to comparison or computation.
7. Loss arising from a failure to make payment or of default under a loan or other credit transaction.

## SECTION 4: FIDELITY GUARANTEE

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### SPECIFIC CONDITIONS APPLICABLE TO SECTION 4

In addition to the general conditions applying to all sections of the Policy, the following conditions apply to Section 4:

1. You must perform all checks and take all precautions described by You in the Proposal.
2. You must as soon as reasonably possible give RSA written notice of the discovery of any conduct that is fraudulent or dishonest by any person with access to or control of Your funds or any lack of integrity by such person whether giving rise to a claim or not.
3. On discovering a loss or circumstances likely to give rise to a loss covered by Section 4, You must, at Your own expense:
  - (a) As soon as reasonably possible give written notice to RSA of such loss.
  - (b) As soon as reasonably possible give written notice to the police of the loss or suspected loss.
  - (c) Within 28 days, provide to RSA a written statement containing details of the cause, description and amount of the loss and any other information that RSA may reasonably require.
  - (d) Complete any claim form or sworn proof of loss that RSA may require.
  - (e) Provide full assistance and co-operation to RSA in investigating the loss; and
  - (f) Take all reasonable steps to obtain recovery of the loss and prevent any further loss.

## SECTION 5: PERSONAL ACCIDENT (VOLUNTARY WORKERS)

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 5 (including those applying to all sections of the Policy), RSA will pay compensation to a Voluntary Worker or that person's estate, as detailed in table A (lump sum payments) and table B (weekly payments) below and in accordance with the basis of settlement applicable to Section 5, where such Voluntary Worker suffers bodily injury as a consequence of an accident occurring during the Period Of Insurance which results in an event within 1 (one) calendar year of the accident.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 5

**Bodily Injury** means an injury to a person resulting solely, directly and sustained from an accident and which:

- (a) Is caused by violent, external and visible means; and
- (b) Is independent of any other cause or causes, including pre-existing physical or congenital conditions; and
- (c) is not an illness
- (d) Whilst voluntarily engaged for work on Your behalf

**Compensation** means the payment shown against the event in table A or B below.

**Doctor** means a legally registered medical practitioner who is not an insured person under this Policy or their relative.

**Event** means an event caused by bodily Injury listed in either of tables A and B below.

**Foot** means the entire foot below the ankle.

**Hand** means the entire hand below the wrist.

**Loss** means in connection with:

- (a) A hand, permanent physical severance or permanent total loss of use of the hand.
- (b) A foot, permanent physical severance or permanent total loss of use of the foot.
- (c) An eye, total and permanent loss of all sight in an eye  
which in each case is caused by bodily injury.

**Permanent** means having lasted twelve (12) consecutive months and at the expiry of that period, beyond hope of improvement.

**Partial Disablement** means the inability of a Voluntary Worker to engage in a substantial part of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor:

**Total Disablement** means the inability of a Voluntary Worker to engage in all of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor:

**TABLE A: LUMP SUM PAYMENTS**

Event	Compensation Being a percentage of the amount shown in the schedule against lump sum payments for Voluntary Workers under section 5
1. Death	100%
2. Loss of sight in both eyes	100%
3. Loss of sight in one eye	50%
4. Loss of two hands	100%
5. Loss of one hand	100%
6. Loss of two feet	100%
7. Loss of one foot	50%

## SECTION 5: PERSONAL ACCIDENT (VOLUNTARY WORKERS)

TABLE B: WEEKLY PAYMENTS

Event	Compensation Being a percentage of the amount shown in the schedule against lump sum payments for voluntary workers under section 5
8. Partial disablement: in respect of each week of disablement	50%
9. Total disablement: in respect of each week of disablement	100%

### BASIS OF SETTLEMENT APPLICABLE TO SECTION 5

RSA will pay compensation to a Voluntary Worker for an event subject to the following:

