

Political Violence vs. Terrorism

The devil in the definition



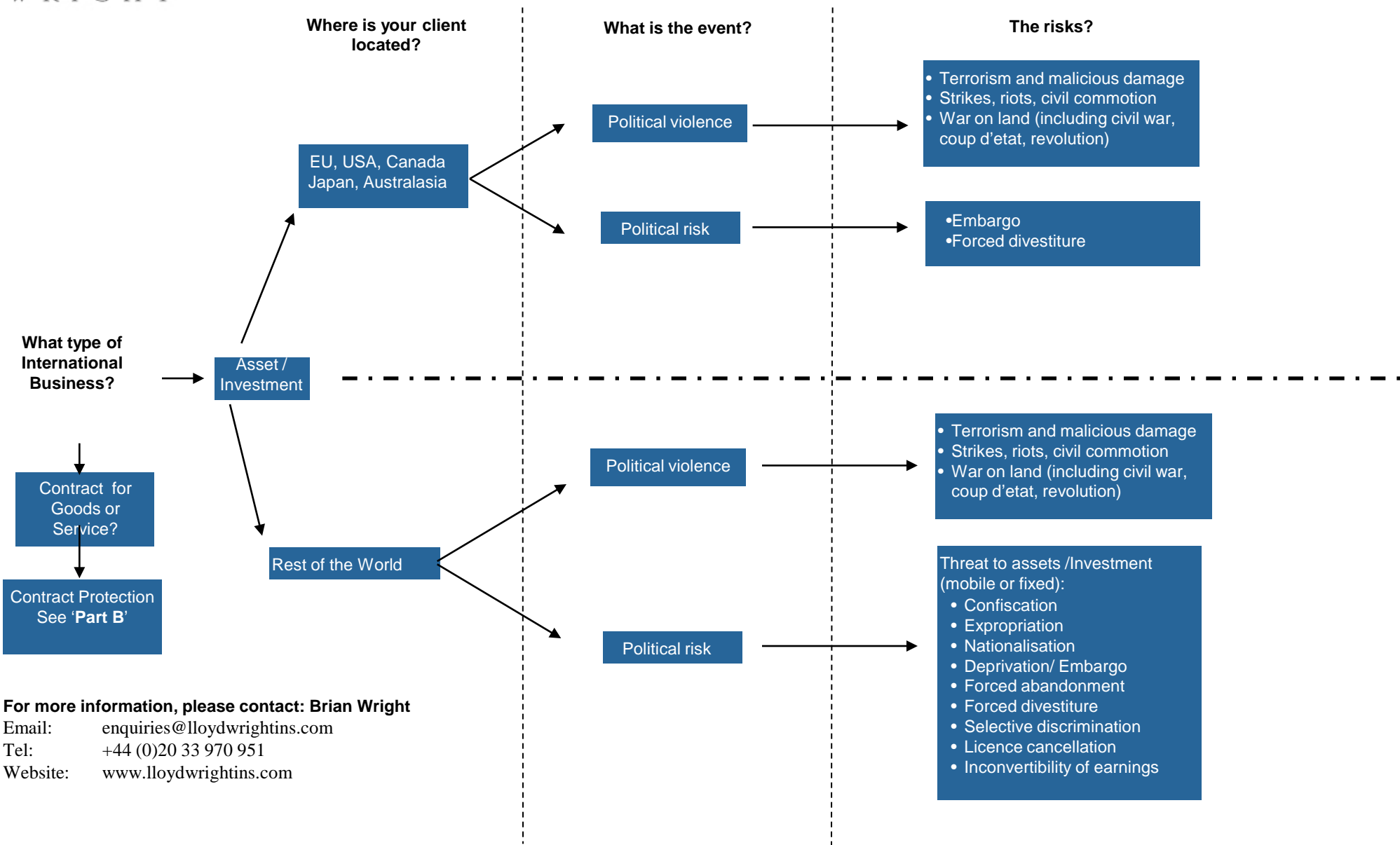
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Political Risk and Political Violence Insurance – The Risks



