

DETERIORATION OF STOCK

Defined events

The insurance is in respect of deterioration of the goods described in the schedule from any cause not hereinafter excepted within the refrigeration chamber(s) at Your premises resulting from:

- a. unforeseen and sudden physical damage to the machinery specified from any cause as provided under the machinery breakdown section of this policy (covering the item against damage) liability under which section shall except for the provision of the condition relating to the first amount payable be a condition precedent to liability hereunder
- b. contamination by refrigerant as a result of physical damage to the refrigeration installation
- c. accidental failure of the public supply of electricity as the result of a defined event (at the terminal ends of the supply authorities service feeders at the premises) **not occasioned by the deliberate act of any supply authority, by the exercise of any such authority of its power to withhold or restrict supply, nor by a scheme of rationing or drought.**

Exceptions:

- a. **The amount specified in the Schedule as the first amount payable.**
- b. **Any loss arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction of the stored goods.**
- c. **Any loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature.**
- d. **Any loss caused by temporary repair of the refrigeration machinery specified in the list of machinery which is carried out without Our consent.**
- e. **Penalties for delay consequential loss or damage or liability of any nature whatsoever.**

Sum insured

- a. It is a requirement of this insurance that the sum insured shall be equal to the estimated maximum cost price obtainable for the stored goods during any period of insurance.
- b. If the sum insured is less than the amount required to be insured, We will 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 subject to this condition separately.

Basis of loss settlement

We will indemnify You in respect of such deterioration as hereinafter provided up to an amount not exceeding in any one period of insurance in respect of each of 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. Provided always that said goods belong to You at the time of the loss and such goods are contained in the refrigeration chamber(s) connected to said machinery.

Specified conditions

1. You shall obtain and produce the appropriate certificates from Public Health or similar authorities in support of any claim for deteriorated goods.
2. The sum insured shall be reduced by any indemnity paid under this section for the remaining policy period unless it has been reinstated by payment of an additional premium on a pro rata basis.
3. It is a requirement of this insurance that:
 - a. a firm arrangement is made for competent specialists to maintain and adjust the machinery at regular intervals or
 - b. maintained by Your own maintenance personnel, and written records of inspections and repairs to be kept.

Extension

Contamination and pollution of wine stocks extension (If stated in the schedule to be included)

This insurance is extended to cover sudden and accidental pollution of wine (including packaging) arising from an occurrence defined herein to any controlled environment system and ancillary machinery or cold store including occurrences where the refrigeration units or cold stores fail to operate at their normal efficiency.

Provided that:

- a. the liability of the insurers shall not exceed the limit stated in the schedule
- b. the Insurers shall not be liable for consequential loss or liability due to or arising from the deterioration or putrefaction of the goods.

Occurrence shall mean:

Sudden and accidental pollution of wine including destruction on the grounds of health hazard or any order of Government of local authority) as a result of:

- a. sudden and unforeseen electrical and/or mechanical damage to the Controlled environment System
- b. malfunction of the Controlled Environment System
- c. escape of refrigerant or contamination of the property Insured
- d. failure of the supply of electricity
- e. error and/or omission of any of Your employees.

For the purpose of this extension the basis of valuation in respect of wine is deemed to be the selling price.