1. RSA will only pay the Voluntary Worker such compensation if that Voluntary Worker is not entitled to compensation under any workers' compensation insurance, motor accident scheme or other statutory scheme or fund.
2. If the Voluntary Worker dies as a result of a disability, RSA will reduce the amount it pays for event 1 (death) by the amount of any compensation it has paid for the disability.
3. If a Voluntary Worker becomes entitled to compensation under more than one of the events 1 to 7, the compensation paid will be cumulative up to 100% of the compensation payable for event 1 (death).
4. After the payment of compensation for any one of events 2 to 9, RSA shall have no further liability to that Voluntary Worker for any of those events.
5. For events 8 and 9, RSA will pay for the period of disablement:
  - (a) Commencing one week after the Voluntary Worker becomes disabled; and
  - (b) Ending when the disablement ceases or 104 weeks from the commencement of the disablement, whichever is earlier; provided that:
    - (i) RSA will not pay compensation for more than one of these events at the same time; and
    - (ii) In the case of Voluntary Workers who were not in receipt of wages, salaries or other remuneration immediately prior to the disablement, the compensation that RSA pays will be limited to reasonable and necessary costs of domestic assistance up to a maximum amount of AED 250 for each week of disablement for a maximum of ten (10) weeks.

### ADDITIONAL BENEFITS APPLICABLE TO SECTION 5

If RSA accepts a claim for compensation under Section 5, RSA will also pay the Voluntary Worker the following expenses:

#### 1. Travel Expenses

Travel expenses necessarily and reasonably incurred in obtaining medical treatment in relation to the subject disability up to a maximum of AED 3,500 during the Period Of Insurance for any one person.

#### 2. Domestic Assistance

Domestic assistance expenses necessarily and reasonably incurred in obtaining domestic help up to a maximum of AED 3000 during the Period Of Insurance for any one person, provided that this additional benefit 2 (Domestic Assistance) will be reduced by any amounts payable under events 8 or 9 for domestic assistance.

#### 3. Non-Medicare Medical Expenses

Expenses incurred within 12 months of sustaining bodily injury and paid by the Voluntary Worker to a private hospital, ambulance service, dentist, massage service after referral by a registered medical practitioner. RSA will not pay under this additional benefit:

## SECTION 5: PERSONAL ACCIDENT (VOLUNTARY WORKERS)

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- (a) More than AED 500 during the Period Of Insurance for any one person.
- (b) Expenses for which a insured medical benefit is payable.

### 4. Funeral Expenses

Following the payment of a benefit for event 1 of this section, RSA will also pay the reasonable cost of burial or cremation up to AED 20,000.

### WHAT WE DO NOT COVER

In addition to the general exclusions applying to all sections of the Policy, RSA shall not be liable for any claim arising directly or indirectly from or having any connection with:

1. Intentional self injury, or suicide, including injuries suffered as a result of attempted suicide.
2. The Voluntary Worker being rendered less capable of taking care of himself or herself as a consequence of mental illness, including any psychological, psychiatric or stress disorder;
3. the Voluntary Worker being rendered less capable of taking care of himself or herself as a consequence of being under the influence of alcohol or any drug, other than a drug prescribed by a doctor.
4. Childbirth or pregnancy.
5. Any pre-existing medical condition.
6. Human Immunodeficiency Virus (HIV) or any variance including Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC).
7. Injury to any Employee or any claim arising under any Workmen's Compensation law.

### SPECIFIC CONDITIONS APPLICABLE TO SECTION 5

In addition to the general conditions applying to all sections of the Policy:

1. You must advise RSA in writing as soon as reasonably possible after the occurrence of bodily injury covered by this Section 5.
2. You must pay the cost, if any, of any medical certificates, reports or other evidence that RSA may require to assess a claim under this section.
3. RSA may request the Voluntary Worker to have a medical examination by a doctor nominated by it and RSA will be responsible for the payment of such examination.

