

HSBC Insurance

HSBC Insurance Brokers Limited
Bishops Court, 27-33 Artillery Lane, London E1 7LP.

Art, Antique Dealers' & Gallery Policy

In return for the payment of the premium shown in the schedule, Underwriters are insuring you, the Insured, against **all risks of physical loss, damage** or expense sustained during the period of insurance shown in the schedule or legal liability incurred for events happening during the period of insurance shown in the schedule excess of the applicable deductible stated in the schedule.

This policy only covers those sections specifically stated in the schedule.

This document, the schedule and any endorsements constitute your contract of insurance with Underwriters. It should be kept in a safe and secure place (particularly as it refers to values).

In accepting this policy and preparing the schedule, Underwriters have relied on the information and statements provided to them by you and your insurance broker in correspondence, proposal forms and other communications. If this is not accurate (or circumstances change in such a way as to affect this insurance i.e. anything that changes the risk), you must inform Underwriters immediately as not doing so may void the policy or result in a claim under the policy not being recoverable.

Please read the documents carefully so that you understand the extent of the policy cover, your obligations under it and to ensure that it meets your needs.

Any enquiry or complaint that you have should be addressed initially to your insurance broker. If you are not satisfied with the outcome, please follow the Disputes and Complaints Procedure attached.

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Wherever the phrase “**the Underwriters**” or “**Underwriters**” appears this shall mean

Sections 1 to 8:- Certain Underwriters at Lloyd’s (Cover 119 HU07AB45)

COMPLAINTS:

We are dedicated to providing you with a service of the highest quality and wish to ensure that we maintain this at all times. If you feel that you have not been offered a service commensurate with our intentions then please follow the procedures laid out below.

If you should have any questions or concerns about your policy or the handling of any claim you should, in the first instance, contact your Insurance Broker.

If you feel that this action has not satisfactorily resolved the problem then please write to :

The Managing Director,
Specie Division
HSBC Insurance Brokers Limited
Bishops Court, 27-33 Artillery Lane,
London E1 7LP.

If you are not satisfied with the way your complaint has been dealt with it may be possible, in certain circumstances, for you to refer the matter to :

The Complaints Department at Lloyd’s
Lloyd’s
1 Lime Street
London EC3M 7HA
Tel No: 020 7327 5693
Fax No: 020 7327 5225
E-mail: complaints@Lloyds.com

In the event that these are unable to resolve your complaint it may be possible for you to refer your complaint to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints procedure.

DEFINITIONS.

Act(s) of Terrorism

Act(s) including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Agreed Value

The value agreed by **the Insured** and **Underwriters** for the purpose of this policy only. No representation is made by **Underwriters** that those values represent the **market value** of any other basis of value.

Agreed Value Schedule

A Schedule containing items where the **Insured** has agreed that values with **Underwriters**.

Business

The **business** described by **the Insured** in the proposal form or other information given to **Underwriters**.

Cost Price

The amount that **The Insured** paid to acquire an items, including any buyers' premium, costs associated with transporting the item to the **Insured's** premises from the place of purchase and costs **The Insured** has incurred in restoring or framing the item so as to bring it to a saleable condition.

Damage

Physical loss or damage which is sudden and unforeseen by **The Insured**.

Deductible

An amount, as specified in the **Schedule** that **Underwriters** will deduct from each claim.

Depreciation

The reduction in value of an item caused directly by **damage** to the item and arrived at with reference to the full insured value of the item as per the basis of settlement in Section One and its condition prior to the **damage**.

Economic Repair

Any repair that costs up to the value specified in the **Schedule** or up to the **Market Value** whichever if the lesser.

Employee(s)

1. Any person under a contract of service or apprenticeship with **The Insured**.
2. Any labour master or person supplied by him or any person supplied by a labour only sub-contractor.
3. Any self employed person.
4. Any person hired to or borrowed by **The Insured**.
5. Any person under a work experience scheme working for **The Insured** in connection with the **Business**.

Event

Any or all **occurrences** of a series arising out of one original cause.

Insured Person

Any director, principal, partner or **employee** of the **Insured's business**.

Insured Property

All **Buildings** and other items insured under this policy.

