



TOWER
Insurance

**Business
Protection**
Policy

Business Protection *Policy*

WELCOME!

You are important to Us and We welcome You as a valued client of TOWER Insurance. You have entrusted Us with the insurance of Your business. We value that trust.

WHAT IS THIS?

This is Your TOWER Insurance Business Protection Policy which consists of this wording, the proposal and declaration and the Certificate of Insurance issued on the basis of information which You have provided to Us.

PLEASE READ!

Please read this wording and the Certificate of Insurance. If there is an error of any sort, if Your needs are not met or if You are in doubt then please tell Us. We are happy to help at all times.

IMPORTANT!

It is important for You to know that at all times all Your statements to Us must be truthful and correct. All relevant information must be disclosed to Us. Otherwise We may not pay Your claims.

If any relevant circumstances change during the time We provide Your insurance then You must immediately tell Us.

Cover is only provided for the sections of this Policy You have selected. The extra cover provided under the Special Benefits and Optional Special Benefits for each section is also subject to the conditions, exclusions, obligations and limits of this Policy.

We will not be taken to have waived any of Our requirements unless We say so in writing.

SATISFACTION GUARANTEED

If within 30 days of the commencement of cover You are not completely happy with this Policy and You have not made a claim during this period We will refund Your paid premium in full and cancel Your Policy with effect from the commencement date.

DEFINITIONS

In this insurance some words have special meanings. This is what they mean:

- "You" or "Your" means the Insured name in the Certificate of Insurance.
- "We" or "Us" means Tower Insurance (PNG) Limited.
- "Excess" means the amount of any claim which You must bear.
- "Certificate of Insurance" means the Certificate of Insurance first issued to You or the current renewal certificate, whichever applies and any endorsement certificates that have been added during the period of insurance.
- "Replacement Value" means the costs actually incurred to rebuild or repair Your Business Assets to the same condition and extent as when new.
- "Indemnity Value" means the value of rebuilding, replacing or repairing Your Business Assets to a condition no better than new less an appropriate allowance for depreciation.
- "Business Income" means the money paid or payable to You for goods sold or services rendered in the course of Your business less the purchase cost of stock.
- "Situation" means the Situation shown in the Certificate of Insurance.
- "Business Assets" means Your Business Assets shown in the Certificate of Insurance.
- "Standard Business Income" means the Business Income that would have been achieved but for the loss or damage.

SECTION 1 – BUSINESS ASSETS

What Your Business Assets Are Covered For At The Situation (as selected)

A MULTI RISKS

Sudden and unforeseen accidental physical loss or damage to Your Business Assets unless the loss or damage is not covered under this insurance and except for the first K100 of each and every claim.

Or

B SPECIFIED RISKS

Sudden and unforeseen physical loss or damage to Your Business Assets arising from:

- Fire, lightning, explosion, thunderbolt;
- Water or oil discharged, overflowing or leaking from any water cooling or heating system installation;
- Impact by vehicles, animals not owned by or under Your control, aircraft or man made space devices, aerials, masts or satellite receiving dish;
- Storm, wind, rain, hail, flood.

Unless the loss or damage is not covered under this insurance.

What Special Benefits You Are Covered For

TEMPORARY REMOVAL

We will pay for loss or damage to Your Business Assets up to K5,000 when:

- Being carried in Your own or employee's motor vehicle;
- Temporarily situated in Your own or employee's house;
- Removed for cleaning, repair, renovation, display or promotional purposes temporarily situated at other premises or in transit within Papua New Guinea

BUSINESS ASSETS (Continued)

REMOVAL OF CONTENTS

We will pay up to K5,000 for costs of removal and temporary protection of the property insured following loss or damage to the building or contents.

ADDITIONS AND IMPROVEMENTS

We will automatically insure You for additions and improvements to Your building or plant. The maximum additional sum insured is K10,000 per period of insurance.

What Optional Special Benefits You Are Covered For (as selected)

FUSION

If You have selected this benefit We will pay up to the sum insured stated in the Certificate of Insurance for damage caused by electric current burning out electric motors (not exceeding 4hp) switchboards and permanent wiring, less K100 in respect of each claim.

DEMOLITION AND REMOVAL OF DEBRIS

If You have selected this benefit We will pay the costs to demolish and remove debris including contents up to the sum insured stated in the Certificate of Insurance following any loss or damage for which We have accepted a claim under this Policy.

ACCIDENTAL BREAKAGE OF GLASS

If You have selected this benefit We will pay the replacement value of internal and external fixed glass that may be accidentally broken, less K100 in respect of each claim. In addition, We will also pay up to K1,500 for emergency shuttering and repairs and K500 for signwriting.

