

Property Shield Policy Terms and Conditions

We welcome you as an NBF property policy borrower. To enjoy the benefits offered under this Property Shield Insurance, we request you to go through the cover details in order to understand thoroughly the cover offered.

DEFINITIONS

For the purpose of this Policy, the following definitions shall apply unless the context otherwise requires:

Bank means **National Bank of Fujairah PJSC**, United Arab Emirates

Borrower/Insured Person means the person to whom the bank has advanced a mortgage loan and who has not been disqualified by the provisions of this policy to be eligible to receive the benefits under this policy.

Company means Al Fujairah National Insurance Company, Fujairah, United Arab Emirates

Commencement Date means the date the Insured Person is enrolled for this Policy by the Bank or the date of inception of this Policy whichever is later.

Date of Event means any one of the following: in respect of Property Shield, the date of the happening of loss or destruction or the damage to the property insured after the commencement date and during the policy period.

Property Insured means the buildings or apartments for which loan was disbursed by the bank and fixed improvements to the subject building, if any made by the borrower

Reinstatement value means the expenses incurred by the insured for reinstating/rebuilding the destroyed or damaged property

on the same site by a new property of a similar kind, capacity, size and quality

Terrorism means Act of terrorism means an act 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 on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Class I Construction means Building built with block and cement walls and roofed with reinforced concrete.

In this policy, where the context admits, words importing the masculine gender shall include the feminine gender and words importing singular member shall include the plural and vice versa.

SCOPE OF COVER

Property Shield

Covers residential Building for which purchase finance was disbursed to the Customer by the covered Bank against All Risks cover as detailed herein below excluding Sabotage, Terrorism and Political risks of any kind.

Sum Insured

New Reinstatement Value of the Covered Property, however subject to maximum of

AED 20,000,000. Anything above should be referred to Al Fujairah National Insurance Company for approval.

Deductible

An amount of AED 2,000/- will be deducted from each and every claim payable. Losses due to/arising out of a single event shall be considered as single claim.

EXCLUSIONS APPLICABLE TO PROPERTY SHIELD

The Company will not indemnify the Insured in respect of

1. a) electrical or mechanical breakdown or derangement of plant machinery or equipment
b) deterioration of property due to change in temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system
c) subsidence ground heave landslip erosion settling or cracking

Unless either (i) caused by

- fire lightning
- explosion
- (for the purposes of this Exception "explosion" shall not mean the bursting or disruption of turbines compressors transformers rectifiers switchgear engine cylinders hydraulic cylinders fly-wheels or other moving parts subject to centrifugal force or boilers economisers or other vessels machinery or apparatus in which pressure is used)
- aircraft or other aerial devices or articles dropped therefrom
- impact by vehicles watercraft locomotives or rolling stock
- earthquake

riot or malicious acts (other than any act excluded by reason of Exception 6 (b) herein)

Strikes locked-out workers or persons taking part in labour disturbances
Storm, Tempest and Flood

Or (ii) resulting in

- The occurrence of any of the events in (i) above then the Company will only indemnify the Insured under the Terms of the Policy in respect of the resultant loss destruction or damage.

2. Loss destruction or damage to:

- a) property in course of construction or erection
- b) electrical wiring caused by electrical current (other than lightning)

3. Consequential loss of any kind or description whatsoever.

- a) the cost of replacing or rectifying defective materials workmanship design or defect or omission in design plan or specification
- b) contamination pollution, wear and tear, corrosion, vermin fungus rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, change in colour or texture or finish or action of light
- c) the cost of normal upkeep or normal making good

4. loss destruction or damage by storm tempest water hail frost or snow to temporary structures other than buildings structures and designed to exist and operate in the open.

5. the amount stated in the Schedule as the Deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss destruction or damage the subject of indemnity under this Policy

6. any loss destruction or damage directly or indirectly occasioned by or through or in consequence of:
- a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
 - b) mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power or any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence
 - c) i) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority
ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that the Company is not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy.
 - d) the destruction of property by order of any public authority

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exceptions 6(a) and 6(b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

7. any loss destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:
- a) nuclear weapons material
 - b) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel solely for the purpose of this Exception c) combustion shall include any self-sustaining process of nuclear fission

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exclusion 6 above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

GENERAL CONDITIONS WITH RESPECT TO PROPERTY SHIELD

1. Alteration

This Policy ceases to attach under the following circumstances as regards the property affected unless the Insured, before the occurrence of any Loss or Damage, obtains the sanction of the Company signified by endorsement upon the insurance certificate by or on behalf of the Company

- a) if nature of the occupation of or other circumstances affecting the Property Covered be changed in such a way as to increase the risk of loss or damage
- b) if the Property Covered becomes unoccupied and so remains for a period of more than ninety (90) days. However this clause is not applicable in respect of Total Loss.

- c) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law

2. Safeguards and maintenance

The Customer shall at all times and as far as is reasonably practicable take steps to safeguard the Property Covered and maintain it in a proper state of repair. The Customer shall also take steps to enforce the observance of all statutory provisions Promoter's/Developer's recommendations and other regulations relating to the safety use and inspection of the Property Covered.

3. Company's rights after a loss

On the happening of damage in respect of which a claim is made the Company and any person authorised by the Company may without hereby incurring any liability or diminishing any of the Company's rights under this Policy

- a) enter, take or keep possession of the premises where such DAMAGE has occurred
- b) take possession of or require to be delivered to the Company, any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.

No property may be abandoned to the Company whether it is taken possession of by the Company or not.