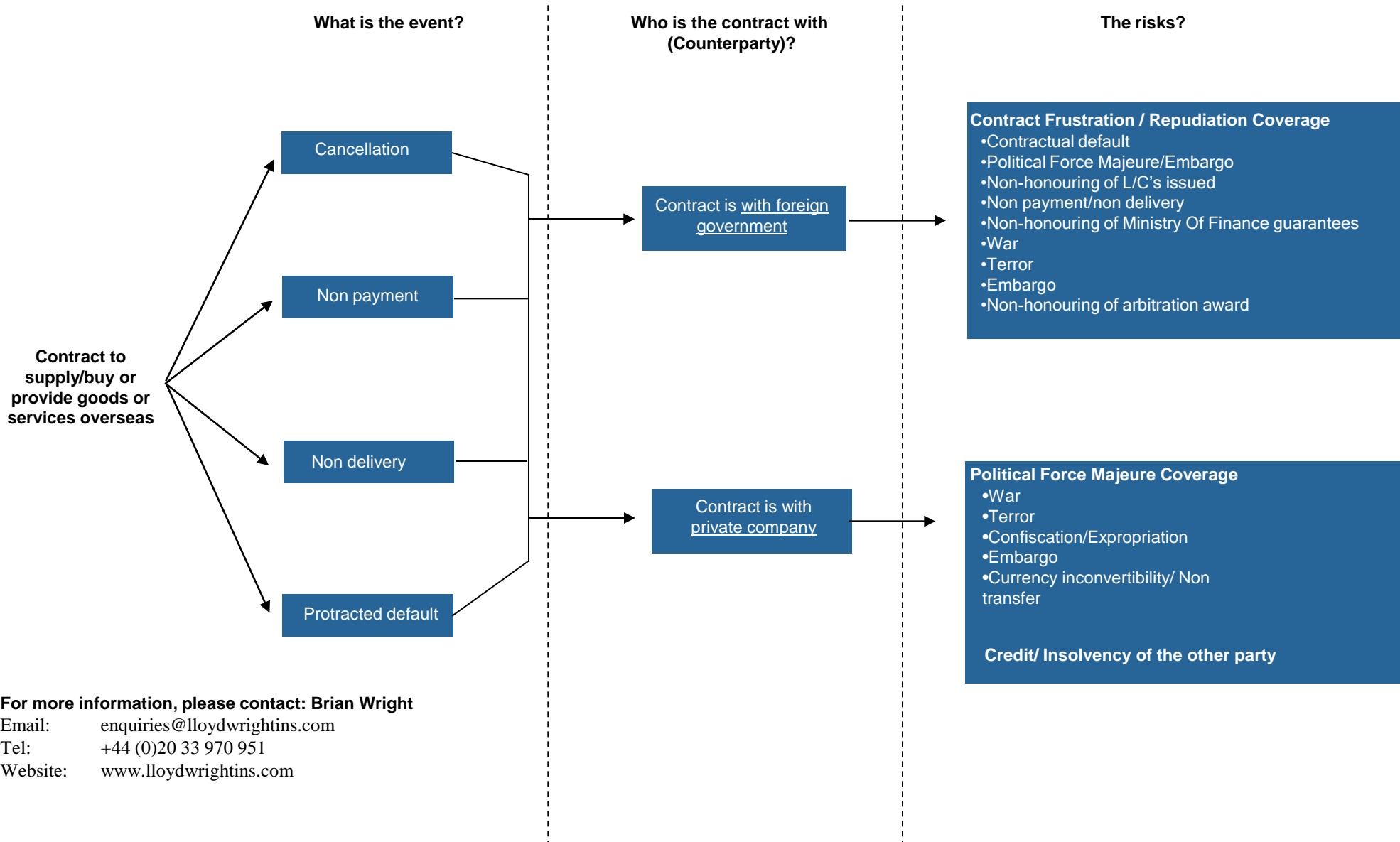
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Contractual Protection



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Definitions

- **"Act of Terrorism"** shall mean an unlawful act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
- **"Actual Cash Value"** means the cost to repair or replace the Buildings or Contents with a proper deduction for obsolescence, wear and tear.
- **"Buildings"** shall mean any roofed and walled structure, machinery and equipment, signs, glass, lifts, fixed fuel tanks, driveways, footpaths, walls, gates, satellite dishes and their fittings and masts, provided always that the Insured owns or is legally responsible for such Buildings and provided that the Buildings are situated at an Insured Location. Where specifically requested by the Insured and agreed to by Underwriters and declared to Underwriters in Schedule 2 to the Policy, "Buildings" shall also include underground mines, tunnels, wells, caverns, dams, water shafts, power tunnels, dikes, levees, gates, flumes and any property contained therein.
- **"Civil Commotion"** shall mean the same as Riots as defined in this Policy.
- **"Civil War"** shall mean an internecine war, or a war carried on between or among opposing citizens of the same country or nation.
- **"Contents"** shall mean fixtures and fittings, interior decorations, office furniture and stock (including finished goods manufactured by the Insured or held for sale), provided always that the Insured owns or is legally responsible for such Contents and provided that such Contents are situated at an Insured Location.
- **"Coup d'Etat"** shall mean the sudden, violent and illegal overthrow of a sovereign government or any attempt at such overthrow.
- **"Declared Values"** shall mean the amounts stated in Schedule 2 to the Policy.
- **"Deductible"** shall mean the deductible(s) stated in item 7 of Schedule 1 in respect of any one Occurrence. Each Occurrence shall be adjusted separately and from the amount of each adjusted loss, the Deductible shall be deducted.
- **"Electronic Data"** shall mean facts, concepts and information converted to a form useable for communication, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- **"Insured"** shall mean the entity or entities stated in item 1 of Schedule 1.
- **"Insured Country"** shall mean the country in which the Insured's principal place of business is situated as described in Schedule 2 to the Policy.
- **"Insured Location"** shall mean the locations as described in Schedule 2 to the Policy.
- **"Insurrection, Revolution and Rebellion"** shall mean a deliberate, organised and open resistance, by force and arms, to the laws or operations of a sovereign government, committed by its citizens or subjects and/or a rising against a sovereign government or other authority.
- **"Malicious Damage"** shall mean all physical loss or physical damage resulting directly from a malicious act by anyone during a disturbance of the public peace where such malicious act is perpetrated for political reasons by known or unknown person(s).
- **"Mutiny"** shall mean a wilful resistance by members of legally armed or peace-keeping forces to a superior officer.
- **"Net Loss"** shall, in respect of Buildings, mean the reasonable cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) to a condition substantially the same as but not better than the condition of the Buildings immediately prior to the loss, subject to the repairing, replacing or reinstating being carried out and subject to the following provisions:
 1. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
 2. If the Buildings are not repaired, replaced or reinstated within a reasonable period of time the Underwriters shall only pay the Actual Cash Value;