Market Value

The price a willing buyer would be pay to a willing seller with good title at the place the items were located immediately prior to the loss after a reasonable period for marketing the **Stock**, taking into account the state of the market for items of that type, the size, condition and provenance and, if a work of art, its position within the artist's body of work.

Money

Coin, bank and currency Notes, uncrossed bankers' drafts, uncrossed cheques, uncrossed postal and money orders, travellers cheques, securities for money, unused current postage stamps, business travel tickets, franking machine unexpired units, holiday with pay stamps, gift tokens or vouchers which are either **The Insured's** property of for which **The Insured** is responsible and are held for **business** purposes.

Named Locations

Locations specified in the **Schedule**.

Non Negotiable Instruments

Crossed bankers' drafts, crossed cheques, revenue stamps, embossed stamps, national savings stamps and certificates, premium bonds, credit and debit card sales vouchers, VAT Purchase Invoices and National Insurance Cards which are either **The Insured's** property of for which **The Insured** is responsible and are held for **business** purposes.

Period of Insurance

The time for which this policy is in force as shown in the **Schedule**.

Personal Possessions

Items customarily carried on or about the person.

Precious Materials

Gemstones, pearls or items of gold or silver or other precious or semi-precious metal and/or articles comprising them.

Premises

The permanent **business** address(es) specified in the **Schedule**, but not any outdoor part, outbuildings or the common parts of any leased or rented premises, unless cover on these is agreed by **underwriters**.

Schedule

A schedule containing a limits of indemnity and deductibles.

Selling Price

The price at which **the Insured** offers an items for sale or, for sold items, the amount entered on the sales invoice. Where used in the basis of valuation, **selling prices**, must be detailed in the **stock** records.

Stock

A physical item of art or antiques of the type described as being traded by The Insured in the proposal form or other information provided by The Insured to Underwriters.

The Insured

The named insured(s) in the **Schedule**.

Unattended Vehicle

Any road vehicle which does not have an adult actually inside it or upon it, whose responsibility is to protect the insured contents.

Underwriter(s)

The Insurer specified in the **Schedule**.

War

Invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

Warranty

A condition of the Policy which demands strict compliance by the Insured, failing which the underwriter is discharged from liability under the policy from the moment of breach. There need be no connection between the breach and any loss that brings the breach to light.

HSBC Insurance

Art, Antique Dealers' & Gallery Wording

SECTION 1 : STOCK, GOODS IN TRUST AND MONEY

1. The Property Insured:

STOCK AND GOODS IN TRUST

shall mean a physical item of art or antiques of the type described as being traded by The Insured in the proposal form or other information provided by the Insured to Underwriters, the property of the Insured's business, the property of the Insured and/or in trust and/or on commission and/or owned in conjunction with others and/or for which the Insured has assumed responsibility

2. The Cover:

STOCK and GOODS IN TRUST are covered against **ALL RISKS OF PHYSICAL LOSS OR DAMAGE** arising from any cause whatsoever (except as specifically excluded below).

3. The Territorial Limits:

Whilst :-

- (a) at the Insured's premises as stated in the Schedule, or
- (b) anywhere else in Australia but not exceeding the Limits stated in the Schedule.

4. The Outside Limit :

As stated in the Schedule in respect of any one loss elsewhere than at the Insured's premises specified in the Schedule or within any Bank or Safe Deposit Vault.

5. Working Upon :

This Extension covers damage to property sustained whilst the same is being actually worked upon and/or resulting directly therefrom. In the event of any such damage occurring Underwriters' liability shall be limited to 90% of such damage, the remaining 10% being at the Insured's risk and uninsured, each and every claim and Underwriters' liability shall be limited to 90% of Aus\$10,000 in the aggregate in any one period of insurance, the remaining 10% being at the Insured's risk and uninsured.

SPECIFIC CONDITIONS APPLICABLE TO SECTION 1:

1. Basis of Settlement :

In the event of loss the Property Insured to be valued as follows for the purpose of loss adjustment:-

- (a) Insured's own stock, at Cost Price, unless otherwise stated in the Schedule
- (b) property sold but not delivered to the purchasers, at Selling Price
- (c) property owned by third parties, entrusted to the Insured on sale or return, on the basis of prices on the Approbation Note.
- (d) property purchased on behalf of the Insured's client at purchase price of said property plus any fee or commission pre-agreed in writing.
- (e) property in custody of the Insured (other than in (b), (c) & (d) above) but held for repair, framing, valuations or any other purpose, on the basis of the Insured's liability to owners thereof.