## SECTION 6: OFFICE BEARERS LIABILITY (MANAGEMENT COMMITTEE LIABILITY)

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 6 (including those applying to all sections of the Policy), RSA will indemnify:

- (a) Officers against all loss for which they are not indemnified by the Owners Association or
- (b) The Owners Association against all loss for which it grants indemnification to an Officer; as permitted or required by law, arising from any claim for loss up to the Sum Insured applicable to Section 6, provided that:
  - (i) The claim is first made and reported to RSA during the Period Of Insurance; or within thirty (30) days thereafter and
  - (ii) The claim arises out of a wrongful act, which wholly occurred after the date of inception of the Policy. Where You have continued, without interruption, to hold Strata Insurance with RSA for the Insured Property, cover will extend to a claim which arises out of a wrongful act which wholly occurred after the date from when You first took out such Strata Insurance.

Solely for the purpose of Section 6 of the Policy the definition of "You, Your and Yours" shall mean "Officer/ Board of Directors elected by Owner's Association".

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 6

**Claim** means any:

- (a) Written demand for compensation; or
- (b) Originating process for recovery of compensation issued against an Officer by a third party alleging a wrongful act

**Circumstances** means any facts, matters or circumstances which give rise to a claim or have the potential to give rise to a claim.

**Defence costs** means the legal costs and expenses an Officer or the Owners Association incur with RSA's prior written consent in the investigation, defence or settlement of any claim. Defence costs will be paid in addition to the Limit of Liability applicable to Section 6 of this policy.

Defence costs does not include:

- (a) Any internal or overhead expenses incurred by an Officer or the Owners Association; or
- (b) Any cost of the time of any Officer, employee or agent of the Owners Association in investigating, defending or settling any claim; or
- (c) Any salaries or remuneration of any Officer or of any employee or agent of the Owners Association.

**Loss** means

- (a) Money payable by a judgement or settlement with RSA's prior written consent.
- (b) Legal costs awarded against an officer.
- (c) Defence costs.

Loss does not include fines, penalties, punitive, exemplary, liquidated or aggravated damages.

**Wrongful Act** means any actual or alleged act, error or omission, negligence, breach of duty, misrepresentation or misconduct of an Officer whilst acting in that capacity.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of Liability

RSA's total liability under Section 6 in respect of all loss arising from all claims during the Period Of Insurance is the Sum Insured applicable to Section 6.

#### Excess

The Officer or the Owners Association must pay the amount stated in the Policy Schedule as the Excess payable in respect of office bearers liability cover.

The Excess applies to each and every loss including defence costs arising from any one claim and RSA's liability under Section 6 is over and above the Excess.

For the purposes of determining the Excess applying to Section 6, all claims arising from one act, error or omission or from a series of related acts, errors or omissions, will be regarded as one claim.

## SECTION 6: OFFICE BEARERS LIABILITY (MANAGEMENT COMMITTEE LIABILITY)

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### WHAT WE DO NOT COVER

In addition to the general exclusions applying to all sections of the Policy, RSA shall not be liable for any claim arising directly or indirectly from or having any connection with:

1. Any:
  - (a) Claim first made prior to the Period Of Insurance;
  - (b) Claim or circumstances notified, in whole or part, to RSA or any other insurer prior to the Period Of Insurance; or
  - (c) Claim or circumstances of which the Owners Association or any Officer the subject of a claim were aware or ought reasonably to have been aware, prior to the Period Of Insurance.
2. Any profit or advantage gained by an Officer where that Officer was not legally entitled or for which the Officer may be held accountable to the Owners Association, Unit Owner or any other person or entity.
3. Money or gratuity given to an Officer without authorisation by the Owners Association where such authorisation is necessary pursuant to the rules, by-laws or articles of the Owners Association or as required by law.
4. Any warranty or guarantee.
5. Any trading or personal debt of an Officer or the Owners Association.
6. Death, bodily injury, sickness or disease of any person, or Damage to, or loss of use of, any tangible property.
7. Breach of any obligation owed to any employee of an Officer or the Owners Association.
8. Libel or slander.
9. Any duty, tax, levy or other impost.
10. Any conflict of duty or interest.
11. Any liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract.
12. The effecting or maintenance of insurance, or any failure to effect or maintain insurance as required by the ownership of jointly owned property as per local law or statute.
13. Any intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for which the power was conferred.
14. Any alleged or actual dishonest, fraudulent, malicious or criminal act or omission but this exclusion will not apply to defence costs incurred in successfully defending such a claim.
15. Any claim brought or maintained by:
  - (a) Any person who is insured or entitled to any benefit or indemnity under this Section; or
  - (b) An entity operated or controlled by any person who is insured or entitled to any benefit or indemnity under this Section.
16. Any claim brought in a court of law or tribunal outside United Arab Emirates.
17. Professional Liability: The rendering of or failure to render professional advice or service by You or by anyone on Your behalf.

