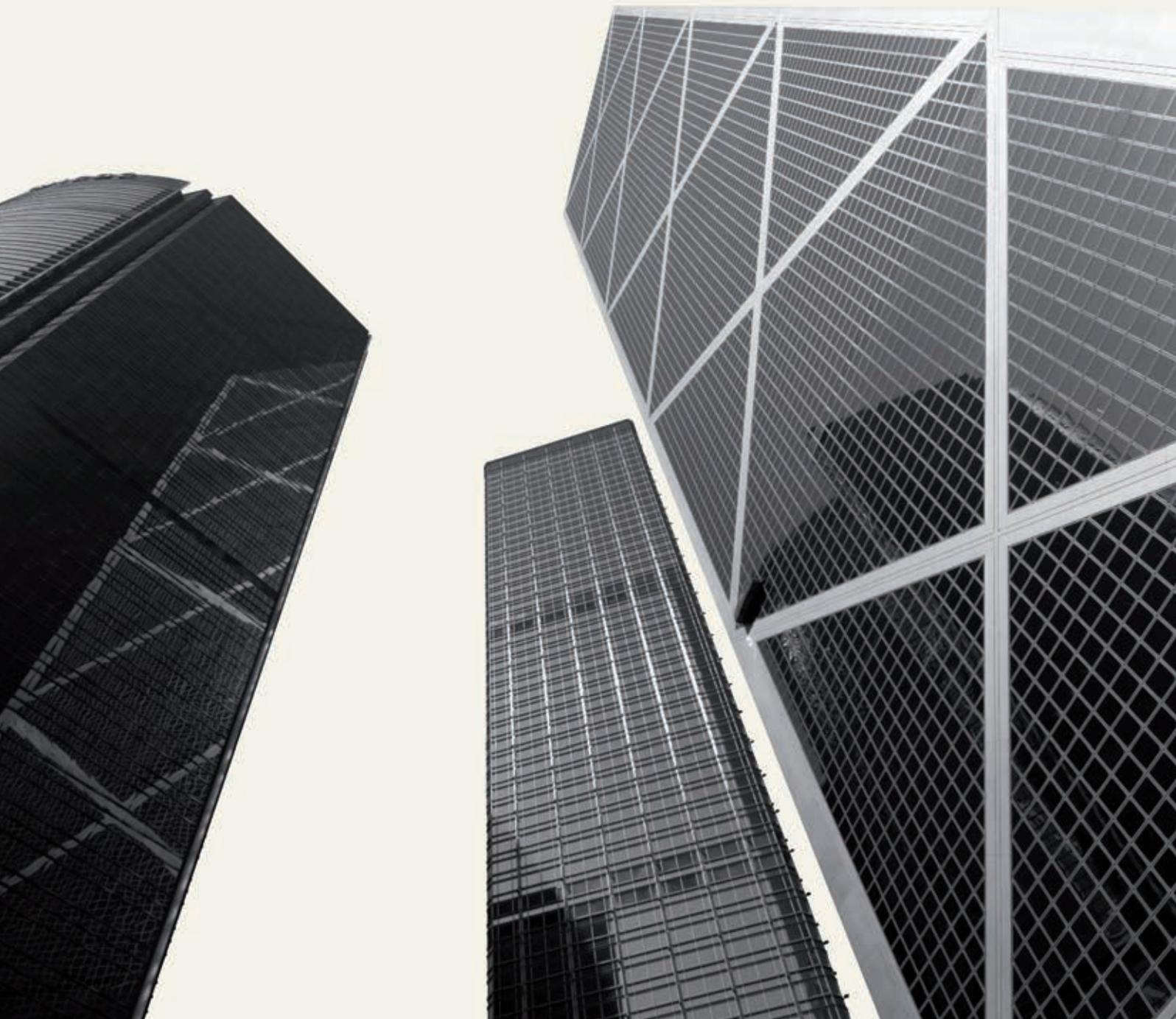




# STRATA COMPREHENSIVE INSURANCE

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 in 130 countries and serves over 20 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 and hassle-free year in conducting your business.

