

# ELECTRONIC OR ELECTROMAGNETIC EQUIPMENT INSURANCE POLICY

## INDIVIDUAL CONDITIONS

Subject to the General, Individual Conditions and Specifications of the Policy, whereby the latter having preference over the former, **Tokio Marine Compañía de Seguros, S.A. de C.V.** named hereinafter as “the Company” insures in favor of the person mentioned in the Specification of the Policy, designated hereinafter as “the Insured” against the loss and/or damage caused by the perils covered, provided that the Insured has an insurable interest, in accordance with the terms established in this Policy.

## SECTION I. PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT

### CLAUSE I.1. PERILS COVERED

The property insured in this coverage, and mentioned in the Specification attached to and forming part of this Section is covered against sudden or unforeseen physical loss or damage, provided such property is not specifically excluded as a consequence of the perils mentioned below and wholly within the premises mentioned in the Specification of the Policy.

- I.1.A. Fire, lightning discharge, explosion, implosion, and fire extinguishing.
- I.1.B. Smoke, soot, gases, liquids or corrosive dust.
- I.1.C. Water action or humidity not arising from normal weather conditions existing in the region, including damage caused by:
  - I.1.C.1 Accidental fissures of piping or seepage of water or steam supply systems located within the limits of the premises mentioned in the Policy. **NOT COVERING DAMPNES OR WATER SEEPAGE CAUSED BY DEFICIENCIES IN CONSTRUCTION OR DESIGN OF ROOFS, INCLUDING LACK OF MAINTENANCE THERETO.**
  - I.1.C.2 Accidental discharge or leakage from water or steam arising from industrial equipment or household appliances, including refrigeration, air conditioning or heating systems.
- I.1.D. Short circuit, voltage arc, magnetic field disturbances, overloading caused by lightning discharge, and insulator burnout.
- I.1.E. Manufacture, material, design or installation defects.
- I.1.F. Handling errors, carelessness, negligence, unskillfulness or bad faith on behalf of the Insured's personnel.
- I.1.G. Malicious mischief and fraud committed by third parties.
- I.1.H. Physical loss or damage caused by violent theft, attempted theft and/or assault. Violent theft shall mean that perpetrated by any such person or persons who making use of violence for breaking and entering into the insured property are found to leave such visible signs of perpetrated violence.

- I.1.I. Sinking and landslides, rockfalls, and avalanches not caused by earthquake or volcanic eruption.
- I.1.J. Foreign bodies introduced inside the covered property.
- I.1.K. Other damages not excluded from this Policy or from any of the coverages indicated in Clause 14 "Additional Coverages" of the Individual Conditions of this policy.

#### **CLAUSE I.2. PROPERTY COVERED**

All type of Electronic Equipment as described in the Specification of this Policy, whilst duly installed within the locations specified in such Special Conditions and once the initial operation and start up tests have been completed satisfactorily, whether in operation, inspection, maintenance or out of service but in conditions to be used at whatsoever moment, such as but not limited to:

Communication systems, medical equipment, office equipment, photocomposition, traffic signal equipment, communication, transmission and reception relays, search and analysis equipment, transmitters, graphic arts, machines, apparatus and equipment for information technology, data processing equipment, measurement, regulation and control equipment and in general equipment whereby the value of components or electric parts is greater than 50% of its total replacement cost.

#### **CLAUSE I.3. EXCLUSIONS**

**IT IS UNDERSTOOD AND AGREED UPON THAT IN NO CASE SHALL THIS POLICY COVER LOSS OR DAMAGE CAUSED BY:**

- I.3.1 FAILURE OR EXISTING DEFECTS OF THE PROPERTY COVERED, AS AT THE INCEPTION DATE OF THIS INSURANCE.**
- I.3.2 ANY EXPENSE INCURRED TO ELIMINATE OPERATION AND CAPACITY FAILURES OF THE INSURED EQUIPMENT. UNLESS SUCH FAILURES WERE CAUSED BY A PAYABLE LOSS OR DAMAGE INCURRED BY THE COVERED PROPERTY.**
- I.3.3 ANY EXPENSE INCURRED WITH RESPECT TO MAINTENANCE CARRIED OUT BY THIRD PARTIES, BY MEANS OF A CONTRACT. MAINTENANCE CONTRACT SHALL MEAN THAT CONTRACT BINDING A THIRD PARTY TO PERIODICALLY INSPECT AND REPLACE USED OR DEFECTIVE PARTS. THE EXPENSES OF PREVENTIVE MAINTENANCE MADE BY THE INSURED ARE NOT COVERED.**