### SPECIFIC CONDITIONS APPLICABLE TO SECTION 6

In addition to the general conditions applying to all sections of the Policy:

1. An Officer must give written notice to RSA of any claim made against the Officer within 21 days of receipt of the claim.
2. The Officer and the Owners Association must give all reasonable assistance to and co-operate with RSA in the defence of any claim at the Officer's and the Owners Association's cost.
3. Neither the Officer nor the Owners Association should admit liability, settle any claim, assume any obligation nor incur any defence costs without RSA's prior written consent.
4. RSA has the right to negotiate, defend or settle any claim against the Officer in the Officer's name and will have full discretion in the conduct of any proceedings or in the settlement of any claim.
5. If RSA is liable under Section 6 to provide indemnity for only part of a loss because either:
  - (a) A claim includes both matters covered and not covered by Section 6.
  - (b) A claim is made against an Officer and other persons (including but not limited to the Owners Association), then the Officer and RSA must use their best endeavours to agree a fair allocation of loss (including in relation to defence costs) between loss covered and loss not covered under Section 6 having regard to:
  - (c) The Officer's relative legal exposure to liability in respect of matters covered and not covered by Section 6.
  - (d) The Officer's and the other person's relative legal exposure to liability in respect of the claim.

## SECTION 7: MACHINERY BREAKDOWN

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### WHAT WE COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 7 (including those applying to all sections of the Policy), RSA agrees to indemnify You, up to the Sum Insured applicable to Section 7 against any physical loss or Damage to any machine resulting from breakdown occurring during Period Of Insurance occurring within the Situation as mentioned in the Policy.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 7

**Breakdown:** Any unforeseen sudden and accidental Damage to any machine or part thereof which manifests itself at the time of its occurrence resulting in the actual breaking, seizing, deformation or burning out of any part of a machine causing stoppage of the functions thereof and necessitating repair or replacement before it can resume its normal function.

**Machine:** Any Pressure Equipment subject to vacuum or internal pressure other than static pressure of contents and any mechanical or electrical machine or electrical apparatus with a capacity of 12kW or less generating, controlling, transmitting, transforming or utilising mechanical or electrical power:

Machine shall not mean or include:

- (a) Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than boiler feed water piping, boiler condensate return piping or water piping connected to or used with an air conditioning system; or
- (b) Any structure, foundation or setting (other than a bedplate of a machine) supporting or housing such machines or lining or fire wall of any unfired vessel; or
- (c) Any Vehicle or mobile equipment, Aircraft or floating vessel; or
- (d) Any crane, hoist, power shovel, dragline or conveyor but not excluding any pressure vessel, electrical, or mechanical equipment used with such a machine; or
- (e) Any computing machine, Electronic Data processing equipment or electronic computer control equipment, x-ray machines, spectrographs, gauges or other apparatus using radioactive materials and radio and television apparatus, or
- (f) Any penstock draft tube, or well casing; or
- (g) Any steam or gas turbine-generator ; or
- (h) All property located underground; or
- (i) Plant that is leased, hired or on loan; or
- (j) Mobile plant or equipment.

### BASIS OF SETTLEMENT

1. Where Damage to a machine can be repaired, RSA will pay all expenses necessarily incurred to restore the Damaged item to its state of serviceability immediately before the occurrence of Damage. If the repairs are executed by You, RSA will pay the cost of materials and wages reasonably incurred for the purpose of the repairs, plus a reasonable allowance to cover overhead charges.

If any parts are found to be unprocurable, RSA's liability for these parts shall be limited to the manufacturer's or supplier's latest list price.