The Customer Service Team  
RSA UAE

## YOUR COVER AT A GLANCE

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TYPE OF COVER	SECTION THAT APPLIES
Building and Common Area Contents	1
Catastrophe	2
Legal Liability	3
Fidelity Guarantee	4
Personal Accident (Voluntary Workers)	5
Office Bearer's Liability (Management Committee Liability)	6
Machinery Breakdown	7

## SECTION GUIDE

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# YOUR STRATA COMPREHENSIVE INSURANCE POLICY

## 1. COVER WE OFFER

We provide cover to you on the basis of the information supplied by you in the application form along with terms contained in the application, the policy wording and any other document, including the most recent schedule that is issued to you.

The schedule will contain important information relevant to your insurance including the period of insurance, the type of cover you have selected, your premium, the limits (if optional) that you want for particular covers, and whether any standard terms need to be varied by way of endorsement.

All of these make up your "Policy".

## 2. SUMMARY OF THE BENEFITS AND EXCLUSIONS

Subject to the payment of your premium, we will provide the cover you have selected subject to the exclusions, conditions and limitations stated in the policy.

The following is a summary only of the types of cover available and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks but you need to read the policy wording part of this document which sets out the terms and conditions of this insurance, to make sure it matches your expectations.

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 policy period up to the limit of liability and sub limits of liability applicable to section 1. This section also provides a number of additional benefits.
<b>SECTION 2: Catastrophe (Optional)</b>	When a catastrophe occurs, repair costs can increase significantly as demand for tradespeople, building materials and other resources start to outstrip supply. This section helps protect you against these increased costs by increasing the sum insured for section 1 by 15%.
<b>SECTION 3: Legal Liability</b>	Covers you up to the limit of liability applicable to section 3 for claims 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 policy period as a result of an occurrence arising in connection with the ownership of insured property.
<b>SECTION 4: Fidelity Guarantee</b>	Cover for the Body Corporate against loss of funds set aside for the management of insured property up to the limit of liability applicable to section 4 as a result of fraudulent misappropriation that occurs during the policy period.
<b>SECTION 5: Personal Accident (Voluntary Workers)</b>	Cover for a voluntary worker for lump sum or weekly payments for an accident during the policy period causing bodily injury within 1 year of the accident. The section also (Voluntary Workers) provides additional benefits for travel expenses, domestic assistance, non-Medicare expenses and funeral expenses.
<b>SECTION 6: Office Bearers Liability (Management Committee Liability)</b>	Cover for your officers against loss up to the limit of liability applicable to section 6 arising from claims: <ul style="list-style-type: none"><li>• Arising out of a wrongful act, in their capacity as an officer of the Body Corporate, occurring after the inception date of this policy</li><li>• Both first made against the officer and reported to RSA during the policy period</li></ul>
<b>SECTION 7: Machinery Breakdown</b>	Cover against physical loss or damage from breakdown of your machinery up to the limit of liability applicable to section 7.

## YOUR STRATA COMPREHENSIVE INSURANCE POLICY

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There are certain events for which this insurance may not provide cover. Some of the exclusions applying to all sections of the policy where we will not pay include, but are not limited to:

**(i). 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.

**(ii). Asbestos**

**(iii). Computer equipment failing to perform or function in the manner for which it was designed**

**(iv). Dishonest or intentional conduct**

**(v). Loss of electronic data**

**(iv). Known faults and defects**

**(vi). Lawful seizure**

**(vii). Anything occurring outside the policy territory**

**(ix). Pollution**

**(x). Radioactivity**

**(xi). Unoccupied insured property**

**(xii). War**

There are also specific exclusions or conditions that apply under each section of the policy. In section 1 these exclusions include damage caused by flood. Refer to the 'specific exclusions' and 'specific conditions' parts in each section of the policy wording for further details.