EARTHQUAKE

If You have selected this benefit We will pay for physical loss or damage to Your Business Assets arising from earthquake, volcanic eruption, tsunami, geothermal or hydrothermal activity.

What Section 1 Does Not Cover You For

• EARTHQUAKE EXCESS

One percent (1.0%) of the sum insured at the Situation or K20,000, whichever is the less, in respect of any loss or damage arising from earthquake, volcanic eruption, tsunami, geothermal or hydrothermal activity.

BASIS OF SETTLEMENT OF CLAIMS

... If You have chosen Replacement Value on Your Building We will pay:

- the costs actually incurred to rebuild or repair Your building to the same condition and extent as when new. Building materials and construction methods commonly used at the time of rebuilding will be used;
- any additional amount, if Government or Local Body by-laws require changes to be made;
- architects', engineers, and surveyors' fees in respect of the rebuilding or repairs where authorised by Us.

... If You have chosen Replacement Value on Plant We will pay:

- the replacement or repair costs of plant under 5 years old other than motors;
- the Indemnity Value of Your other plant and motors.

... If You have chosen Indemnity Value We will pay:

- the costs actually incurred to rebuild or repair Your Business Assets to the same condition and extent as when new less an appropriate allowance for depreciation. In the case of buildings, building materials and construction methods commonly used at the time of rebuilding will be used;
- architects', engineers' and surveyors' fees in respect of the rebuilding or repairs where authorised by Us.

... We are not bound to:

- repair or reinstate Your Business Assets exactly to their previous condition. In all cases We have the option whether to make payment, rebuild, replace or repair Your Business Assets;
- pay You more than the Indemnity Value until the cost of replacement is actually incurred;
- pay for carpet, floor or window coverings not located in the room or rooms damaged.

... IN ALL CASES We will not pay more than the sums insured as stated in the Certificate of Insurance.

SECTION 2 – BUSINESS INCOME

If You have selected this Section We will provide cover to You for loss of Business Income resulting from loss or damage to Your Business Assets as covered and selected under Section 1.

What Special Benefits You are Covered For

LEASED OR RENTED ASSETS

We will pay Your loss of Business Income resulting from loss or damage to leased or rented assets used in Your business providing such loss or damage is covered and selected under Section 1.

ACCOUNTANTS FEES

We will pay up to K2,500 for Your accountant's fees for any claim preparation expenses.

ADDITIONAL COSTS

We will pay up to K2,500 for any additional increased cost of working or the rewriting of Your records.

PREVENTION OF ACCESS

We will pay Your loss of Business Income if Your customers are prevented or hindered from being at the Situation due to fire or flood.

SUPPLIERS' PREMISES

We will pay Your loss of Business Income resulting from loss or damage by fire or flood affecting suppliers' premises anywhere in Papua New Guinea.

PUBLIC UTILITIES

We will pay Your loss of Business Income resulting from interruption of or interference to Your business due to damage by fire at any electric power station or sub-station anywhere in Papua New Guinea or failure of waste disposal systems and underground services situated on or immediately adjacent to Your premises.

Basis of Settlement of Claims

We will pay in accordance with the following formula:

- $\frac{\text{Loss of Business Income}}{\text{Standard Business Income}} \times \text{Sum Insured}$

Limited to actual loss of Business Income, plus additional expenditure reasonably incurred to minimise the loss of Business Income, less savings in expenses paid out of Business Income

At the end of each four week period You must give Us details of Your Business Income and expenditure maintained for each of those weeks supported by an independent accountant. As long as We are satisfied We will make the claim payment relating to

SECTION 3 – MONEY

What You Are Covered For (as selected)

If You have selected this Section We will provide cover up to the sum insured stated in the Certificate of Insurance for loss or damage to Papua New Guinea cash, negotiable cheques, money orders, stamps, credit card invoices and other negotiable instruments:

- A. in transit to and from the Situation and in Your bank's night safe.
- B. during Your normal business hours at the Situation.
- C. contained in a securely locked safe at the Situation.
- D. in Your personal custody and at Your home until commencement of banking hours the next working day.

What Special Benefits You Are Covered For:

SAFES OR STRONGROOMS

We will pay up to K1,000 for loss or damage to Your safes or strongrooms caused by burglars.

What Section 3 Does Not Cover You For:

- loss due to shortages resulting from clerical or accounting errors in receiving or paying out;
- loss not discovered within three working days of the occurrence;
- loss or damage whilst in the care, custody and control of professional money carriers, professional carriers or common carriers.
- loss from an unattended vehicle;
- loss from a safe or strongroom opened by key or combination left at the Situation outside business hours;
- loss or damage occurring outside Papua New Guinea.