- I.3.4 LEGAL OR CONTRACTUAL LIABILITY OF THE MANUFACTURER OR SALES AGENT OF THE PROPERTY COVERED OR SUPPLIER OF THE MAINTENANCE SERVICE OTHER THAN THE INSURED'S PERSONNEL.**
- I.3.5 EQUIPMENT HIRED OR RENTED, WHEN THE LIABILITY FALLS UPON THE LESSOR, WHETHER LEGALLY OR IN ACCORDANCE WITH THE LEASE AND/OR MAINTENANCE CONTRACT.**
- I.3.6 USE OF WEARABLE PARTS SUCH AS: BULBS, VALVES, TUBES, BANDS, FUSES, SEALS, TAPES, SPRINGS, CHAINS, REPLACABLE TOOLS, ENGRAVED ROLLERS, GLASSWARE, CHINAWARE OR CERAMIC OBJECTS; HOWEVER, SUCH PARTS ARE COVERED WHEN THE DAMAGE RESULTS FROM A PERIL COVERED.**
- I.3.7 ELEMENTS OR OPERATION MEANS SUCH AS: LUBRICANTS, FUELS, CHEMICALS, EXCEPT FOR MERCURY USED IN CURRENT RECTIFIERS, AND IN CERAMIC ISOLATORS WHICH ARE COVERED BY THIS POLICY, PROVIDED THE DAMAGE RESULTS FROM A PERIL COVERED.**
- I.3.8 AESTHETIC DEFECTS SUCH AS: SCRATCHES ON PAINTED, POLISHED OR VARNISHED SURFACES. HOWEVER, THE COMPANY AGREES TO COVER THE LOSS OR DAMAGE MENTIONED IN THIS ITEM WHEN SAID PARTS ARE DAMAGED BY A PAYABLE LOSS OR DAMAGE OCCURRED TO THE COVERED PROPERTY.**
- I.3.9 EQUIPMENT WITHOUT REGISTERED PATENTS MEANING SUCH EQUIPMENT THAT DOES NOT HAVE THE TRADE NAME OF THE MANUFACTURER WHO GIVES WARRANTY TO THE INTEGRITY THEREOF IN RELATION TO DESIGN AND SERVICE REFERRED THERETOFORE.**
- I.3.10 DAMAGE CAUSED BY DAMPNESS AND WATER SEEPAGE, WHETHER OR NOT UNDERGROUND.**
- I.3.11 EXPENSES INCURRED TO RECHARGE THE PROTECTION SYSTEMS BASED ON HALON GAS, WHEN SUCH HAVE BEEN EMPTIED ACCIDENTALLY.**
- I.3.12 EQUIPMENT OPERATING UNDERGROUND, IN WATER, IN THE AIR OR SPACECRAFT.**
- I.3.13 EARTHQUAKE, SEISMIC MOVEMENT AND VOLCANIC ERUPTION.**

### **I.3.14 ANY DAMAGE CAUSED BY EFFECTS OF TOXIC MOULD.**

#### **CLAUSE I.4. ADDITIONAL COVERAGES**

By means of the obligation of payment of the additional premium, this Policy may be extended to cover the following perils, provided they are indicated in the Specification of the Policy:

- I.4.1 Hail, cyclone, hurricane or windstorm, frost, snow and tidal wave.
- I.4.2 Flood.
- I.4.3 Strikes, riots, civil commotion, vandalism and malicious damage.
- I.4.4 Theft without violence (larceny).
- I.4.5 Extra charges for express freight (excluding airfreight), work on public holidays and overtime, provided that such charges are incurred in connection with the repair of a covered damage.
- I.4.6 Extra charges for airfreight incurred in connection with the repair of a covered damage.
- I.4.7 Damage occurred to the covered property by physical damage to the air conditioning equipment.
- I.4.8 Expenses for masonry, scaffold, and stairs incurred due to breaking, digging, refilling, repairing, plastering, repainting, and recovering of pavements, walls, floors, and roofs are covered when repair of damage to insured equipment in such pavements, walls, floors, and roofs, including expenses for the use of scaffold and stairs which are incurred necessarily to repair the damage to the insured equipment, up to 10% of the amount payable for the direct physical damage.

#### **CLAUSE I.5. SUM INSURED**

- I.5.1. The Insured shall maintain the contracted Sum Insured, during the Policy term, for that equivalent to the replacement cost of all machines and equipment covered by other new property of the same type and capacity, including freight, taxes and custom duties, if any, and assembly expenses.

At the Insured's written request, the Company shall be obliged to update the Sum Insured by means of the payment of the additional premium indicated in the Specification of the Policy.

Upon the occurrence of a payable loss, and whereby the Insured has not made the above request, should the sum insured not correspond to the replacement cost of the property covered, Clause I.11 "Proportional Rule" of Section I of this Policy shall be applied hereto.

- I.5.2. Condition applicable exclusively to computer equipment (microcomputers, minicomputers, printers, monitors workstations), cellular phones and radio beepers.

Notwithstanding the provisions in the above paragraphs for the correct establishment of the Sum Insured, in cases whereby, as a consequence of the technological advance, the insured equipment is not available in the market and consequently its "replacement cost" cannot be obtained, the Sum Insured shall correspond to the value of the new equipment existing in the market with similar technical and technological characteristics and/or close to the insured equipment, including the expenses necessarily incurred for the operation within the location(s) insured, such as: freight, installation, taxes, fees and customs duties, if any.