continued

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- 3. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, Underwriters' total liability for any increased cost of replacement due thereto shall be limited to the Policy Sub-Limit stated in item 6 of Schedule 1 for any one Occurrence which liability shall, for the avoidance of doubt, form part of and shall not be in addition to the Policy Limit.
- 4. In respect of Contents, "Net Loss" shall mean:
 - (i) on finished goods sold and awaiting collection, the regular selling price, less all discounts and charges to which such goods would have been subject to had no loss occurred;
 - (ii) on all other stock, the value of raw materials and labour expended;
 - (iii) for property of others, the amount for which the Insured is legally liable but in no event to exceed the Actual Cash Value;
 - (iv) for film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, an amount not exceeding the cost of such media in an unexposed or blank form plus the costs of copying electronic data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such electronic data. If the media is not repaired or replaced the basis of valuation shall be the cost of the blank media. This insurance does not insure any amount pertaining to the value of such electronic data to the insured or any other party.
 - (v) on documents other than (iv) above an amount not exceeding the cost of blank material plus the cost of labour incurred by the insured for transcribing or copying such records. This insurance does not insure any amount pertaining to the value of such documents to the Insured or any other party.
 - (vi) on all other property, the Actual Cash Value.
- 5. In respect of the removal of debris pursuant to Clause 2.2 above, "Net Loss" shall mean the necessary and reasonable expenses incurred by the Insured with Underwriters' prior written consent in the removal of said debris.
All amounts shall be calculated at the date of loss and in no event shall Underwriters be liable for more than the Policy Limit.
- **"Operations"** shall mean the Insured's business operations at one or more of the Insured Locations.
- **"Occurrence"** shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Insured in respect of Buildings and Contents insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.
- **"Operations"** shall mean the Insured's business operations at one or more of the Insured Locations.
- **"Policy Period"** shall mean the period stated in item 3 of Schedule 1.
- **"Policy Limit"** shall mean the limit stated in item 5 of Schedule 1 in respect of any one Occurrence and in the aggregate for all loss and damage insured hereunder, including for the avoidance of doubt, any amount(s) paid in respect of the Policy Sub-Limit.
- **"Policy Sub-Limit"** shall mean the Net Loss Clause 3 Policy sub-limit stated in item 6 of Schedule 1 for any one Occurrence and in the aggregate for all loss and damage under Clause 3 of the definition of "Net Loss", which sub-limit shall, for the avoidance of doubt, form part of and shall not be in addition to the Policy Limit.
- **"Riots"** shall mean any act committed in the course of a disturbance of the public peace (where such disturbance is motivated by political reasons) by any person taking part together with others in such disturbance or any act of any lawfully constituted authority for the purpose of suppressing or minimising the consequence of such act.
- **"Strikes"** shall mean any wilful act of any striker or locked-out worker in the furtherance of a strike or in resistance to a lock-out or any act of any lawfully constituted authority for the purpose of suppressing or minimising the consequence of such act.
- **"Sabotage"** shall mean wilful physical damage or destruction perpetrated for political reasons by known or unknown person(s).
- **"War"** shall mean a contest by force between two or more sovereign nations, carried on for any purpose, armed conflict of sovereign powers and/or declared or undeclared and open hostilities between sovereign nations.
- **"Underwriters"** shall mean the underwriters and insurers subscribing to this Policy.