An excess may also apply for a valid claim that you are required to contribute towards each and every event that causes loss or damage insured by the policy. Refer to the policy wording and schedule for details of any excess that may apply.

**Adequate sum insured**

In the event of a major loss, the limits of liability applying to each section of the policy should be sufficient to cover such loss. You should ensure that the limits of liability cover such a loss.

### 3. DISPUTE RESOLUTION

RSA is committed to handling any complaints about its products or services efficiently and fairly. If you have a complaint, please contact RSA on 04 302 9 800

## DEFINITIONS AND INTERPRETATION APPLICABLE TO ALL SECTIONS

### Our Agreement

RSA agrees to provide you with the insurance cover set out in the sections of the policy which are listed as insured in the schedule:

- (a) Based on the information provided in the Proposal and subject to the payment of the premium by the required date
- (b) In accordance with the terms, conditions, exclusions, definitions and limitations of the policy

The insurance cover provided by the policy is in force for the policy period

RSA will not pay any more than the applicable limit of liability or sub limit of liability relating to each section of the policy that is taken out by you and will not pay the excesses applicable to each section shown in the schedule or in this policy wording.

In this policy there are words that have a special meaning.

Some sections include specific definitions so these general definitions should be read in conjunction with such specific definitions.

Those words that have a special meaning that apply to all sections of the policy are set out and defined below:

RSA	Royal & Sun Alliance Insurance (Middle East) Ltd., UAE
<b>Act of Terrorism</b>	Any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, which from its nature or context is done for, or in connection with any political, religious, ideological ethnic or similar purpose or reason, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
<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>Body Corporate</b>	The Owners Corporation, Owners Association, Body Corporate, Strata Corporation, Strata Company, or Company named in the schedule.
<b>Body Corporate Manager</b>	Anyone whom the Body Corporate has engaged to provide strata or company title management services in relation to the building and other improvements at the situation.
<b>Building(s)</b>	The building(s) contained in the registered strata scheme or company title specified in the schedule, including at the situation: <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> </ul>

## DEFINITIONS AND INTERPRETATION APPLICABLE TO ALL SECTIONS

	<ul style="list-style-type: none"> <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 Body Corporate or for which the Body Corporate 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>
<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 schedule or in the policy wording

## DEFINITIONS AND INTERPRETATION APPLICABLE TO ALL SECTIONS

<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>	The value of the land, including improvements, at the situation ascertained: <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>Limit of Liability</b>	The limit of RSA's total liability for any one loss or series of losses arising out of one event that is applicable to a section of the policy as specified in the schedule.
<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.
<b>Officer</b>	A member or former member of the Body Corporate whilst engaged in or serving on the committee or governing body of the Body Corporate. Officer does not include a Body Corporate Manager or a director or representative of such a manager.
<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 schedule and any document issued by RSA varying the policy coverage.
<b>Policy Period</b>	The period stated in the 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 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>Schedule</b>	The 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 schedule where the insured property is situated.
<b>Sub Limit of Liability</b>	The limit of RSA's total liability applicable to a particular benefit, item, loss or claim within a section of the policy, as specified in that section of the policy or in the schedule.

## DEFINITIONS AND INTERPRETATION APPLICABLE TO ALL SECTIONS

<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.
<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 Body Corporate 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>You, Your and Yours</b>	The Body Corporate.

### Interpretation

In this policy, unless the context otherwise requires:

- (a) The singular includes the plural and the plural includes the singular.
- (b) If a word or expression is given a definite meaning, any part of speech or other grammatical form of that word or phrase has a corresponding meaning.
- (c) References to an amount of money are references to that amount in UAE Dirhams.
- (d) Headings are included for reference purposes only and do not form part of the policy for interpretation.

## 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 and to minimise or check any interruption of or interference with the business or to avoid or diminish the loss.
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 indemnity period 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 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 in respect of any claim:
  - Other than those benefits that are identified as payable in addition to the sum insured
  - 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 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 & Catastrophe

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 TP 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 limit of liability applicable to section I, against damage to:

- (a) Any building.
- (b) Common area contents whilst they are at the situation or whilst temporarily removed and in transit in the policy territory, occurring during the policy period.