2. Where a machine is destroyed, RSA will, at its own option, either:

- (a) Pay the actual value of the item immediately before the occurrence of Damage, such actual value to be calculated by deducting reasonable depreciation from the new replacement cost of the item; or
- (b) Supply an equivalent replacement item similar in type, capacity and condition to the machine immediately before the occurrence of Damage and pay any costs for the ordinary freight and installation.

A machine will be deemed to be destroyed if the cost of repairs as detailed in the paragraph above, equals or exceeds the actual value of the insured item immediately before the occurrence of Damage.



## SECTION 7: MACHINERY BREAKDOWN

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### SUM INSURED AND EXCESS

#### Sum Insured

RSA's liability to indemnify You under Section 7 will not exceed the Sum Insured applicable to Section 7 for any one loss or series of losses arising out of any one event.

#### Excess

You must pay the amount stated in the schedule as the Excess payable in respect of machinery breakdown cover.

The Excess applies to each loss or series of losses arising from one event and RSA's liability to indemnify You under Section 7 is over and above the Excess.

### WHAT WE DO NOT COVER

In addition to the general exclusions applying to all sections of the Policy, RSA will not be liable under this section for:

1. Damage, defects or defective insulation due to the wearing away or wearing out of any part of a machine caused by or naturally resulting from ordinary use or working.
2. Gradually developing flaws, defects, defective insulation and cracks or partial fractures in any part which do not cause immediate stoppage and necessitate repair or replacement although at some future time repair or renewal of the parts affected may be necessary.
3. Renewal or repair of fuses collecting brushes overload protection devices or electrical contacts at which sparking or arcing occurs in ordinary working.
4. Tightening up or refitting or renewal of keys.
5. Erosion or corrosion of valves and seatings.
6. The renewal of transformer or switch oil, unless caused by a breakdown.
7. Explosion (which does not include the bursting nor disruption of turbine compressor engine or hydraulic cylinders flywheels or other parts subject to centrifugal force transformers or oil immersed switchgear).
8. Escape of water from apparatus containing water (other than apparatus or appurtenance(s) forming part of the Insured Property or directly connected therewith).
9. Damage to or replacement of foundations, brickwork and masonry and/or steel structures forming part of any conveyor system.
10. Damage to or replacement of electric heating elements, fuses, glass bulbs tubes, valves, electronic components or circuitry.
11. Damage to or replacement of cutting tools, drills, saw blades, abrasive wheels or discs dies moulds, flexible piping, flexible drives or expendable parts.
12. Damage resulting from imposition of abnormal conditions directly or indirectly relating to testing, intentional overloading or experiments.
13. Loss or Damage caused by operation of a machine when in a materially defective condition and/or loss or Damage and/or liability caused by Your wilful act or Your wilful neglect.
14. Consequential loss of any kind whatsoever.
15. Loss claimable under Section 1 of the Policy.
16. Any sort of third party liability.
17. Damage during erection unless dismantling for the purpose of cleaning, overhauling, repair, re-erection, within the Situation.
18. Loss or Damage where the supplier, contractor or repairer is responsible either by law or by contract.
19. The cost of converting refrigeration or air conditioning units from the use of Chlorofluorocarbon (CFC) to any other type of refrigerant.

### SPECIFIC CONDITION APPLICABLE TO SECTION 7

#### Comprehensive Maintenance Agreement

You must enter into and maintain a comprehensive maintenance agreement for the servicing and repair of machines operating lifts within Your Building.

## EXCLUSIONS APPLICABLE TO ALL SECTIONS

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The Policy does not cover any, claim, loss, Damage, destruction, compensation, liability, cost or expense of any nature arising out of or in any way connected with the following, regardless of whether there is any other contributing cause or event:

### 1. Acts of Terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) Involves violence against one or more persons.
- (b) Involves Damage to property.
- (c) Endangers life other than that of the person committing the action.
- (d) Creates a risk to health or safety of the public or a section of the public.
- (e) Is designed to interfere with or to disrupt an electronic system.

### 2. Asbestos

Asbestos or Asbestos products or any materials containing Asbestos in whatever form or quantity.

### 3. Computer Equipment

Failure of any Common Area Contents to perform or function in the manner for which it was designed.

