

THE
ELECTRONIC EQUIPMENT
INSURANCE POLICY

COMPANY LOGO

ELECTRONIC EQUIPMENT INSURANCE POLICY

TO	_____
P.O BOX	_____

Policy Number: _____

Period of Insurance: From: _____ To: _____

(both dates inclusive) And any subsequent period for which the Insured shall pay and the Company shall accept a renewal premium.

IMPORTANT NOTES

1. Please read this Policy document carefully. If you find that the Policy does not meet your requirements, please contact us or write to us and return the document to the Company within 30 days with your suggestions for necessary consideration.
2. Any material change affecting the property Insured by this Policy must be advised to the Company immediately.
3. In the event of any loss or damage to the insured property, immediate notice should be given to the Company. Prompt reporting of a loss is important for preserving evidence that may be critical in determining admissibility of the claim and amount payable.
4. You shall comply with all the conditions of this Policy. In the event of a claim you shall provide all facts, information and supporting documentary evidence to enable the Company to process your claim.
5. Should you be dissatisfied with the settlement of a claim, you may refer the matter to the Insurance Regulatory Authority who will assist in resolving your complaint with the Company.
6. This Policy is not transferable.

ELECTRONIC EQUIPMENT INSURANCE POLICY

THE INSURANCE AGREEMENT

WHEREAS the Insured by a proposal and declaration written application or statement which shall be the basis of this contract has applied to _____ Insurance Company (herein after called the Company) and paid premium as consideration for the insurance herein contained.

NOW THIS POLICY WITNESSES that the Company will, if at any time during the stated Period of Insurance or any other period for which the Company may accept payment for the renewal of this Policy, the equipment or any part thereof described in the schedule suffer any unforeseen, unintended and sudden physical loss or damage from any cause other than specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage subject to the terms of this policy.

The policy applies whether the insured items are at work or at rest, being dismantled for the purpose of cleaning, overhauling, being moved in and out of the premises in the course of operations and during any subsequent re-erection.

The cover applies to the insured equipment only after successful commissioning.

DEFINITIONS

Accidental damage

Any sudden, unforeseen and unintended damage to the insured property.

Terms

Terms include conditions, warranties and exceptions of this Policy.

Material Facts

Every information which can influence the Company's decision in accepting the risk and determining the terms.

Indemnity Period

The period starting when the insured loss or breakdown occurs and ending not later than the time specified in the Policy.

New Replacement Value

Cost of replacement of the insured equipment by new equipment of the same type, capacity and quality, including freight, customs and other duties if any, and all installation charges.

Current Value

The new replacement cost of equipment, less allowance for depreciation taking into account its age.

Excess

The amount the Insured shall bear as the first part of each and every claim made.

Time Excess

The number of days of interruption which has to be borne by the Insured in the event of a loss.

SECTION 1- MATERIAL DAMAGE

Scope of Cover

If at any time during the Period of Insurance stated in the schedule the equipment or any part thereof shall suffer any accidental loss or damage from any cause other than that specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage.

Basis of Sum Insured

It is a requirement of this Policy that the Sum Insured is equal to the cost of replacement of the insured equipment by new equipment of the same kind and capacity, which means their replacement cost including freight, custom duties and erection costs if applicable. If the Sum Insured is less than the amount required, the Company shall pay only in such proportion as the sum insured bears to the amount that should be insured.

Every item if more than one shall be subject to this condition separately.

The Company may pay , replace or repair up to an amount not exceeding in any one year of insurance the sum set in respect of the items specified , and not exceeding in all the total sum stated in the Schedule

Basis of Settlement

- a) In cases where the damaged equipment can be repaired, the Company will pay the expenses necessarily incurred to restore the damaged equipment to its former state of serviceability including the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as freight, customs duty and any other related expenses, if any, to the extent that such costs have been included in the Sum Insured.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

Where the cost of repairs equals or exceeds the actual value of the insured equipment, the Company shall pay the actual value of the equipment immediately before the occurrence of the loss, the settlement shall be made on the basis provided for in (b) below:

- b) In the event that an insured item is totally lost or destroyed, the Company shall pay the market value of the equipment immediately before the loss,

including the cost of ordinary freight, customs duty and any other related expenses, if any, to the extent that such expenses have been included in the Sum Insured, such value to be calculated by deducting depreciation from the replacement value of the equipment. Normal charges for dismantling the damaged equipment will also be paid to the insured but the value of the salvage shall be taken in account.