### 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.
- (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.  
Pay up to the limit of liability 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.
- (b) The limit of liability 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 (including demolition or dismantling) subject to the terms, conditions and limit of liability applicable to section I and provided that:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) Where the building is not destroyed, RSA will only pay for the extra costs incurred in reinstating the damaged portion of the building.
- (e) RSA will not pay for the cost of reinstating illegal installations.
- (f) RSA will only pay for any extra costs of reinstatement when the limit of liability applicable to section I is not otherwise exhausted.

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 20,000 for access modifications as part of the reinstatement costs.

### 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.
- (b) The cost of reinstatement had the reduced floor space ratio index not applied.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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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.

2. RSA will only pay for the floor space ratio benefit described above when the limit of liability applicable to section I is not otherwise exhausted.

### Loss of Land Value

1. Subject to the limit of liability 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.

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:

- (a) Will be reduced by any amount paid as compensation by such statutory authority; and
- (b) 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.
- (c) Will allow up to a maximum of AED 100,000 in respect of this cover.

2. All differences relating to land value arising out of section I may, by agreement, be referred to the Real Estate Regulatory Authority, Dubai 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.

### 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 limit of liability specified in the schedule against common area contents.
- (b) Common area contents that are in open air or in transit is AED 15,000.

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 1: 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 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 1, 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 schedule will apply to each loss or series of losses arising from one event.

### ADDITIONAL BENEFITS WITHIN LIMIT OF LIABILITY

The following costs or losses will be paid when they result from damage to insured property:

RSA will pay the additional benefits 1 to 9 when the limit of liability applicable to section 1 is not otherwise exhausted. The costs or losses covered by additional benefits 1:9 will be paid when they result from damage to insured property occurring during the policy period caused by an event not excluded under section 1.

Additional benefit 5 will be paid to unit owners, subject to all of the conditions, exclusions and limitations applying to section 1 (including those applying to all sections of the policy).

#### 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 1 of this policy.

The maximum that RSA will pay in respect of this additional benefit 2 during any one policy period is AED 50,000

#### 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 policy period, provided that if you have reasonable grounds for believing that such costs will exceed AED 5,000, you must obtain our 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

Legal fees necessarily and reasonably incurred by unit owners to discharge their mortgage in the event that the building is totally destroyed, 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 of:

- (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.

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 your liability to pay such costs does not arise directly or indirectly as a consequence of:

- (a) The discharge, dispersal, release or escape of pollutants.
- (b) 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 20,000 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 (including those applying to all sections of the policy).

## ADDITIONAL BENEFITS TO SECTION I OVER LIMIT OF LIABILITY

RSA will pay the additional benefits 10 to 15 over and above the limit of liability applicable to section I, provided that the combined total liability of RSA to pay such additional benefits in any one policy period shall not exceed 15 % of the limit of liability applicable to section I.

The additional benefits 10 to 15 will be paid to unit owners, subject to all of the conditions, exclusions and limitations applying to section I (including those applying to all sections of the policy).

If your schedule shows that you are covered under section 2 (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 limit of liability 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 policy period caused by an event not excluded under section I that renders an owner occupied unit:

- (a) Unfit for habitation.
- (b) Inaccessible.

RSA will not pay more than AED 600 a day for a maximum of 5 days per owner occupied unit.

### 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 uninhabitable:

- (a) As a result of the failure of supply to the unit of electricity, gas, water or sewerage services by a public utility.
- (b) Where the failure of supply resulted from damage to property belonging to or under the control of the public utility occurring during the policy period 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.
- (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 policy period caused by an event not excluded under section I and that renders the unit:

- (a) Unfit for habitation.
- (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 Body Corporate 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.
- (b) The date on which it would have been reasonable for the unit owner or the Body Corporate to have had access to the unit re-established.