Where the property lost and/or damaged is jointly owned with others, Underwriters' liability shall be limited to the proportionate interest of the Insured in the property.

In the event of partial loss or damage of the Property Insured, the amount payable shall be the cost and expense of restoration plus any resultant depreciation in value but not exceeding the full value of that item.

2. Claims Deductible :

Other than where a specific co-insurance applies to loss and/or damage under this Section, a Deductible as stated in the Schedule shall be applied to each and every loss.

3. Sendings/Shipments/Airfreight:

Notwithstanding anything contained herein to the contrary, it is agreed that this Insurance is extended to cover sendings of Stock and/or Goods in Trust by the following methods to any one addressee, any one day. Underwriters maximum liability shall be the lower of the limits of liability stated below and that under the Outside Limit in the Schedule.

Method of Sending	Limit of Liability
1 Recorded Delivery	Aus\$ 500.00
2 Special Delivery / Next Day Service	Aus\$ 5,000.00
3 International Signed For	Aus\$10,000.00
4 Federal Express, UPS or other approved courier service	Aus\$ 2,500.00
5 Approved armoured car service	Outside Limit in the Schedule

Coverage under this extension specifically excludes:

1. Claims for any shortage in goods claimed to have been forwarded in a package when the package is received by the addressee in apparent good order with the seals unbroken.

Conditions applicable to sendings:

It is a condition precedent to Underwriters' liability under this extension that:

1. The airway bill, labelling or other outside packaging shall make no reference to precious items such as gold, diamonds, jewellery and silver.
2. No values are to be declared on the airway bill

However, it is understood and agreed that conditions 1. & 2. above shall not apply if a declaration of value or contents must be made to Customs or if statutory regulations require otherwise.

Deductibles

It is hereby understood and agreed that the policy deductible under this extension is reduced to Nil each and every loss in respect of methods 1, 4 & 5 above. Notwithstanding the aforementioned, the Limit of Liability expressed above in respect of these methods will apply in excess of any value declared to or compensation received from the carrier.

It is further understood and agreed that the Limits of Liability expressed above in respect of methods 2 & 3 are in excess of the MAXIMUM compensation available from the postal service and that Underwriters will not be liable for any loss or damage to the Insured Property hereunder other than in excess of this amount.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 1:

This Section EXCLUDES loss of or damage to Property Insured caused by or arising from

1. Climatic Conditions :

climatic conditions or extremes of temperature unless caused by Fire, Lightning, Explosion, Storm, Flood or Earthquake.

2. Defective Title :

lack of title and/or defective title.

3. Fraudulent or Stolen Cheques :

acceptance by the Insured of :

- (i) any currency which subsequently is proved to have been forged or counterfeit, or
- (ii) any cheque, credit or charge card, or other negotiable instrument which is subsequently dishonoured for payment

4. Infidelity :

theft or dishonesty or dishonest deception committed by or with the complicity of:

- (i) any Director, Principal or employee of the Insured, or
- (ii) any other person or any customer with whom the Insured has dealt in the course of the Insured's business in respect of property entrusted to them by the Insured, his or their servants or agents, or
- (iii) any broker or agent of any broker or any customer or other person with whom such broker or agent has dealt in respect of property entrusted to them.

(except when conveying the Property Insured to the Post, or to the premises of Packers, Shippers or Forwarding Agents).

5. Insufficient Packing :

sustained during transit when the packing and method of transportation are clearly inadequate having regard to the nature of the items insured and the circumstances of the transit.

6. Mysterious Disappearance :

Property Insured found to be missing at Annual Stocktaking where the Insured is unable to prove the date and circumstances of any loss.

7. Wear & Tear :

from moth, vermin, wear, tear, gradual deterioration, electrical or mechanical breakdown or derangement.

Also, this Section EXCLUDES loss of or damage to Property Insured

- 8. entrusted to the Insured by private clients and/or customers solely for safe custody.
- 9. whilst at any exhibition, promoted or financially assisted by any Public Authority or by any Trade Association, except with the prior agreement of Underwriters.