The damaged equipment shall no longer be covered under this Policy. The sum insured shall be reduced for the remaining period by the amount of indemnity paid unless cover is reinstated, in which case the Insured shall submit the necessary details of the substitute equipment for inclusion in the Schedule.

If any provisional repairs had been carried out to the damaged equipment, the cost shall be borne by the Company if such repairs constitute part of the final repairs and do not in any way increase the total repair expenses.

Any extra charges incurred for overtime, or express freight shall be covered by this insurance only if agreed in writing.

The cost of any alterations, additions, improvements or overhaul shall not be recoverable under this Policy.

Exclusions to Section 1

This policy does not cover:

- a) Losses arising from faults or defects existing at the time of commencement of this policy which are within the knowledge of the Insured or his representatives ,whether such faults or defects were known to the Company or not.
- b) Electrical or mechanical derangement not caused by accidental means;
- c) Loss or damage caused by or arising from:-
 - (i) Wear, tear and depreciation;
 - (ii) Gradual deterioration from whatever cause; or
 - (iii) Inherent vice or defects.
- d) Costs incurred in connection with the elimination of functional failures unless such failures were caused by an indemnifiable loss or damage to the insured equipment ;

- e) Any cost or expenses incurred in connection with the maintenance of the insured equipment;
- f) Loss or damage for which the manufacturer or supplier of the insured equipment is responsible either by law or under contract;
- g) Loss of or damage to rented or hired equipment for which the owner is responsible by law or under a lease and/or maintenance agreement;
- h) Aesthetic defects, such as scratches on painted polished or enameled surfaces;
- i) Willful acts or negligence of the Insured or his representative;
- j) Loss or damage resulting from use of any equipment after damage has occurred but before permanent repairs have been effected and normal operations restored;
- k) The excess of 10 percent of each and every loss subject to a minimum of KES 10,000/-

SECTION 2 - EXTERNAL DATA MEDIA

Scope of Cover

The Company shall indemnify the Insured if the external data media described in the Schedule inclusive of the information stored therein, which can be directly processed in the Electronic Data Processing (EDP) systems suffer any material damage payable under Section 1 of this Policy in respect of any loss or damage not exceeding the amount set out in the Schedule.

This cover includes expenses incurred for restoration and reconstruction of the lost or damaged data.

Basis of Sum Insured/Limit of liability

The Sum Insured is the amount required for restoring the external data media by replacing lost or damaged data media by new materials and reconstruction or restoration of the lost information.

It shall constitute the aggregate limit of all amounts payable for all events occurring in any one Period of Insurance.

Basis of Settlement

The Company shall indemnify the Insured for costs that are proven to have been incurred within 12 (twelve) months from the date of the event or such period as may be agreed for replacement of data media, reconstruction and

restoration of data, provided the Aggregate Limit of liability/Sum insured shall not exceed the amount stated in the Schedule.

SPECIAL EXCLUSIONS TO SECTION 2

The Company shall not be liable for:

- a. Any costs arising from erroneous programming, punching, labelling or inserting, unintended cancelling of information, erasing or discarding of data media;
- b. Loss of information caused by magnetic fields.

SECTION 3 - INCREASED COST OF WORKING (ICOW)

Scope of cover

The Company hereby agrees that during the Period of Insurance if material damage indemnifiable under Section 1 of this Policy gives rise to a total or partial interruption of operation of the EDP equipment listed in the Schedule, the Company will indemnify the Insured for any additional expenditure incurred for the use of substitute EDP equipment not covered under this policy up to an amount not exceeding the agreed limit stated in the Schedule.

PROVISIONS APPLYING TO SECTION 3

Basis of Sum Insured

The Sum Insured stated in the schedule is the amount which the Insured would have to pay as an additional expenditure for 12 (twelve) months' use of EDP equipment of similar performance to the EDP equipment insured. The sum insured shall be based on the amounts agreed per day and per month as specified in the Schedule.