If the unit owner or the Body Corporate 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 policy period 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.
- (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 policy period caused by an event not excluded under section I that renders a unit uninhabitable.

RSA will pay this while the subject unit is incapable of housing the undamaged unit owners contents.

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 policy period caused by an event not excluded under section I that renders the unit:

- (a) Unfit for habitation.
- (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.
- (b) The date on which it would have been reasonable for the unit owner or the Body Corporate 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.
- (b) The date on which it would have been reasonable for the unit owner or the Body Corporate to have had access to the unit re-established.

### FURTHER ADDITIONAL BENEFITS OVER LIMIT OF LIABILITY

RSA will pay the additional benefits 16 to 30 over and above the limit of liability applicable to section 1.

The Additional Benefits 18, 27 and 29 will be paid to unit owners, subject to all of the conditions, exclusions and limitations applying to section 1 (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 1.

The maximum that RSA will pay 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 policy period 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.

Fuses or protective devices.

Electrical contacts or switches at which sparking or arcing occurs during ordinary operation.

- (1) Costs of flushing or recharging with refrigerant.
- (2) 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.

#### 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 policy period caused by an event not excluded under section 1 that renders the affected unit uninhabitable.

The maximum amount that RSA will pay is AED 1,500 for each affected unit.

#### Additional Benefit 19: Landscaping

Costs necessarily and reasonably incurred by you in replacing damaged landscaping occurring during the policy period caused by an event not excluded under section 1.

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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The maximum amount that RSA will pay is AED 25,000 for each loss or series of losses arising from one event.

### 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) up to a limit of AED 3,000 per event.
- (b) Repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of AED 3,000 per 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, provided that the leaking, bursting, discharging or overflow occurs during the policy period 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 uninhabitable as a result of damage occurring during the policy period and covered 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
- (b) Duly appointed Body Corporate 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.
- (c) Any person acting as a proxy of an unit owner.

The maximum that RSA will pay during any one policy period is AED 10,000.

### Additional Benefit 23: Personal property under control of Body Corporate

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 AED 10,000 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 policy period, RSA will pay, at its own option, the reasonable costs of either:

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

## SECTION I: BUILDING AND COMMON AREA CONTENTS

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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 7,500 for any one loss or series of losses arising out of one event.

### Additional Benefit 25: Rewriting of records

Costs necessarily and reasonably incurred by you in preparing and/or rewriting the records of the Body Corporate which have been damaged during the policy period from an event not excluded under section I:

- (a) At the situation.
- (b) While in the safe keeping of a duly appointed Body Corporate Manager.
- (c) At a bank for safekeeping.

The maximum that RSA will pay is AED 20,000 in any one policy period.

### 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 policy period 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 10,000. any one loss or series of losses arising out of one event.

### 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 covered by this section I.

### 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 3,000 per unit for damage to unit owners fixtures permanently attached to or fixed to your building arising from damage covered under section I but RSA will only pay in excess of the cover provided under any unit owner's home or contents insurance policy covering 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 totally destroyed, the limits and sub limits of liability applicable to section I will automatically reinstate until expiration of the policy period at no extra premium.

