

DECLARATION CLAUSES

Special Conditions for Declaration Policies

It is hereby agreed and understood that:-

1. In consideration of the premium by this policy being provisional in that it is calculated on 75 per cent of the sum insured hereby and is subject to adjustment on expiry of each period of insurance:-

The Insured agrees to declare to the.....
in writing the value of his stocks (other than retail) in each separate Building or Non-communicating Compartment or in the Open on the following basis namely.....
and to make such declaration(s) within thirty days of the..... of each
calendar month, such declaration(s) to be signed by the Insured or by a responsible person authorised to sign on his behalf.

In the event of a declaration not being made within the thirty days mentioned above then the Insured shall be deemed to have declared the sum insured hereby as the value at risk. On the expiry of each period of insurance the premium shall be calculated at the rate of..... (insert the Tariff rate) on the average sum insured namely, the total of the value declared or deemed to have been declared divided by the number of declarations due to have been made. If the resultant premium be greater than the provisional premium the insured shall pay the difference; if it be less, the difference shall be repaid to the Insured but such repayment shall not exceed 1/3rds of the provisional premium. Where a declaration Policy is sanctioned for specified situations and with specific sum for each situation, the 2/3rds minimum premium clause must be applied to each situation and not overall.

Where the sum insured is specified separately for each situation, the 2/3rds minimum premium will be applicable to each situation and not overall.

2. The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.

3. If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

4. Notwithstanding the occurrence of a loss it is understood that the sum insured will be maintained at all times during the currency of the policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro-rata from the date of such loss to the expiry of the period of insurance; the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.

5. In the event of this policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancelment, or 2/3rds of the provisional premium whichever is the greater; but if the policy is cancelled by the Insured after a loss has occurred the premium to be retained by the Company shall be the pro-rata proportion of the premium calculated on the average amount insured up to the date of cancelment plus the pro-rata proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of the loss paid, or 2/3rds of the provisional premium whichever is the greater.

5-A. In cases of sum insured being reduced during the currency of policy, the minimum premium to be retained should be calculated as follows:-

- (a) 50% (i.e. 2/3rds of the provisional 75%) of the annual premium on the reduced sum insured and
- (b) 50% of the premium calculated at the appropriate short period rates on the amount of the reduction in the sum insured for the period from the commencement of the year of insurance to the date of the reduction.

6. The maximum liability of the Company shall not exceed the sum insured hereby and premium shall not be receivable on values in excess thereof. The sum insured may, however, be increased by prior agreement with the Company in which event the new sum insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the sum insured being agreed to the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 of these Special Conditions.

7. If the stocks hereby insured shall at the time of loss be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer, for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stocks shall be separately to this condition.

8. It is warranted that every policy covering the Insured's stocks on a declaration basis shall be identical in wording.

9. This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by these special conditions.