### 4. Dishonest or Intentional Conduct

Any actual or alleged:

- (a) Dishonest, fraudulent, criminal, deliberate or malicious act by You.
- (b) Wilful or reckless breach of any statute, contract or duty by You.
- (c) Conduct intended to cause loss, Damage, destruction, liability, cost or expense or such conduct engaged in with reckless disregard for the consequences committed by You or any person acting with Your knowledge, consent or participation or any person entitled to any benefit under the Policy.

### 5. Electronic Data

Loss or unplanned alteration of Electronic Data.

### 6. Known Faults and Defects

Faults and defects in Insured Property which are known to You, or which ought reasonably to have been known to You, and not disclosed to RSA at the time this Policy was entered to.

### 7. Lawful Seizure

Lawful seizure, detention, confiscation, nationalisation or requisition of any Insured Property.

### 8. Territory

Occurring outside the Policy Territory.

### 9. Pollution

The discharge, disposal, release, seepage, migration or escape of Pollutants or the cost of preventing the escape of Pollutants.

This general exclusion 9 will not apply under Section 3: Legal Liability to the extent that the liability arises from a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

## EXCLUSIONS APPLICABLE TO ALL SECTIONS

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### 10. Radioactivity

Ionising radiation or contamination by radioactivity from any nuclear fuel, weapon, waste or other material whether occurring naturally or otherwise; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof.

### 11. Unoccupied Insured Property

Insured Property left unoccupied for a period of 60 consecutive days in circumstances where You have not informed RSA of this fact and obtained RSA's written agreement for the cover of this Policy to continue beyond that period.

### 12. War

War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, 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 or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.

### 13. Offshore Risks Exclusion

Work on and/or products supplied to oil / gas / power platforms (onshore / offshore), chemical / petrochemical industries, marine, aviation risks of any nature / kind.

### 14. Vehicles, Watercraft, Rolling stock, Aircraft including property contained therein.

### 15. Electro Magnetic Field (EMF) Exclusion

Notwithstanding any provision to the contrary contained in this Policy or any endorsement thereto it is understood and agreed that this insurance excludes any claims or losses arising directly or indirectly out of non-ionic radiation including but not limited to Electro Magnetic Fields and/or Electro Magnetic Interference.

### 16. Transmissible Spongiform Encephalopathy (TSE) Exclusion

Notwithstanding any provision to the contrary contained in this Policy or any endorsement thereto it is understood and agreed that this insurance excludes any claims or losses arising directly or indirectly out of transmissible spongiform encephalopathy (TSE) including but not limited to bovine spongiform encephalopathy (BSE) or new variant Creutzfeld-Jakob disease (vCJD).

### 17. Genetically Modified Organisms (GMO) Exclusion

Notwithstanding any provision to the contrary contained in this Policy or any endorsement thereto it is understood and agreed that this insurance excludes any claims or losses arising directly or indirectly from Genetically Modified Organisms ("GMOs")

For the purposes of this exclusion, GMOs shall mean and include;

organisms or micro-organisms or cells, or the organisms or micro-organisms, cells or cell organelles, from which they have been derived, which have been subject to a genetic engineering process which resulted in their genetic change and shall also mean and include

every biological or molecular unit with self replication potential, or biological or molecular unit with self replication potential from which they have been derived, which has been subject to a genetic engineering process which resulted in its genetic change.

In the event that the definition of GMO under the applicable laws and/or official regulations relating to genetic engineering or modification in any State, territory or jurisdiction in which a claim is made is wider than the foregoing then such wider definition shall be incorporated into this definition in addition to the foregoing.

## EXCLUSIONS APPLICABLE TO ALL SECTIONS

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### **18. Direct Insurance Sanctions And Embargo Clause**

If, by virtue of any law or regulation which is applicable to Us at the inception of this Policy or becomes applicable at any time thereafter, providing this coverage is or would be unlawful because it breaches an embargo or sanction, then We shall provide no coverage or benefit and have no liability whatsoever nor provide any defense or make any payment of defense costs or provide any form of security on Your behalf, to the extent that it would be in breach of such law or regulation.