The Company shall also reimburse the Insured for personnel expenses and cost of transportation of materials following upon any event giving rise to a claim under this section provided separate sums have been stated in the Schedule.

SPECIAL EXCLUSIONS TO SECTION 3

The Company shall not be liable for additional expenditure incurred as a result of :

- a) Restrictions imposed by public authorities in relation to the reconstruction or operation of the EDP Equipment insured;
- b) Any undue delay on the part of the Insured in repairing or replacing the damaged or destroyed equipment upon settlement under section 1 of this policy.

Basis of Settlement

In the event of failure of the EDP equipment insured the Company shall be liable for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute EDP equipment is essential but subject to the indemnity period and limit of liability.

The Indemnity Period shall commence as soon as the substitute equipment is put to use.

The Insured shall bear that proportion of each claim which corresponds to the time excess agreed.

Any savings in costs and expenses shall be taken into account when calculating the amount payable by the Company.

From the date of an indemnifiable occurrence the Sum Insured shall be reduced for the remaining Period of Insurance by the amount of indemnity paid, unless the sum insured is reinstated.

GENERAL EXCLUSIONS

- a) War, invasion, acts of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, mutiny, military or usurped power, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- b) Terrorism or acts of malicious persons or persons acting on behalf of or in connection with any political organization
- c) Any liability, loss, damage or expense of whatsoever nature directly or indirectly caused by, resulting from, happening through, or in connection with any act of terrorism, regardless of any other cause contributing concurrently or in any other sequence to loss, damage or expense
- d) Nuclear reaction, nuclear radiation or radioactive contamination;
- e) Loss of use, consequential loss of any kind or description unless specifically insured.
- f) The excess /deductible applicable for each and every claim.

GENERAL CONDITIONS

1. Interpretation

This Policy, the Schedule and endorsements shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.

2. Material Disclosure

If there shall be misstatement, misrepresentation or omission of a material fact from the information supplied by the Insured whether by the said proposal and declaration or otherwise, this Policy shall be null and void and any benefits payable under the same shall be forfeited.

3. Reasonable Due Care

The Insured shall take reasonable precautions to prevent loss or damage and safeguard the Insured equipment and comply with the manufacturer's operating instructions and recommended maintenance schedule to maintain the equipment in good working order.

4. Claims Procedures

On the happening of any event which may give rise to a claim under this Policy the Insured or his representative shall:

- a) Immediately notify the Company of the loss giving an indication as to the nature and extent of the loss or damage. Upon notification being given to the Company under this condition, the insured may carry out emergency repairs; in all other cases a representative of the Company shall have the opportunity of inspecting the damage or loss before any repairs or alterations are made.
- b) Take steps to minimize the extent of loss or damage.
- c) Preserve the affected parts and make them available for inspection by a representative of the Company or loss surveyor.
- d) Submit to the Company in the format required a statement of the event with relevant information and other particulars of the loss including date and circumstances of the event so far as the same are known.
- e) If any equipment or any part thereof is lost or damaged due to burglary or malicious damage the Insured shall immediately report to the Police.
- f) Take all practicable steps to assist in recovery of the lost property.

5. Claims Co-operation Clause

In the event of a claim arising under this policy, the Insured shall co-operate with the Company or its representative and shall provide evidence to support the claim. The liability of the Company under this policy will cease in respect of any insured equipment which has sustained damage and such equipment continues to be operated without being repaired to the satisfaction of the Company.

For the Company to settle the claim the insured must produce all invoices, receipts and other documentation indicating that:-

- a) Under Section 1, repairs have been effected or cannot be effected because of unavailability of parts or that replacement has taken place, as the case may be.
- b) Under Section 2, data media replacement has been effected or data restoration and reconstruction has taken place, as the case may be.
- c) Under Section 3, additional expenditure has been incurred.

6. Subrogation

The Company may at its own expense use legal means in the name of the Insured for recovery of any property lost or damaged and the Insured shall give all necessary assistance for that purpose. Upon settlement or making good any loss or damage under the Policy the Company shall be entitled to any property recovered.