NOTE : This Section is also subject to the General Conditions and Exclusions of this Policy.

**GENERAL CONDITIONS OF THIS INSURANCE –
applicable to each Section of this Policy except where expressly varied otherwise**

1. Alteration

If a change of circumstance after the commencement of the insurance increases the risk of loss injury or damage or the Insured's interest ceases except by will or operation of law this Policy will be voidable unless the Underwriters have agreed in writing to accept such alteration.

2. Arbitration

Provided that liability for a claim has been admitted any dispute as to the amount to be paid shall be referred to an arbitrator who shall be appointed by the parties in accordance with the statutory provisions in force at the time and the making of an award shall be a **CONDITION PRECEDENT TO ANY RIGHT OF ACTION AGAINST THE UNDERWRITERS.**

3. Cancellation

This Policy may be cancelled at any time at the request of the Insured in writing to the Broker who effected the insurance, and the premium hereon shall be adjusted on the basis of the Underwriters receiving or retaining the customary short term premium.

The Underwriters may cancel this Policy or any Section or part thereof by giving thirty days notice in writing by registered letter to the Insured at the Insured's last known address and in such event the Insured will be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance.

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed.

4. Claims Procedures

It shall be a **CONDITION PRECEDENT TO ANY LIABILITY OF UNDERWRITERS** to make any payment under this Policy that on the happening of any event giving rise to or which may give rise to a claim or on receiving verbal or written notice of any claim under this Policy

(a) the Insured shall:

- (i) as soon as reasonably possible give notice to the Underwriters
- (ii) as soon as reasonably possible notify the Police in respect of any loss or damage by theft or attempted theft or by riot civil commotion strikers locked-out workers persons taking part in labour disturbances and malicious persons:
- (iii) as soon as reasonably possible forward to the Underwriters any writ or summons issued against the Insured by a third party
- (iv) take action to minimise the loss or damage and to avoid interruption or interference with the Business and to prevent further damage or injury
- (v) at his own expense and within
 - (1) seven days of loss or damage caused by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons
 - (2) thirty days of expiry of the Indemnity Period in respect of Section 5
 - (3) thirty days of any other loss or damage interruption or interference with the Business or injury or disease

supply full details of the claim in writing to the Underwriters together with any evidence and information that may be reasonably required by the Underwriters for the purpose of investigating or verifying the claim and (if demanded) a statutory declaration of the truth of the claim and any matters connected therewith

- (b) No settlement, admission of liability, payment or promise of payment shall be made to any third party without the consent of the Underwriters.

5. Contribution

If in the event of a loss damage or liability under this Policy there shall be in force any other insurance providing cover against such claim the liability of the Underwriters shall be limited to its rateable proportion of such claim

However where such other insurance is subject to any provision excluding it from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the claim then the liability of the Underwriters shall be limited to such proportion of the claim as the Sum Insured bears to the value of the property.

6. Debris Removal (APPLICABLE TO SECTION 1 – STOCK & GOODS IN TRUST)

The insurance by each of the above Sections includes, within the limit(s) of the respective Sum(s) Insured, costs and expenses necessarily incurred by the Insured with the consent of the Underwriters in

- (a) removing debris
- (b) dismantling or demolishing
- (c) shoring up or propping

of the portion(s) of the property insured by the said Sections destroyed or damaged by fire or by any other peril thereby insured.

7. Designations (APPLICABLE TO SECTION 1 – STOCK & GOODS IN TRUST)

For the purpose of determining, where necessary the heading under which the property is insured, the Underwriters agree to accept the designation under which such property has been entered in the Insured's books.

8. Fraud

If any claim under this Policy is in any respect fraudulent or if any fraudulent means be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

9. Insurer's Rights

The Underwriters shall be entitled to

- (a) take over the defence or settlement of any claim made upon the Insured by any other party and the Insured shall give all assistance as may be reasonably required by the Underwriters
- (b) enter the premises where the loss or damage has occurred and to keep possession of any of the Property Insured and to deal with the salvage in a reasonable manner but the Insured shall not be entitled to abandon any property to the Underwriters
- (c) take benefit of any rights of the Insured against any other party before or after the Insured has received indemnification under this Policy and the Insured shall give all assistance as may be reasonably required by the Underwriters
- (d) at its option indemnify the Insured by payment, reinstatement, replacement or repair in respect of any property lost or damaged or part of thereof. If the Underwriters elect to reinstate or replace any property they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the sum insured thereon.

