

Deterioration of Stocks Policy

Stocks are essential part of day today business activities. Due to intrinsic nature of some of the Stocks which deteriorate it needs specific attention, temperature in storage.

Gulf unions DOS policy protects against deterioration, contamination or putrefaction (rotting) of perishable stock as a result of the unexpected rise in temperature brought about by the accidental failure or breakdown of the refrigeration plant. Existence of Machinery Breakdown insurance is prerequisite.

Policy Coverage

DOS provide cover for loss or damage caused by deterioration or putrefaction or contamination of stock described in policy caused by accident causing rise in temperature in the Refrigeration Chambers subject to other terms and conditions of Policy.

Extensions

- Declaration Policy for 12 Months
- Accidental failure of Public electricity

Sum Insured

It shall be a requirement of this Policy that the sum insured is equal to the estimated maximum selling price obtainable for the stored goods during the period of this Policy, such maximum selling price being indicated in the Schedule submitted by the insured prior to the commencement of insurance. The Insured shall be obliged to furnish the Insurers not later than 10 days after the close of each month either with copies of the aforesaid stockbook or with a duly completed declaration showing the average quantity and value per day of the goods stored during the preceding month (monthly declaration).

The monthly declaration shall be based on the selling price obtainable for the goods.

Stockbook copies and monthly declarations shall be regarded as forming an integral part of this Policy.

If after the occurrence of a loss it is found that the last monthly 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 monthly declaration bears to the amount that ought to have been declared. The sum insured shall be reduced by any indemnity paid under this Policy for the remaining policy period unless it has been reinstated by payment of an additional premium on a pro-rata basis. This additional premium shall not be taken into account in the final adjustment of premium as provided for in Memo 2. The sum insured under this policy shall be For Annual Policies:

The value of the stocks obtained by multiplying the full storage capacity of the Cold storage by the average price of the Potatoes at the time of loading as determined by the insured with the concurrence of the Company at the time this Insurance has come into effect. This price shall include storage charges for the whole season. For Policies Issued for periods less than 12 months:-

Value of stocks obtained by multiplying the full storage capacity of the maximum number of chambers that are likely to be used during the entire period by the average price of the potatoes at the time of loading as determined by the Insured with the concurrence of the Company at the time this Insurance has come into effect.

The price shall include storage charges for the whole season.

Note:- For this purpose storage capacity of the cold storage shall be determined on the basis that ten quintals of potatoes can be stored for 100 cubic feet of space inside the chamber. Sum Insured should represent their new replacement values

Premium

The premium payable at the commencement of any one year of insurance shall be a deposit premium based on 75% of the sum insured as specified in the Schedule and shall be subject to adjustment at the end of each year of insurance in accordance with the stockbook copies or the monthly declarations submitted to the Insurers. Should it be found on the basis of such information that at the end of any year of insurance the deposit premium paid was too high, premium adjustment shall be made subject to the total premium payable by the Insured being not less than 50% of the full premium based on the sum insured stated in the Schedule. Failure on the part of the Insured to submit stockbook copies or monthly declarations shall entitle the Insurers to apply the maximum sum insured as fixed in the Schedule for premium calculation. Any difference in premium so determined, whether due to or by the insured, shall be settled within one month of the dispatch of the statement showing the premium adjustment.

Excess

The policy is subject to a compulsory excess of 24 hours or 3 days or 7 Days or 14 days

Exclusions

The Insurers shall not be liable for

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
2. any loss of the goods stored in the refrigerating chambers arising within the no claims period indicated by the Insured in the Schedule due to any deviation from the prescribed refrigerating temperature, unless such deterioration is caused by contamination as a result of escaping refrigerant or by accidental freezing of the goods or unless fresh goods which have not yet reached the prescribed refrigerating temperature are hereby affected, the no-claims period being defined as the time period immediately following cessation of cooling during which, with storage room left sealed, no deterioration would take place;
3. any loss with regard to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction;
4. any loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
5. any loss caused by temporary repair of the refrigeration machinery specified in the list of machinery which is carried out without the Insurers' consent;
6. penalties for delay, consequential loss or damage or liability of any nature whatsoever;

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7. loss or damage directly or indirectly caused by, or arising out of, or aggravated by

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lockout, civil commotion, military or usurped power, a group of malicious persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- b) nuclear reaction, nuclear radiation or radioactive contamination;
- c) the wilful act or wilful negligence of the Insured or his representatives;
- d) fire, direct lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, thefts or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of Exclusion a) above any loss, destruction or damage is not covered by this Policy, the burden of proving that such loss, destruction or damage is covered shall be upon the Insured

Basis of Indemnity

All claims shall be settled on the basis of the value stated in the monthly declaration immediately prior to the occurrence of the loss or the selling price which would have been obtainable, whichever is the lower. When determining the indemnity the Insurers shall take into consideration all circumstances which may influence the amount of indemnity, such as proceeds from a sale of the goods as well as storage costs saved due to the termination of the storage.

Note: Policy details given are indicative, not exhaustive. Please contact your nearest Gulf Union office for further details



شركة اتحاد الخليج للتأمين وإعادة التأمين ب.س.ك.ع.
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