SECTION 4 – BURGLARY

What You are Covered For

If You have selected this Section We will provide cover up to the sum insured stated in the Certificate of Insurance for loss or damage to Your insured property arising from burglary following actual forcible entry to or exit from the Situation other than by employees.

What Special Benefits You are Covered For

LOCKS AND MASTER KEYS

We will pay up to K1,000 for the cost of changing existing locks and keys if the keys have been stolen or unlawfully duplicated.

What Section 4 Does Not Cover You For:

- cash, negotiable cheques, money orders, negotiable securities or stamps, documents, business books, plans or designs;
- loss or damage caused by Your family or other persons lawfully at the Situation;
- breakage of glass;
- loss or damage arising from the use of keys which have been stolen or unlawfully duplicated other than the cover provided in the Special Benefit.

SECTION 5 – BUSINESS ASSETS BREAKDOWN

If You have selected this Section We will at Our option either pay the Replacement Value or repair costs up to a total of K5,000 in any one period of insurance for plant damaged at the Situation as a result of machinery or electronic breakdown including the costs of insulating oil and refrigerant gas.

What Special Benefits You are Covered For

TEMPORARY REPLACEMENT

We will pay up to K500 for the hire of a temporary replacement motor or refrigerant compressor during the time taken to repair damage to any motor for which a claim is payable.

COMPUTER RECORDS

We will pay up to K2,000 for the reconstruction costs of computer records and programs.

What Optional Special Benefits You Are Covered For (as selected)

SPOILAGE OF STOCK

If You have selected this benefit We will pay up to K2,000 for the spoilage of Your stock resulting from loss or damage payable under this Section.

What Section 5 Does Not Cover You For

Loss or damage:

- to belts, ropes, wires, chains, tyres, dies, exchangeable tools, engraved cylinders, glass components, porcelain components, ceramics, refractories, felts, sieves, fabrics, jointings, packings and all operating media;
- insured under Section 1 Business Assets;
- recoverable under a maintenance contract or warranty;
- due to equipment testing or prior to successful commissioning.

Basis of Settlement of Claims

We will pay:

- at Our option either the Replacement Value or repair costs of electronic equipment under three years old and all other plant under five years old;
- the Indemnity Value on all other plant and electronic equipment.

SECTION 6 – BUSINESS LIABILITY

If You have selected this Section We will provide cover for Your legal liability as a result of loss or damage to property including bodily injury, death or illness arising from accidents in connection with Your business occurring during the period of insurance anywhere in Papua New Guinea. In addition We will pay all costs incurred by You with Our consent in defending claims including any costs and expenses awarded against You.

What Special Benefits You Are Covered For

We will pay:

- Your legal liability following accidents arising during overseas visits on business by You or Your employees for You.

BUSINESS LIABILITY (Continued)

- Your legal liability following accidents arising from social or recreational activities organised by You;
- Your legal liability up to K10,000 arising from wrongful arrest, imprisonment, detention or prosecution due to suspicion of theft, burglary or false pretences, occurring during the period of insurance.

What Optional Special Benefits You Are Covered For (as selected)

BAILEE LIABILITY

If You have selected this benefit We will provide cover for Your legal liability as bailee for goods in Your physical and legal control.

What Section 6 Does Not Cover You For

Your legal liability arising from loss or damage to property belonging to You or any employee or member of Your family or under Your or their care or control, except legal liability for loss or damage caused by or resulting from fire, explosion, water or impact to the premises occupied but not owned by You, or the contents of such premises.

Nor if the accident arises out of:

- the ownership possession or use of any motor vehicle, watercraft, aircraft, aerial device, railway locomotive or rolling stock;
- any error or omission in advice remedial or other treatment given, administered or prepared;
- bodily injury, death or illness to You, Your employees or members of Your family;
- bodily injury, death or illness to any person resulting from acquired immune deficiency syndrome, asbestosis or any related diseases;
- loss or damage to Your products due to the products' own defect or deficiency.

Nor claims for:

- any refund or payment received or cost of recall, repair or alteration of any product;
- any liability as a bailee except where You have chosen the Bailee Liability Optional Special Benefit;
- fines, punitive, exemplary or liquidated damages;
- wrongful arrest, imprisonment, detention or prosecution of any employee or member of Your family;
- liability assumed by You.