4. Reinstatement

If the Company elect or become bound to reinstate or replace any property the Insured shall at his own expenses produce and give to the Company all such plans documents books and

information as the Company may reasonably require. The Company shall not be bound to reinstate 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

5. Subrogation

The Insured shall at the expense of the Company, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss destruction or damage under this insurance certificate, whether such acts and things shall be or become necessary or required before or after their indemnification by the Company

6. Contribution

If at the time of any loss destruction or damage happening to any Property Covered there be any other subsisting insurance certificate whether effected by the Insured or by any other person or persons covering the same property the Company shall not be liable to pay or contribute more than their ratable proportion of such loss destruction or damage

7. Average

Each item Insured is declared to be separately subject to the following condition of Average namely.

If the sum representing 85% of the value of the Property Covered shall at the time of any loss destruction or damage be of greater value than the Sum Insured thereon then the Policy holder shall be considered as being his own Insurer for the difference and shall bear a ratable proportion of the loss accordingly.

8. **Architects, surveyors, consultants and legal fees**

Insurance Policy extends to include Architects', Surveyors', Consulting Engineers', Consultants' and legal or other fees for the preparation of estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage but preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the scale of various institutions and/or bodies regulating such charges and that the liability for such destruction or damage shall not exceed in the aggregate the sum insured by each item and in respect of fees 10 % of the actual claim amount.

9. **Debris removal and clean-up**

This insurance Policy extends to include costs and expenses necessarily incurred by the insured subject to a maximum of 10% of the claim amount with the consent of the Company in:

- Removing debris
- Dismantling and/or demolishing
- Shoring up or propping
- Cleaning up of the property destroyed or damaged by an event hereby insured against.

The liability of the Company under this condition and under the insurance Policy

shall in no case exceed 10% of the actual claim amount.

10. **Fire brigade charges and other extinguishing expenses**

It is hereby declared and agreed that should the property herein insured be or threatened to be destroyed or damaged by a peril insured against, this insurance Policy shall cover:

- a) Fire brigade charges and other extinguishing expenses for which the insured may be assessed;
- b) Loss of fire extinguishing materials expended.

11. **Workmen**

Workmen shall be allowed on the premises for the purpose of effecting repairs and minor structural alterations and also for general maintenance purposes and the like without prejudice to this insurance certificate.

12. **Public authorities**

This Insurance Policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby Insured as may be incurred solely by reason of the necessity to comply with the building or other regulations under or framed in pursuance of any act of Government or with Bye-laws of any municipal or local authority provided that:

- 1) The amount recoverable under this extension shall not include:
 - a) The cost incurred in complying with any of the aforesaid regulations or by-laws.

- In respect of destruction or damage occurring prior to the granting.
 - In respect of destruction or damage not insured by the insurance Policy.
 - Under which notice has been served upon the Insured prior to the happening of the destruction or damage.
 - In respect of undamaged property or undamaged portions of property, other than foundations (unless foundations are specifically excluded from the insurance certificate) of that portion of the property destroyed or damaged.
- b) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations or by laws not arisen.
- c) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations or by-laws.
- 2) The work of reinstatement must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations or bye-laws so necessitate) subject to the liability of the Company under this condition not

being thereby increased.

- 3) If the liability of the Company under any item of the insurance certificate apart from this condition shall be reduced by the application of any of the terms and conditions of the insurance certificate then the liability of the Company under this condition (in respect of any such item) shall be reduced in like proportion.
- 4) The total amount recoverable under any item of the Insurance Policy shall not exceed the sum insured thereby.
- 5) All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

GENERAL CONDITIONS

Notwithstanding anything contained herein to the contrary:

Definition

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule, specifications, endorsements, conditions or exclusions shall bear such meaning wherever it may appear.

Misdescription

If there be any material misdescription or omission or any misrepresentation as to any material fact to be known for estimating the risk or any omission to state such fact, the Company shall not be liable under this Policy and the Policy shall become null and void.

Governing law and jurisdiction This Policy shall be governed by and construed in accordance with the laws of

United Arab Emirates. Both Parties agree and submit to the exclusive jurisdiction of the Courts of the United Arab Emirates.

Time Limitation

If a claim be made and rejected and an action or suit be not commenced within six months after such rejection or (in case of an arbitration taking place as per provisions of this Policy) within six months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.

Territorial limits

UAE

CLAIMS PROCEDURE

Upon happening of an event giving rise to a claim under this Policy, the Borrower/ Borrower's Legal Representatives/Insured shall follow the following procedure:

- 1) Give immediate written notice to the Company but not later than ninety (90) days from the Date of Event
- 2) The Insured Person /Insured Person's Legal Representatives shall complete the standard claim form issued by the Company and produce at no cost to the Company with such evidence to substantiate the claim to the satisfaction of the Company as the Company may reasonably require; The Insured shall also give to the Company all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this Condition have been complied with
- 3) The Borrower or the Borrower's legal personal representative or the Bank shall submit the following documents within 180 days from Date of Event:

a) for Property Shield claims - a claim statement in writing containing:

- Date of Loss
- Nature of Loss
- Brief description about the incident
- Amount of such loss destruction or damage thereto respectively having regard to their value at the time of the loss destruction or damage
- Details of any other policy on any property hereby Bank.
- Contact details for Survey
- Relevant documents as required by the Surveyor needs to be provided by the Borrower/ Bank to the Company.

All papers as indicated above may be required to be produced as copies stamped and signed by the Bank (other than those surrendered to the authorities) for verification before the final statement of claim.

CONTACT INFORMATION

For any queries on coverage, benefits or claims procedure please contact Al Fujairah National Insurance Company during office hours (08.00 AM to 04.00 PM, Sunday to Thursday) at

Tel :+971-9-2233355 Extn. 1206

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