In circumstances where it is lawful for Us to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then We will take all reasonable measures to obtain the necessary authorisation to make such payment.

In the event of any law or regulation becoming applicable during the Policy period which will restrict Our ability to provide coverage as specified in paragraph 1, then both You and Us shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that We comply with the cancellation condition.

## CONDITIONS APPLICABLE TO ALL SECTIONS

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### 1. Alteration to Risk

Any alteration to the risk after commencement of the Policy must be notified by You to RSA in writing immediately after such change in risk comes to the notice of You or Your Officer responsible for insurance.

Alterations that You must notify RSA of, include:

- (a) Removal of any Common Area Contents or alteration of any Building.
- (b) Any Building or common area of the Situation being left unoccupied for a period of more than 60 consecutive days.
- (c) Your interest in any Insured Property ceasing to exist,
- (d) Any instance where the nature of the occupation of or other circumstances affecting the Insured Property are changed in such a way to increase any risk insured under this Policy.

You being placed into bankruptcy, receivership, administration or liquidation.

If RSA accepts the altered risk, You must pay RSA any additional Premium it requires.

### 2. Applicable Law

Should any dispute arise concerning this Policy, the dispute will be determined in accordance with the law of UAE.

### 3. Assignment

You must not assign this Policy or any of Your rights under this Policy, without the prior written consent of RSA.

### 4. Cancellation

- (a) You may cancel this Policy by giving notice in writing to RSA. If such notice is given, the cancellation will take effect on the day the notice is received by RSA.
- (b) RSA may cancel this Policy by giving You notice. Such cancellation is to take effect 30 days from the time notification is received by You.
- (c) After cancellation by You a refund of Premium will be returned to You.
- (d) After cancellation by RSA a refund of Premium will be returned to You.
- (e) When the Premium is subject to adjustment, cancellation will not affect Your obligation to supply to RSA such information as is necessary to permit the Premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.

### 5. Changes in Policy

No changes in this Policy will be valid unless agreed to in writing by RSA. The requirements of any section of the Policy will not be deemed to be waived unless RSA agrees to waive them in writing.

### 6. Excess

The amount of any applicable Excess shown in the schedule or in this wording in respect of each claim You make under the Policy. The Excess is payable by You at such time required by RSA.

If any event leads to a claim under more than one section of the Policy, You must pay the highest applicable Excess.

### 7. Inspection and Audit

RSA may inspect any Insured Property with reasonable notice. Neither RSA's right to make inspections nor the making of any inspection nor any report thereon will constitute an undertaking by RSA on behalf of or for Your benefit or warranty that such Insured Property or operations are safe or healthful, or are in compliance with any applicable law, rule or regulation. RSA may examine and audit Your books and records at any time during the Period Of Insurance and extensions thereof and within three (3) years after the final termination of this Policy, as far as they relate to the subject matter of this Policy.

### 8. Interests of Other Parties

The insurable interest of only those lessors, financiers, trustees and mortgagees specifically noted on the schedule is covered by the Policy. Where the insurance covers the interest of more than one party, any act or neglect of an individual party (other than those described in general exclusion 4: dishonest or intentional conduct) will not prejudice the rights

## CONDITIONS APPLICABLE TO ALL SECTIONS

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of any remaining party; provided that the remaining party shall, immediately on becoming aware of any act or neglect whereby the risk of Damage has increased, give notice in writing to RSA and on demand pay such reasonable additional Premium as RSA may require.

### 9. Other Insurances

You shall give written notice as soon as possible to RSA of any other insurance or insurances effected covering any of the risks that are the subject of this Policy.

### 10. Possession of Damaged Property

On the happening of any loss, destruction or Damage in respect of which a claim is or may be made under this Policy, RSA and every person authorised by RSA may, without incurring any liability, and without diminishing the right of RSA to rely upon any terms or conditions of the Policy, enter, take or keep possession of any Building or premises where the loss, Damage or destruction has happened and may take possession of or require to be delivered to RSA any of the Insured Property and may keep possession of and deal with such Insured Property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of Your permission and licence to do any of the above mentioned acts. If You or any one acting on Your behalf does not comply with the requirements of RSA or hinders or obstructs RSA in doing any of the above-mentioned acts, then all benefits under the Policy shall be forfeited. You shall not in any case be entitled to abandon any Insured Property to RSA whether taken possession of by RSA or not.