## 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 I.
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 Body Corporate).
3. Damage to any:
  - (a) 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 vacated and undergoing demolition.
  - (d) Docks, wharves and piers not forming part of any building.
  - (e) Money, except to the extent covered by additional benefit 22.
  - (f) Pathways, driveways and tennis court surfaces caused by wind, rainwater or hail.
  - (g) Personal property in open air unless it is part of the common area contents designed to function.
  - (h) Without the protection of walls or a roof.
  - (i) Pool and spa covers caused by wind, rainwater or hail.
  - (j) Pressure equipment arising out of a failure to comply with the relevant standard relating to such equipment.
  - (k) Retaining walls caused by wind, rainwater or hail.
  - (l) Swimming pools, spas or surrounds caused by movement of their foundations or structure.
4. Damage arising directly or indirectly out of or in any way connected with:
  - (a) Change in texture or finish.
  - (b) Creeping, heaving or vibration.
  - (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) Error or omission in design, plan or specification or failure of design.
  - (f) Faulty materials or faulty workmanship.
  - (g) Hydrostatic pressure, changes in the water table, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles and pavers.
  - (h) Incorrect siting of any building.
  - (i) Inherent vice or latent defect.
  - (j) Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt threat.
  - (k) Lack of maintenance or any other failure to keep any insured property in good repair.
  - (l) Mechanical, hydraulic, electrical or electronic breakdown except to the extent covered by additional benefit 17 (Damage to domestic electric motors).
  - (m) Mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature.
  - (n) Normal settling seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements.
  - (o) Removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
  - (p) Roots of trees or other plants.
  - (q) 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.
  - (r) Sea, except to the extent covered by additional benefit 9 (Tsunami).
  - (s) Smoke or smut from industrial operations.
  - (t) The actions of birds, vermin, moths, termites or other pests.
  - (u) Wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marring, gradual deterioration or developing flaws, concrete or brick 'cancer', normal upkeep or making good.

## 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: 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;
- (b) Such damage is covered under section 1 and is admitted by RSA as a claim under section 1.
- (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 limit of liability 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 including all costs and expenses, which you become legally liable to pay as compensation in respect of:

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

occurring within the policy territory during the policy period 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.

## SECTION 3: LEGAL LIABILITY

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### 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.
- (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).
- (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.
- (b) RSA after it has assumed conduct of any proceedings

in:

- (a) Defending any proceedings.
- (b) Conducting any claim for contribution or recovery.

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.

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.
- (b) Loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by physical damage of other tangible property.

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

#### Limit of liability

RSA's liability to you in respect of compensation, including defence costs, arising from any one occurrence shall not exceed the limit of liability 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.

#### Defence Costs

Defence costs and expenses are payable subject to the following:

- (a) RSA is not obliged to pay any defence costs or to defend any suit after RSA's liability under section 3 to indemnify you has been exhausted.
- (b) If a payment exceeding RSA's liability under section 3 to indemnify you has to be made to dispose of a claim, the liability of RSA for defence costs is limited to the proportion that RSA's liability to indemnify you under this policy bears to that payment.

## SECTION 3: LEGAL LIABILITY

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### 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 1,000,000.

#### 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.

#### 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.

## SECTION 3: LEGAL LIABILITY

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### 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.

### 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.
- (b) In respect of which insurance is required by virtue of any legislation.

but this exclusion does not apply to:

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

### 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.

## 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 limit of liability applicable to section 4, against loss of funds as a result of an event, provided that:

- (a) Such loss of funds occurs during the policy period.
- (b) The loss of funds is discovered not later than one (1) month after the expiration of the policy period.

### 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.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of liability

RSA's liability to indemnify you under section 4 will not exceed the limit of liability applicable to section 4 for each event.

RSA's total liability to you under section 4 for all events in the policy period shall also not exceed the limit of liability applicable to section 4.

#### Excess

You must pay the amount stated in the 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 policy period.
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.
  - (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 policy period 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 and directly from an accident and which:

- (a) Is caused by violent, external and visible means
- (b) Is independent of any other cause or causes, including pre-existing physical or congenital conditions
- (c) is not an illness

**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)

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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.
  - (b) Ending when the disablement ceases or 104 weeks from the commencement of the disablement, whichever is earlier, provided that:
  - (c) RSA will not pay compensation for more than one of these events at the same time
  - (d) 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.

## SECTION 5: PERSONAL ACCIDENT (VOLUNTARY WORKERS)

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### 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 policy period for any one person.

#### 2. Domestic Assistance

Domestic assistance expenses necessarily and reasonably incurred in obtaining domestic help up to a maximum of AED 500 during the policy period 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:

- (a) More than AED 500 during the policy period 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 2,500.