7. Contribution

If at the time any claim arises under this Policy, there be any other insurance covering the same risk, the Company shall not be liable for more than its proportionate share of such a claim.

8. Underinsurance

If the property Insured at the time of loss be of greater value than the Sum Insured as stated in the schedule of the Policy, then the Insured shall bear a proportionate share of the loss.

9. Fraudulent Claims

If the Insured or his representative makes a claim knowing the same to be fraudulent, the claim shall not be payable. The Company may in addition, refer the matter to the relevant law enforcement authorities.

10. Communication

Every written communication on this Policy shall be sent to the Insured's last known address or delivered personally.

Notices and information to the Company must be in writing and sent to the registered office of the Company or its branch office.

11. Alteration

The Insured shall notify the Company in writing if the circumstances in which the insurance was entered into be materially altered and the risk of loss increased. Unless such alteration is declared to the Company and its written consent to continue the insurance be obtained, the Company shall not be liable for any losses arising due to any such alteration.

Transfer of Rights

Nothing contained in this Policy shall, unless expressly stated, give any rights against the Company to any person other than the Insured, his executors or administrators, and the Company will not be bound by any passing of the interest otherwise than by death or operation of law unless and until the Company shall by endorsement declare the insurance to be continued.

12. Cancellation

This Policy may be cancelled at any time at the request of the Insured in which case the Company will retain a premium calculated on pro rata basis for the time this Policy has been in force and provided no claim has arisen during the current Period of Insurance.

This Policy may also be cancelled at the option of the Company on fourteen (14) days notice being given in writing to the Insured, in which case the Company shall be liable to return a proportionate part of the premium for the unexpired term of the Policy from the date of such cancellation.

13. Due observance

Compliance, observance and fulfilment of the terms of this Policy by the Insured shall be a condition precedent to any liability attaching under this Policy.

14. Dispute Resolution

- a) For any disputes arising out of this Policy the insured shall endeavour to resolve the matter by negotiation with the Company.
- b) Any disputes or issues not resolved by negotiation 30 days after the dispute arising may be resolved through a sole mediator jointly appointed by the parties in writing.
- c) Disputes that remain unresolved 60 days after the dispute arose (unless the parties extend that period in writing) shall be resolved by a sole arbitrator appointed either by the parties in writing or, in the absence of an agreement on the choice of arbitrator, by the Chairperson of the Chartered Institute of Arbitrators (Kenya Branch) upon the request of any of the parties.

15. Jurisdiction Clause

The indemnity provided by this Policy shall apply only in respect of judgments which are in the first instance delivered by or obtained from a court of competent jurisdiction within the Republic of Kenya.

ELECTRONIC EQUIPMENT INSURANCE SCHEDULE

Agency Name _____ Account Number _____
Policy Number _____

Insured's Name: _____
Business/Trade/Occupation: _____
Postal Address: P.O. _____ Code _____ Town _____

Period of Insurance (a) From: _____ To: _____ (both dates inclusive)
And any subsequent period for which the Insured shall pay and the Company shall accept renewal premium.
Annual Premium: _____
First Premium: _____ Levy: KES _____ T/Levy KES _____ PCHF: KES _____
S/Duty: _____ Total Premium: KES _____
Renewal date : _____
Situation of Premises: _____
Territorial Limit: _____

SECTION 1 – MATERIAL DAMAGE

Description of equipment/systems				Sum insured KES	Replacement Value
Quantity	Code No	Type, manufacturer, serial No, etc	Year of Manufacture		
Equipme					
Excess-10% of each and every loss. Minimum KES. 10,000/-			Total Sum Insured		

SECTION 2 – EXTERNAL DATA MEDIA

Equipment Insured	Sum Insured
Data Media (type and quantity)	
Expenses for reconstruction and restoration of information	
Total Sum Insured	

Deductible (% of loss amount)	Minimum deductible

SECTION 3- INCREASED COST OF WORK (ICOW)

Equipment Insured	Limit of Indemnity		Sum Insured
Rental of substitute electronic data processing equipment	Per day	Per month	
Personnel expenses			
Expenses for transport of materials			
Total Sum Insured			

Indemnity period (months)	Time excess (days)

ELECTRONIC EQUIPMENT INSURANCE PROPOSAL FORM

This proposal shall be completed and signed by the proposer. All questions must be answered in full. Please use BLOCK letters or tick as appropriate.