IN NO CASE will We provide cover for more than K1,000,000 Papua New Guinea currency any one event. However for claims arising out of products K1,000,000 any one policy period.

WHAT YOUR BUSINESS IS NOT COVERED FOR

The Excess

Or loss of damage caused by:

- wear, tear, scratching or denting;
- mildew, rot, corrosion, rust, gradual deterioration, insects, vermin;
- storm, rain, hail, flood, to stock or plant in the open or not in fully enclosed buildings;
- electric current other than the Optional Fusion Special Benefit under Section 1, if selected. Loss or damage from resultant fire is covered;
- mechanical, electrical or electronic breakdown other than provided under Section 5, if selected;
- burglary, theft or attempted theft other than provided under Sections 3 or 4, if selected;
- explosion, collapse, bursting, cracking, bulging, rupture or leakage of steam pressure vessels and pipes but resultant damage to Your other property is covered.

Any loss or damage to:

- property undergoing manufacture, repair, erection or any production process or cleaning process;
- railway locomotives or rolling stock, motor vehicles, motor cycles, aerial devices, watercraft and accessories unless stock of Your business. However We will not pay if such stock is being driven, towed, sailed or flown;
- livestock, trees, growing crops, retaining walls, land, drainage systems, dams, reservoirs, canals, culverts, aqueducts, tunnels, bridges, docks, piers, wharves, breakwaters or mining property;
- fences, gates or awnings due to storm, cyclone, rain or flood;
- jewellery, precious stones, works of art, furs, precious metals or bullion other than stock or plant of Your business;
- steam pressure vessels and pipes caused by explosion, collapse, bursting, cracking, bulging, rupture or leakage but resultant damage to Your other property is covered;
- cash, negotiable cheques, money orders, stamps, credit cards invoices and other negotiable instruments other than provided under Section 3, if selected;
- window glass, plate glass and glass forming part of internal fittings and showcases other than cover provided under the Optional Glass Special Benefit under Section 1, if selected;
- property in transit other than provided under Section 1 Temporary Removal and Section 3 Money, if selected.

Any loss, damage or liability caused by or arising from:

- property undergoing manufacture, repair, erection or any production process or cleaning process;
- defect, error or omission in design, plan, specification or formula;
- change in flavour, colour, texture or finish;
- shrinkage, evaporation, loss of weight, contamination, action of light or change in temperature;
- inventory, clerical or accountancy shortage;
- total or partial stoppage of work;
- interruption of the supply to the Situation of water, gas, electricity or any fuel or failure of waste disposal systems and underground services other than the cover provided by the Special Benefit under Section 2;
- claims which are recoverable under the Workers Compensation Act or the Motor Vehicles Insurance Trust Act, or any substitute;
- fraudulent acts, embezzlement or misappropriation by You or Your employees.

What General Exclusions Apply To This Policy

We will not cover loss, damage or liability caused by or arising from:

- 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, rebellion, revolution, insurrection, military or usurped power;
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of

WHAT YOUR BUSINESS IS NOT COVERED FOR (Continued)

- vibration, removal or weakening of support;
- confiscation, nationalisation or requisition by the order of Government or Local Authority but We will pay for damage as a result of such an order if such damage is to prevent fire or other damage covered by this Policy;
- earthquake, volcanic eruption, tsunami, geothermal or hydrothermal activity but this exclusion does not apply if You have selected the Optional Earthquake Extension under Section 1;
- riot, civil commotion, civil disturbance, any political motivated or inspired unlawful activity, sabotage, subversion, vandalism, malicious acts, terrorism, looting, strikes or lockouts, persons taking part in labour disturbances or any associated activities, or any action of the military, police, security or other authorities or instrumentalities whether government or private, directed at the prevention suppression or control thereof;
- settling or cracking of land resulting from earth movements or underground water pressure;
- the discharge, dispersal, release or escape of smoke, vapour, soot, fumes, alkalis, acids, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any body of water, but this exclusion does not apply if such discharge, release or escape is sudden and unforeseen.

RIOT AND CIVIL COMMOTION

If You have this benefit We will extend this Policy to cover sudden and unforeseen physical loss or damage under Sections 1 to 5 of this Policy (as selected) directly caused by persons taking part in riots or civil commotion or strikes or locked out workers or persons taking part in labour disturbances or malicious persons not being tenants and not being malicious persons acting on behalf of or in connection with any political organisation. We will not pay for loss, destruction or damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption of any process or operation.

EXCESS

Ten percent (10%) of the final adjusted loss at the Situation, subject to a minimum of K10,000 and a maximum of K100,000.

