This is a sample Policy document that provides full wording for all the covers we offer.

Once you have bought your Policy you will be provided with the documentation specific to what you have requested.
Welcome to Sun General Insurance Inc.

We are delighted You have chosen Us for Your insurance needs and are confident that You will be satisfied with the level of service and insurance protection You receive.

In the following pages and the attached Schedule, You will learn everything You need to know about Your insurance Policy and how to contact Us in case You have a claim. Please make sure to keep this Policy in a safe place. If there is anything incorrect, please return it to Our offices immediately.

If during the course of the insurance Your circumstances change, You must notify Us immediately so that We can ensure that the cover We are providing is adequate.

Remember to ask Us or Your representative about the other services We offer including:
• Vehicle Insurance
• Home Insurance
• Travel Insurance

Having multiple policies with Us will save You money!

We hope You will be Our customer for many years to come.

Davis Browne
President

Your Policy

Your Policy, Schedule and any Endorsements, are proof of a contract between You and Us. This contract is based on the information given by or for You when You applied for this insurance by a proposal and declaration which forms part of this contract. You promise that the information You have given Us is true as far as You know.

In return for You paying and Our accepting Your premium, We will provide insurance cover under the Terms of this Policy during the Period of Insurance as shown on the Schedule. Please read Your Schedule and any Endorsements to check which sections of this Policy apply.

On behalf of Sun General Insurance Inc.

Authorized Representative

Questions?

Please call: 434-8480

Sun General Insurance
Bernmar Corporation, Sunset Crest,
St. James, Barbados

Sun General Insurance
Carlisle House, Bridgetown
St. Micheal, Barbados

Head Office: Sun General Insurance
CWTS Complex, Lower Estate
St. George, Barbados

Policy Version: 1.0
Last revised August 2013
**SECTION 1: DEFINITIONS**

**Data**
Representations of information or concepts in any form.

**Deductible/Excess**
The amount that **You** must pay toward a claim.

**Endorsement**
Any written amendment to **Your Policy** which **We** have made either by way of **Your** request or by a change in **Your** circumstances.

**Period of Insurance**
The period for which **You** are covered under this **Policy** as stated under **Period of Insurance** on **Your Schedule**.

**Policy**
This document, **Schedule**, Proposal Form and Declaration and any applicable Endorsements.

**Premises**
The buildings at the address(es) shown in the **Schedule** under Risk Description.

**SECTION 2 – INSURANCE COVERAGE**

**Schedule**
The document attached to this **Policy** booklet which identifies **You** and sets out details of the cover **Your Policy** provides.

**Sum Insured / Limit(s) of Liability**
The amount shown on **Your Schedule** as the most **We** will pay for claims resulting from one incident unless otherwise changed by way of **Endorsement**.

**Terms**
All exclusions, conditions and provisions which apply to **Your Policy**.

**Geographical Area**
The country as listed on **Your Schedule**.

**You, Your, Insured**
Each and every person named under **Insured** in the **Schedule**.

**We, Us, Our, Company, Insurer**
Sun General Insurance Inc.

The **Insured** having applied to the **Company** for this insurance by Proposal and Declaration which shall be the basis of this contract and is deemed to be incorporated herein and having paid or agreed to pay the Premium.

The **Company** will subject to the **Terms** contained herein or endorsed hereon indemnify or pay compensation to the **Insured** as hereinafter stated.

**SECTION 2 – INSURANCE COVERAGE**

The **Insurer** hereby agrees with the **Insured** that if at any time during the **Period of Insurance** stated in the **Schedule** or during any subsequent period for which the **Insured** pays and the **Insurer** may accept the premium for the renewal of this **Policy**, the items (or any part thereof) entered in the **Schedule**, whilst on the **Premises** mentioned therein, suffer any unforeseen and sudden physical loss or damage from causes such as defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing part on account of centrifugal force, short-circuit, storm, or from any other cause not specifically excluded hereinafter, in a manner necessitating repair or replacement.

The **Insurer** will indemnify the **Insured** in respect of such loss or damage, as hereinafter provided, by payment in cash, replacement or repair (at the **Insurer’s** option) up to an amount not exceeding in any one (1) year of insurance in respect of each or the items specified in the **Schedule** the sum set opposite thereto and not exceeding in all the total sum expressed in the **Schedule** as insured hereby.

This **Policy** shall apply to the insured items after successful completion of their performance acceptance tests whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the **Premises**, or during subsequent re-erection.