10. Legal Representatives

In the event of the death of the Insured the Underwriters will indemnify the Insured's legal personal representatives in respect of liability at law previously incurred by the Insured provided they observe, fulfil and be subject to the Terms, Conditions and Limitations of the Policy insofar as they can apply.

11. Payment by Instalments

Reference to the payment of premium includes payment by monthly instalments. If the Insured pays by this method the Policy remains an annual contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act applicable the credit agreement and the Policy will be cancelled immediately

12. Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

13. Premium Adjustment

If any part of the premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Underwriters to inspect such record. The Insured shall within one month from the expiry of each Period of Insurance furnish to the Underwriters such particulars and information as the Underwriters may require. The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject always to the minimum premium stipulated.

14. Professional Fees (APPLICABLE TO SECTION 1 – STOCK & GOODS IN TRUST)

The insurance by each of the above Section includes, within the limit(s) of the respective Sum (s) Insured, an amount in respect of Architects', Surveyors', Consulting Engineers', Legal and other Fees necessarily incurred by the Insured in the reinstatement of the property insured following upon its destruction or damage by any peril hereby insured against (but not any fees for the preparation of a claim or estimate of loss) not exceeding the amounts authorised under the Scales of the various Institutions regulating such charges prevailing at the time of the destruction or damage.

14. Reasonable Care

The Insured shall take all reasonable steps to:

- (a) protect the Property Insured
- (b) comply with statutory enactments Bye-Laws and any other obligations and Regulations imposed by any authority
- (c) employ only competent employees
- (d) prevent accidents
- (e) maintain all ways, works machinery and plant in sound condition.

In the event of the discovery of any defect or danger the Insured shall forthwith cause such 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

It shall also be a **CONDITION PRECEDENT TO THE LIABILITY OF UNDERWRITERS** that in respect of :

- (a) Alarms
 - (i) the Premises containing the insured property are fitted with a intruder alarm system approved by Insurers, and that no withdrawal, alteration or variation of the system, or any structural alteration which might affect the system, shall be made without the consent of the Underwriters,

- (ii) the intruder alarm system and all other security devices shall have been put into full and effective operation at all times when the insured premises are closed for business, and at all other appropriate times,
- (iii) the intruder alarm system and all other security devices shall have been reset and put into full and effective operation following any activation. In the event that any intruder alarm cannot be reset and put into operation the Premises must be secured and the Police informed the intruder alarm is no longer operational
- (iv) the intruder alarm system shall have been maintained in good order throughout the currency of this Insurance under a maintenance contract with the installing company
- (v) all other protections and/or safeguards as may be referred to in any written proposal and/or declarations, provided for the safety of the insured property shall be maintained in good order throughout the currency of this Insurance and shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent,
- (vi) all keys and duplicate keys and codes or other electronic or mechanical devices capable of operating the alarm (if any) and all keys and duplicate keys of Safes and/or Strongrooms are removed from the premises when the said premises are not open for business and/or left unattended, in which context "premises" shall not include any portion which is occupied for residential purposes. This Condition shall not apply, if at the time of loss or damage, there was present in such premises the Insured or an employee in charge thereof.
- (vii) immediate advice be given to Underwriters of any notice of withdrawal of police or any other security force or protection or any maintenance contract with the installing company

For the purposes of this condition full and effective operation shall cover all component parts of the alarm including the means of communication used to transmit signals.

(b) Stock Records

The Insured shall keep detailed stock records of all sales, purchases, entrustments and other transactions, and that such records shall be available for inspection by the Underwriters or their representatives in case of a claim being made under this Insurance.