BURDEN OF PROOF

In any action, suit or other proceeding where We decline Your claim under this extension the burden of proving that loss or damage is covered shall be borne by You.

YOU HAVE SOME GENERAL OBLIGATIONS

YOU MUST:

- take reasonable care not to cause a loss or incur liability;
- not cause or facilitate loss or incur liability by any reckless or wilful act;
- tell Us and have Our prior written confirmation if Your business Situation will be unoccupied for more than 30 consecutive days;
- comply with all statutory obligations by-laws and regulations imposed by any public authority;
- maintain in good working order all fire, burglary and other protection systems and appliances;
- advise Us if there is any alteration in the risk.

IF YOU WISH TO CLAIM

YOU MUST:

- inform the Police if it appears that there has been arson, theft, burglary or malicious damage;
- tell Us immediately and return Our claim form properly completed to Us within 30 days of the loss;
- promptly give Us whatever information We may from time to time reasonably require to properly consider Your claim;
- provide Us immediately with full particulars of any claim made against You by another person, all legal documents served on You and allow Us the sole option to negotiate settlement of or defend the claim in Your name;
- allow Us to take over for Our own benefit any legal right of recovery You may have;
- take all reasonable steps to prevent further loss or damage and see that repairs are carried out promptly when Your claim has been approved.

YOU MUST NOT:

- start rebuilding or repairs without Our prior approval except to reduce further damage or safeguard the property;
- discuss a claim made on You by another person with them. Instead, refer them to Us;
- make Your claim knowing that it is false or fraudulent in any way. If You do, the Policy will be cancelled automatically and We will not pay Your claim.

You cannot pursue Your claim if You do not do what We require.

AUTOMATIC REINSTATEMENT

In the case of a partial loss to Your Business Assets We will pay Your premium to reinstate Your insurance under Sections 1 to 5 after We meet any claim.

LIQUIDATION OR RECEIVERSHIP

This insurance will be automatically cancelled if Your business is wound up or carried on by a liquidator or receiver or You cease trading.

AVERAGE

If at the time of any claim it is found that You have understated the value of Your Business Assets by more than 15% (fifteen percent) then You will be considered to be Your own insurer for the difference and We shall only pay our rateable proportion of the

OTHER INSURANCE

We will only pay over and above the cover provided by any other existing Policy.

OTHER INTERESTED PARTY

Where any property is subject to a lien by lease agreement, mortgage or similar contract and such interests are noted in the Certificate of Insurance payment in respect of any loss will be made to such Interested Party whose receipt will discharge Us completely.

CANCELLATION

You may cancel this insurance at any time by writing to Us. We will refund 80% of Your unused premium.

We may cancel this insurance at any time by giving You 14 days notice in writing to Your last known postal address. We will refund Your unused premium.

CHANGES

You may have this Policy altered with the alteration being effective from the date of mutual agreement.

Should We wish to change the terms of this Insurance, We will write to You at Your last known postal address and the change will take effect 14 days after the date of advice from Us.

JURISDICTION

The laws of Papua New Guinea apply to this policy. The Papua New Guinea Courts have exclusive jurisdiction in relation to legal proceedings about this policy.

Any judgement for costs or damages awarded by any Court outside Papua New Guinea or any judgement or order obtained in Papua New Guinea for the enforcement of a judgement obtained outside Papua New Guinea are not covered.

COMPLAINTS PROCEDURE

IF YOU HAVE A PROBLEM

While we make every effort to make things right, problems may sometimes occur. We have in place a complaints procedure that is intended to resolve any problem quickly and fairly. In order to avoid delay in solving a problem to your satisfaction, please follow the steps listed below:

1. In the first instance contact the Branch Manager of your TOWER Insurance Branch.
The contact details are shown at the top of the Certificate of Insurance.
2. If the Branch Manager is unable to resolve the problem you may make a formal complaint to:

**The General Manager
TOWER Insurance
PO Box 136, Port Moresby
Telephone: 321 1388 · Fax: 321 1881**

Your problem will be reviewed and we will make a formal response within a maximum period of 30 days.

We are a licensed Insurance Company under the Papua New Guinea Insurance Act 1995. Under that Act we have some obligations to you. We are required to:

- provide you with a Policy within 30 days setting out your and our rights and obligations;
- advise you of our complaints procedure;
- be financially sound as prescribed by the Act, which means we have reserves equal to at least 10% of our net premium income.

There is an Insurance Commissioners office which is responsible for the administration of the Act. Their address is:

**Insurance Commissioners Office
PO Box 122
Port Moresby
Telephone: 321 7966 · Fax: 321 7810**