### 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).

### 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 Body Corporate.
- (b) The Body Corporate 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 limit of liability applicable to Section 6, provided that:
- (c) The claim is first made and reported to RSA during the policy period.
- (d) 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.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 6

Claim means any:

- (a) Written demand for compensation.
- (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 Body Corporate incur with RSA's prior written consent in the investigation, defence or settlement of any claim.

Defence costs does not include:

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

### 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 including defence costs arising from all claims during the policy period is the limit of liability applicable to Section 6.

#### Excess

The officer or the Body Corporate must pay the amount stated in the 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 policy period.
  - (b) Claim or circumstances notified, in whole or part, to RSA or any other insurer prior to the policy period.
  - (c) Claim or circumstances of which the Body Corporate or any officer the subject of a claim were aware or ought reasonably to have been aware, prior to the policy period.
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 Body Corporate, unit owner or any other person or entity.
3. Money or gratuity given to an officer without authorisation by the Body Corporate where such authorisation is necessary pursuant to the rules, by-laws or articles of the Body Corporate or as required by law.
4. Any warranty or guarantee.
5. Any trading or personal debt of an officer or the Body Corporate.
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 Body Corporate.
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.
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 policy.
  - (b) An entity operated or controlled by any person who is insured or entitled to any benefit or indemnity under this policy.
16. Any claim brought in a court of law or tribunal outside United Arab Emirates.

### 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 body corporate must give all reasonable assistance to and co-operate with RSA in the defence of any claim at the officer's and the Body Corporate's cost.
3. Neither the officer nor the Body Corporate 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 Body Corporate), 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 limit of liability applicable to Section 7 against any physical loss or damage to any machine resulting from breakdown.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 7

**Breakdown:** Any 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.
- (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.
- (c) Any vehicle or mobile equipment, aircraft or floating vessel.
- (d) Any crane, hoist, power shovel, dragline or conveyor but not excluding any pressure vessel, electrical, or mechanical equipment used with such a machine.
- (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.
- (f) Any penstock draft tube, or well casing.
- (g) Any steam or gas turbine-generator.
- (h) All property located underground.
- (i) Plant that is leased, hired or on loan.
- (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 totally 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.
- (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 totally 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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### LIMIT OF LIABILITY AND EXCESS

#### Limit of Indemnity

RSA's liability to indemnify you under section 7 will not exceed the limit of liability 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 and every 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.

### 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 computer equipment 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.
- (b) Wilful or reckless breach of any statute, contract or duty.
- (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. Outside 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**

Any 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.

## 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.
- (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

You must pay 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 policy period 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

## CONDITIONS APPLICABLE TO ALL SECTIONS

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party (other than those described in general exclusion 4: dishonest or intentional conduct) will not prejudice the rights 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.

## CONDITIONS APPLICABLE TO ALL SECTIONS

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Your duty however does not require disclosure of a matter:

- (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 policy period. 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.

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With a presence in over 130 countries and a total of over 20 million customers worldwide, we're one of the largest and most trusted names in insurance. And as we're the longest established insurer in the Middle East, you can rely on us for cover and service that understands and suits you perfectly.

### **RSA Commercial Insurance covers:**

Business Comprehensive Insurance, Boiler & Pressure Vessel, Commercial & Industrial Property 'All Risk' Insurance, Contract Works Insurance, Deterioration of Stocks, Electronic Equipment, Employee Dishonesty Insurance, Fire Insurance, Glass Insurance, Goods in Transit 'All Risks', Land Transit, Machinery Breakdown, Machinery Loss of Profits, Marine Cargo Insurance, Money Insurance, Motor Fleet Comprehensive, Personal Accident, Personal Property Insurance, Plant & Equipment 'All Risks' Insurance, Product Liability Insurance, Public & Product Liability Insurance, Public Liability Insurance, Theft (Business Premises) Insurance, Workmen's Compensation Insurance, Yacht & Pleasure Craft Insurance.

Royal & Sun Alliance Insurance (Middle East) Ltd EC registered under UAE Federal Law dated April 1, 1997 (Registration No 65)