**Exclusions for Section 2 - What is not Covered**

The **Insurer** shall not be liable for:

1. the deductible stated in the **Schedule** to be borne by the **Insured** in any one occurrence; if more than one item is lost or damaged in one occurrence, the **Insured** shall not, however, be called upon to bear more than the highest single deductible applicable to such items;

2. loss of or damage to exchangeable tools, e.g. dies, moulds, engraved cylinders, parts which by their use and/or nature suffer a high rate of wear or depreciation, e.g. refractory linings; crushing hammers, objects made of glass, belts, ropes, wires, rubber tires, operating media, e.g. lubricants, fuels, catalysts;

3. loss or damage due to fire, direct lightning, chemical explosion (except flue...
gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft, burglary or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes;

4. loss or damage for which supplier, contractor or repairer is responsible either by law or under contract;

5. loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurer or not;

6. loss or damage arising out of the wild act or gross negligence of the Insured or his representatives;

7. any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, acts of a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any government de jure or de facto or by any public authority;

8. any consequence of nuclear reaction, nuclear radiation or radioactive contamination;

9. loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, rust, boiler scale);

10. consequential loss or liability of any kind or description, any payments over and above the indemnity for material damage as provided herein; in any action, suit or other proceeding where the Insurer alleges that, by reason of the provision of Exclusion 7. above, any loss or damage is not covered by this Policy, the burden of proving that such loss or damage is covered shall be upon the Insured.

SECTION 3 – PROVISIONS

1. Sum Insured
   It shall be a requirement of this Policy that the Sum Insured is equal to the cost of replacement of the insured machinery by new machinery of the same kind and capacity, which means its cost of replacement including, e.g., freight, dues and custom duties, if any, and cost of erection. If the Sum Insured is less than the amount required to be insured, the Insurer shall pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subjected to this condition separately.

2. Basis of Indemnity
   a. In cases where damage to an insured item cannot be repaired – the Insurer shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Insurer should pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the cost of repairs as detailed herein above equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage, the item shall be regarded as destroyed and settlement shall be made on the basis provided for in b. below.
   b. In cases where an Insured item is destroyed – the Insurer shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The insurer shall pay any normal charges for the dismounting of the machinery destroyed, but the salvage shall be taken account.

Any extra charges incurred for overtime, night work, work on public holidays, and express freight shall be covered by this Policy only if especially agreed in writing. The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy. The cost of any provisional repairs shall be borne by the Insurer if such repairs constitute part of the final repairs and do not increase the total cost of repair. The Insurer shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

SECTION 4 – GENERAL CONDITIONS

4.1 Arbitration
   If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single Arbitrator, to the decision of two Arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before the latter enter upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurer.

4.2 Cancellation
   a. CANCELLATION BY YOU
      You have the right to cancel this Policy by giving seven (7) days notice in writing to any of Our offices within the Geographical Area. If no claim has been made, or no incident that may give rise to a claim has been reported, We will calculate the number of days Your Policy has been in force and provide You with a refund, if applicable, as per the cancellation table below:

<table>
<thead>
<tr>
<th>Time Policy in Force</th>
<th>Amount of Premium refunded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 30 days</td>
<td>80% of the Premium</td>
</tr>
<tr>
<td>31 - 60 days</td>
<td>70% of the Premium</td>
</tr>
<tr>
<td>61 - 90 days</td>
<td>60% of the Premium</td>
</tr>
<tr>
<td>91 - 120 days</td>
<td>50% of the Premium</td>
</tr>
<tr>
<td>121 - 150 days</td>
<td>40% of the Premium</td>
</tr>
<tr>
<td>151 - 180 days</td>
<td>30% of the Premium</td>
</tr>
<tr>
<td>181 - 240 days</td>
<td>20% of the Premium</td>
</tr>
<tr>
<td>241 days or more</td>
<td>No refund given</td>
</tr>
</tbody>
</table>

   b. CANCELLATION BY US
      We have the right to cancel this Policy by giving You seven (7) seven days notice by registered mail in writing to Your last known address.

      If a claim has been made, or an incident that may give rise to a claim has been reported, then no refund of premium will be due.

      If no claim has been made then We will refund You a pro rata premium in proportion to the amount of time that Your Policy has been in force.

4.3 Fraudulent Claims
   a. If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurer shall not be liable to make any payment hereunder.
b. In the event of the Insurer disclaiming liability in respect of any claim and if an action or suit is not commenced within three (3) months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three (3) months after the arbitrators or Umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.

4.4 Insured’s Duty
The due observance and fulfilment of the Terms of this Policy, in so far as they relate to anything to be done or completed by the Insured, and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurer.

4.5 Insurer’s Rights
The Insurer shall be entitled to with-hold indemnification:

a. if there are doubts regarding the Insured’s right to receive the indemnity, pending receipt by the Insurers of the necessary proof;

b. if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Insured, pending completion of such examination or inquiry.

4.6 Interpretation
The Schedule shall be deemed to be incorporated in and form part of this Policy and the expression Policy, wherever used in this contract, shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy shall be so construed.

4.7 Interest
The Insurer shall not be liable to pay interest other than interest for default.

4.8 Notice to the Insured
a. Representatives of the Insurer shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurer with all details and information necessary for the assessment of the risk.

b. The Insured shall immediately notify the Insurer by telephone and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure a safe operation of the insured items, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the Insurer confirms the continuance of the insurance.