15. Reinstatement of Loss (APPLICABLE TO SECTION 1 – STOCK & GOODS IN TRUST)

In the event of loss or losses occurring under this Insurance, it is hereby mutually agreed to reinstate the respective Section of the Insurance to its full Sum Insured from the time of the occurrence of such loss or losses until the expiry of this Insurance and that an additional premium (calculated at pro rata of the Insurance rate) from the date of such loss or losses when such loss or losses to expiry of the Insurance shall be paid by the Insured upon the amount of such loss or losses when such loss or losses is/are settled. Nevertheless Underwriters' limit of liability shall never exceed the respective Sum(s) Insured in respect of any one loss.

16. Sue and Labour

In the case of any loss or damage of any kind whatsoever it shall be lawful for the Insured, his or their factors, employees or assigns to sue, labour and travel in and about the defence, safeguard and recovery of the subject matter of this Policy or any part thereof without prejudice to this Insurance or Waiver of the Insured's rights hereunder.

17. Warranties

Every WARRANTY to which this Policy or any item thereof is or may be made subject shall from the time the WARRANTY attaches apply and continue to be in force during the whole currency of this Policy, non-compliance with any such WARRANTY in so far as it increases the risk of damage shall be a bar to any claim in respect of such damage provided that whenever this Policy is renewed a claim in respect of damage occurring during the renewal period shall not be barred by reason of a WARRANTY not having been complied with at any time before the commencement of such period.

**GENERAL EXCLUSIONS –
applicable to each Section of this Policy except where expressly varied otherwise**

This Policy does not cover:

1. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - (c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation confiscation requisition seizure or destruction by the government or any authority
 - (d) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
2.
 - (a) Damage or Consequential Loss in England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 *by fire or explosion* occasioned by or happening through or in consequence directly or indirectly of **TERRORISM**
 - (b) Damage or Consequential Loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:
 - (i) riot civil commotion and (except in respect of Damage or Consequential Loss by Fire or Explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
 - (ii) **TERRORISM.**

TERRORISM shall mean an act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

In any action suit or other proceedings where the Underwriters allege that by reason of the above definition any Damage or Consequential Loss is not covered by this Policy (or is covered only up to a specified limit of liability) the burden of proving that such Damage or Consequential Loss is covered) or is covered beyond that Limit of Liability) shall be upon the Insured.

3. This Policy does not cover any:
 - (a) loss destruction or damage
 - (b) consequential loss additional expenditure or extra expenses
 - (c) legal liability
 - (d) other fees costs disbursements awards or other expensesof whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from
 - (a) the way in which any **DATA PROCESSING SYSTEM** responds to or deals with or fails to respond to or fails to deal with any true calendar date
 - (b) any **DATA PROCESSING SYSTEM** responding to or dealing in any way with
 - (i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates

- (ii) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

whether such **DATA PROCESSING SYSTEM** is the property of the Insured or not and whether operating before during or after the Year 2000

but in respect of all insurances other than Public Liability or Products Liability or Contractors Joint Indemnity this shall not exclude subsequent loss destruction or damage or Consequential loss additional expenditure or extra expense (not otherwise excluded) which itself results from a **DEFINED PERIL** otherwise covered by this Policy.

For the purposes of this Exclusion, the following special meanings shall apply:

"DATA PROCESSING SYSTEM" shall mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer hardware.

"DEFINED PERILS" shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, subterranean fire, tempest, flood, escape of water from any tank apparatus or pipe, impact by any vehicle or by goods falling therefrom or animal.

4. (APPLICABLE TO SECTION 1 - CONSIGNMENTS INCLUDING GOODS ENTRUSTED TO THE INSURED FOR SALE AND/OR VALUATION

loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the Property Insured caused by

- (a) pollution or contamination which itself results from a peril hereby insured against
- (b) any peril hereby insured against which itself results from pollution or contamination

For the purpose of the application of this clause to **SECTION 1 - CONSIGNMENTS INCLUDING GOODS ENTRUSTED TO THE INSURED FOR SALE AND/OR VALUATION** the words 'peril hereby insured against' are to be construed as being limited to the perils insured.

- 5.** Any loss, damage or liability occurring through the operation of a peril against which, at the date of the happening of such loss or damage, the Insured has effected separate insurance policy irrespective of whether or not such insurance is liable to or does meet such loss.
- 6.** Other than where a Specific Co-insurance applies to loss and/or damage under Sections 1, a Deductible as stated in the Schedule shall apply to each and every loss.