

## **DAMAGE OCCURRED TO THE INSURED ELECTRONIC EQUIPMENT AS A CONSEQUENCE OF PHYSICAL DAMAGE TO THE AIR CONDITIONING EQUIPMENT**

### **CLAUSE 1. PERILS COVERED**

Subject to the previous payment of an extra premium on behalf of the Insured, and in addition to the terms, exclusions, Clauses, and conditions contained in the Policy or endorsements thereon, the Company shall indemnify the Insured against eventual damage or loss to the electronic installation due to failure in the air conditioning equipment, provided such is covered against physical damage in a Machinery Breakdown Policy, and has been designed, installed or assembled, in accordance with the electronic installation manufacturer's recommendations.

Such air conditioning equipment must comply with the following requirements:

- 1.1 The alarm and protection devices shall be checked at least every 6 (six) months by qualified personnel, whether by the Insured or supplier.
- 1.2 It shall have independent sensors to monitor the temperature and humidity, detect smoke and provide acoustic and optical alarm.
- 1.3 It shall be in the care of qualified personnel who shall be able to take all necessary steps to prevent the occurrence of any damage in the event of loss.
- 1.4 It shall have automatic disconnecting devices in case of emergency, in accordance with the requirements of the manufacturers of such electronic installation.

In compliance with the above requirements, and if the air conditioning equipment is duly covered under a physical damage Policy, the direct physical damage to the electronic data processing installation is covered as a result of failures in the air conditioning provoking any peril covered in Section I of the Individual Conditions of the Policy or endorsements attached thereon.

### **Endorsement of New Replacement Cost as a consequence of a Total Loss**

Subject to the printed General Conditions of the Policy, and to the special conditions contained in this specification, and including the payment of the corresponding premium, the Company agrees to insure the covered property that is totally destroyed or damaged by any peril covered in the Policy or endorsements attached therein, in such a manner when it cannot be repaired up to the "Replacement Cost" thereof.

For the purposes of this insurance, the term "Replacement Cost" means the amount required for the acquisition of new property of such like kind and capacity of the property covered; including freight costs, customs duties and assembly costs, if any.

For the application of this coverage, it is a condition that:

- a) The equipment has a maximum of 3 years of construction. Moreover, total loss for older equipment shall be indemnified discounting the depreciation of use.
- b) The Insured proves to have incurred at least 50% of the repair and/or replacement amount of the damaged equipment.
- c) In case that new property of such like kind and capacity of the property covered is not found since the manufacturer has suspended the production of such models, or when new existing stock cannot be supplied by the manufacturer or his agents, the indemnity shall be based on the replacement cost of an equipment of actual manufacture that would provide the Insured the use and capacity given by the damaged equipment, deducting the amount deductible agreed upon.
- d) The indemnity under this endorsement shall never exceed the Sum Insured stated in the Face or Specification of the Special Conditions for the corresponding covered property.