4.9 Notification of Accident or Event
In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:

a. immediately notify the Insurer by telephone as well as in writing, giving an indication as to the nature and extent of the loss or damage;

b. take all reasonable steps within his power to minimize the extent of loss or damage;

c. preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurer;

d. furnish all such information and documentary evidence as the Insurer may require;

The Insurer shall on no account be liable for loss or damage of which the Insurer has received no notice within fourteen (14) days of its occurrence. Upon notification being given to the Insurer under this condition, the Insured may carry out repairs of any minor damage or replace items which have sustained any minor damage; in all other cases a representative of the Insurer shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the Insurer does not carry out the inspection within a period of time, which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement. The liability of the Insurer under this Policy in respect of any Insured item shall cease if the said item is kept in operation after a claim without being prepared to the satisfaction of the Insurer, or if temporary repairs are carried out without the Insurer’s consent.

4.10 Other Insurance
If at the time any claim arises under this Policy there is any other insurance covering the same loss or damage, the Insurer shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss or damage.

4.11 Subrogation
The Insurer shall at the expense of the Insured do and concur in doing and permit to be done all acts and things as may be necessary or required by the Insurer in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurer is or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are to become necessary or required before or after the Insured’s indemnification by the Insurer.

4.12 Reasonable Precautions
The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurer to prevent loss or damage and comply with statutory requirements and manufacturers’ recommendations.

SECTION 5 - GENERAL EXCLUSIONS

5.1 Acquired Immune Deficiency Syndrome
This Policy does not cover injury or sickness of an insured person arising wholly or in part directly or indirectly from Human Immunodeficiency Virus (HIV) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and from mutant derivative or variations thereof however caused.

5.2 Asbestos
This Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses, damage, cost or expense directly or indirectly caused by, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.

5.3 Data Exclusion Clause
This Policy does not cover any liability, loss, damage cost or expense caused by, arising out of or related in any way, directly or indirectly to:

1. a. erasure, destruction, corruption, misappropriation of Data, b. erroneously creating, amending, entering, deleting or using Data including any loss of use arising therefrom.

2. the distribution or display of Data by means of an Internet Website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of Data.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.

5.4 Electronic Date Recognition
This Policy does not cover any loss, damage, cost, claim, legal liability or expense of whatever nature whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

1. the calculation comparison, differentiation, sequencing or processing of Data involving date changes to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, and whether occurring before, during or after the year 2000.
2. any change, alteration or modification involving the date change to the year 2000 or any other date change, including leap year calculations, to any such computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, and whether occurring before, during or after the year 2000.

The indemnity provided shall also not apply under any circumstances whatsoever to any legal liability of whatever nature arising out of the failure of any computer or other equipment or system for processing, storing or retrieving Data, whether the property of the Insured or not to:

a. correctly recognize any date as its true calendar date
b. capture, save or retain, and/or correctly to manipulate interpret or process any Data or information or command or instruction as a result of treating any date otherwise than as its true calendar date.
c. capture, save, retain or correctly process any Data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of Data or the inability to capture, save, retain or correctly process such Data on or after any date.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, injury, cost, claim, liability or expense.

5.5 Electromagnetic Fields

This Policy does not cover:

Any liability, loss, cost or expense directly or indirectly arising out of, resulting from, caused or contributed to by exposure to magnetic electric or electromagnetic fields or radiation however caused or generated.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, injury, cost, claim, liability or expense.

5.6 Genetically Modified Organisms

This Policy does not cover:

Any liability, loss, cost or expense directly or indirectly arising out of, resulting from, caused or contributed to by Genetically Modified Organisms.

For the purposes of this exclusion the term Genetically Modified Organisms (GMO’s) shall mean and include:

- Organisms or micro-organisms or cells, or the organisms or micro-organisms, cells or cell organelles, from which they have been derived, which have been subject to a genetic engineering process which resulted in their genetic change.

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

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

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.

5.7 Information Technology Hazards Clarification

Losses arising, directly or indirectly, out of:

1. Loss of, alteration of, or damage to

   or

2. a reduction in the functionality, availability or operation of a computer system, hardware, programme, software, Data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, do not in and of themselves constitute an event unless arising out of one or more of the following perils:

   a. fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

5.8 Terrorism

It is hereby declared and agreed that any acts of terrorism which means the use or threatened use of any violence or force (including acts of sabotage, or the manufacture or other creation, direct or indirect release, of germs, disease or other contagious or contaminant(s) by any person or persons for any reason whatsoever, whether or not such person or person are acting in concert with or on behalf of any organization or government are excluded under the within written Policy.

Terrorism includes but is not limited to, any use or threatened use of violence, force or physical harm by any means that frightens, intimidates or instills fear in the public at large or any members of the public.

This clause applies regardless of any other clause or event that contributes concurrently or in any sequence to the loss, damage, injury, cost, claim, liability or expense.

5.9 Transmissible Spongiform Encephalopathies

This Policy does not cover:

1. Any liability, loss, cost or expense arising out of, resulting from, caused or contributed to by:

   a. Transmissible Spongiform Encephalopathies (hereafter referred to as TSE)

   b. Exposure to TSE or:

   c. Exposure to any item that is known or suspected to cause, contribute to or enable TSE;

2. The cost of abatement, mitigation, removal or disposal of feed, feed additives or animals, or of any premises or equipment handling such items, as a result of any known or suspected connection between such items and TSE;

3. Any costs related to a person’s abatement, mitigation or removal of, or testing, medical monitoring, medical costs or cure for TSE. This exclusion also includes:

   a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and

   b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.