Agency _____ **Account Number** _____

A. PARTICULARS OF PROPOSER

- 1. Name of Proposer: _____
- 2. Postal Address: P. O Box _____ Postal Code _____ Town _____
- 3. Telephone Number/s _____ Mobile No. _____
Fax Number _____ Email address _____
- 4. PIN Certificate Number (Please attach a copy) _____

B. PARTICULARS OF INSURANCE

- 1. Trade/ Business/Occupation: _____
 - 2. Location of equipment to be insured:
 - 3. Name of building: _____
 - 4. Location: Plot Number _____ Street/Road _____ Town _____
 - 6. Is there a risk of flooding or water damage? Yes/No
 - 7. If so, please specify _____
- Period of Insurance : From:To.....(both dates inclusive)

C. CONDITION OF THE EQUIPMENT

- 1. Is the equipment new? Yes/No _____
If not specify please specify the equipment that are second hand?
- 2. Was the equipment obtained ex works, that is, were all costs from the seller's premises borne by you? Yes/No _____
- 3. Is the Air Conditioner:
 - a) Pressurized?
 - b) Recommended by manufacturer of the equipment?
 - a) Not necessary

NOTE. The following type of equipments can be insured.

Computers and allied accessories, Auxiliary equipment like UPS, Voltage stabilizer, Medical, Biomedical, equipment e.g. Laboratory equipment, X-ray Machine, Ultrasound machines, MRI, CAT scan Machines, Audio/visual equipment, Electronic control panels, Telecommunication and navigational equipment, Electronic equipment for research and material testing and similar equipment.

D. MAINTENANCE

1. Is the equipment maintained in accordance with the manufacturer's instructions? Yes/ No

Please give details _____

2. Is there a valid Maintenance Contract in place? Yes/ No

If not, explain how the maintenance is carried out and by whom.?

E. QUALITY OF STAFF

1. Have all operators been trained to handle the equipment? Yes/ No

If not, what measures are being taken for reducing operational errors?

F. INSURANCE AND LOSS HISTORY

1. Are you now or have you been insured for this type of Insurance? Yes/No

If yes, give name of Insurer and Policy Number _____

2. Have you ever suffered a loss for insurance now proposed? Yes/No

If yes state; Date of Loss _____

Amount of Loss _____

3. What precautions have you taken to prevent a similar or any other loss occurring? _____

4. Has any Insurance Company ever;

a) Cancelled your Policy? _____ YES/NO

b) Declined to insure you? _____ YES/NO

c) Declined to renew your Policy? _____ YES/NO

d) Imposed any special terms? _____ YES/NO

e) Declined any claim? _____ YES/NO

If the answer to any of the above is 'YES', please give brief details.

Declaration

I / We hereby declare that the above answers are true to the best of my/our knowledge and belief and that I/We have not withheld any material information whatsoever regarding the proposal. I / We agree that this declaration and the answers given above shall be the basis of the contract between Me/Us and _____ Insurance Company Limited.

Name of Proposer _____ Signature _____

The liability of the Company does not attach until the proposal has been accepted and the premium paid.

CLAUSES

Automatic Additions and Deletions Clause

It is agreed and declared that additional equipment will automatically be held covered under this policy provided that as soon as practically possible, the Insured will declare in writing to the Company all details relating to such equipment and pay the appropriate additional premium . Deletions of equipment will be similarly effected from the date of disposal.

Warranty for Maintenance of Contract

It is agreed that subject to the terms contained in this policy, a maintenance contract has to be in force during the period of the policy.

Maintenance for the purpose of this policy shall mean:

- Safety checks
- Preventative maintenance
- Rectification of loss or damage or faults arising from normal operations by repair or replacing of modules , section assemblies and components.

The insurance cover does not cover costs incurred for such maintenance work.