### 11. Reasonable Care

You must:

- (a) Take all reasonable measures to maintain all Insured Property in sound condition.
- (b) Take all reasonable precautions to prevent or minimise loss, Damage, destruction, liability, compensation, cost or expense covered by this Policy.
- (c) Comply with all obligations and regulations imposed by any authority.
- (d) Take all reasonable measures to ensure that only competent employees and contractors are employed to undertake work on Your behalf.

### 12. Storage of Hazardous Materials

Hazardous goods or materials stored at the Situation must be stored in the quantities and manner required by any relevant law or standard.

### 13. Subrogation

If RSA makes a payment under this Policy, RSA is subrogated to all Your rights of contribution, indemnity or recovery. You must not surrender any right to or settle any claim for contribution, indemnity or recovery without RSA's prior written consent. You must do all things and execute all documents to enable RSA to sue in Your name for such contribution, indemnity or recovery.

### 14. Your Authorised Representative

You agree that the person representing You when completing the Proposal is authorised to give and receive information on Your behalf.

### 15. Duty of disclosure

Before You enter into a contract of insurance with Us, You have a duty to disclose to Us anything that You could reasonably be expected to know is relevant to Our decision whether to accept the risk of insurance and if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

## CONDITIONS APPLICABLE TO ALL SECTIONS

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- (a) That diminishes the risk to be undertaken by Us.
- (b) That is of common knowledge.
- (c) That We know or, in the ordinary course of business, ought to know.
- (d) As to which compliance with Your duty is waived by Us.

The duty of disclosure applies to You and everyone insured under the contract of insurance. If You, or they, fail to comply with the duty of disclosure, We may reduce Our liability under the contract in respect of a claim or may cancel the Policy.

If the non-disclosure is fraudulent, We may treat the Policy as if it never existed and pay nothing.

It is important that all information provided in support of Your application for insurance is understood by You and is correct, as You will be bound by Your answers and by the information provided by You. If You do not understand any part of this notice, You should obtain independent advice.

Your duty of disclosure continues after Your application for insurance has been completed up until the contract of insurance is entered into.

### 16. Claims Made Insurance

The cover provided by the Policy under Section 6: Office Bearers Liability is provided on a claims made basis. This means that it only covers claims made against You and notified in writing to RSA during the Period Of Insurance. Where an insured gives notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as reasonably practicable after the insured became aware of those facts the insurer is not relieved of liability under the Policy in respect of the claim, when made, solely by reason that the claim is made after expiry of the Policy. This is a right which arises solely under the Act and not under the insurance contract. The right does not arise unless the notice in writing is given before the Policy expires.

### 17. Premium

We take a number of factors into account when calculating Your Premium. Your risk profile, including the level of cover chosen and any previous insurance history will have a significant impact on Your Premium. We will tell You, when You apply, what Premium is payable, when it needs to be paid and how it can be paid.

### 18. Arbitration

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

### 19. Observance of conditions

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

### 20. Misdescription

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 the Company shall not be liable under this Policy so far as it relates to property affected by any such misdescription misrepresentation or omission.

## CONDITIONS APPLICABLE TO ALL SECTIONS

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### 21. Company's rights after a loss

On the happening of any loss destruction or Damage to any of the Property Insured the Company may:

- (a) enter and 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 them any property of the insured 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 Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that they make no claim under this Policy or if any claim is made until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of their powers hereunder incur any liability to the Insured or diminish their right to reply upon any of the conditions of this Policy in answer to any claim. If the insured or any person on their behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of their powers hereunder all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

### 22. Forfeiture

If any claims upon this Policy be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or if the loss destruction or Damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

### 23. Time limitation

If a claim be made and rejected and an action or suit be not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of the condition of Arbitration No. 18 of this Policy) within three months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.



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