#### **CLAUSE I.6. PARTS OF PREDETERMINED USUFUL LIFE**

It is understood and agreed that in accordance with provisions in Clause I.7. "Partial Loss" of the Individual Conditions of this Policy, and with respect to the parts of the damaged equipment whereby useful life is predetermined, the replacement cost of such parts shall be indemnified at the time of loss.

For equipment mentioned in item I.8.1 of Clause I.8. "Total Loss", where such form of indemnity has been contracted at actual cash value, the "Table of depreciation factors for use and age" shall be applicable.

#### **CLAUSE I.7. PARTIAL LOSS**

##### **I.7.1. Compensable expenses:**

In case of partial loss for such cases where the repair may be carried out for damage occurred to the property covered, the claim should include the necessary expenses incurred in order to leave the property in operating conditions similar to those existing prior to the occurrence of the loss.

Such expenses shall be:

##### **I.7.1.A. The cost of repair:**

I.7.1.A.1 In case of proceeding, the Company shall indemnify in accordance with the invoice provided by the Insured, including the cost of construction, disassembly, reassembly, ordinary freight and customs duties, if any. Moreover, **THE COMPANY SHALL NOT BE LIABLE FOR DAMAGE OCCASIONED BY THE TRANSPORTATION OF THE PROPERTY SUBJECT TO REPAIR**; however, but it is obliged to pay the amount for the transportation insurance premium, which the Insured shall contract to cover the damaged property during transfer to and from any such workshop wherein the repair is to be made.

I.7.1.A.2 Extra charges for express freight, overtime and work on Sundays or public holidays, including extra charges for airfreight shall be paid only when they are specifically covered.

I.7.1.A.3 In partial losses, the Company shall not make any deduction for depreciation to replacement parts, but however fix the indemnity, taken into account the value of any salvage.

I.7.1.A.4 The Company may replace, repair or pay in cash the damaged property.

- I.7.1.A.5 When such repair or part thereof is made in the Insured's workshop, the expenses shall be the amount of the cost of material and workmanship originated by such repair plus the necessary administrative expenses for the execution thereof.
- I.7.1.A.6 With respect to parts with a predetermined useful life, the replacement cost of such remaining useful life shall be paid in accordance with provisions in Clause I.6. "Parts of predetermined Useful Life" of the Individual Conditions of this Policy.
- I.7.1.A.7 The Company shall only be responsible for the damages after receiving to their satisfaction the invoices and all documents supporting the carrying out the respective repairs or replacements.
- I.7.1.A.8 Should the replacement cost be equal to or exceeded the actual value of the property prior to the occurrence of the loss, the adjustment shall be effected based on the provisions in the following Clause I.8 Total Loss.

**I.7.1.B Expenses charged to the Insured:**

- I.7.1.B.1 The expenses of any temporary repair shall be charged to the Insured, unless such constitute a part of the expenses of the definite repair or have been authorized in writing by the Company.
- I.7.1.B.2 The cost to recondition, modify or make unnecessary improvements to repair the damage shall be charged to the Insured.
- I.7.1.B.3 If the covered property after sustaining damage is repaired by the Insured temporarily and continue working, **IN NO CASE SHALL THE COMPANY BE LIABLE FOR ANY DAMAGE THAT SUCH PROPERTY SUSTAINS THEREINAFTER, UNTIL THE DEFINATE REPAIS ARE CARRIED OUT.**
- I.7.1.B.4 **THE COMPANY'S LIABILITY SHALL NOT BE EFFECTIVE IF ANY DEFINATE REPAIR CARRIED OUT BY THE INSURED DOES NOT MEET THE COMPANY'S SATISFACTION.**

The deductible fixed in the Specification of the Policy shall be applied to all such indemnity for partial losses.

**CLAUSE I.8. TOTAL LOSS**

- I.8.1 In case of total loss of the covered property, the Company's liability shall not exceed the actual cash value of such property, less the value of any salvage. If the Insured decides to keep such property, it is hereby stipulated that:
- I.8.2 In case there is an agreement between the parties, the Company shall keep the salvaged property, only when the credited value to the Insured is attested to by an appraiser.
- I.8.3 When the repair cost of the covered and damaged property is equal to or greater than the actual cash value, the loss shall be considered as a total loss.
- I.8.4 After an indemnity for total loss, the insurance for the damaged property shall be considered terminated. All data corresponding to the property to be replaced shall be declared in order to include such replaced property, by means of an endorsement and with the collection of the corresponding premium, in this Policy.

I.8.5 In case of total loss of the covered property, if the Insured decides not to replace the damaged or lost property, such shall be paid at Actual Cash Value.

I.8.6 The deductible on the Sum Insured shall be applied to all such indemnity for total loss.

**For computer equipment (microcomputers, minicomputers, printers, servers), cellular phones and radio beepers, the above item I.9.1 is amended as follows:**

**Total Loss**

In case of total loss or destruction of the covered property, the Company's liability shall not exceed the actual cash value or replacement cost (as contracted) of such property, less the value of the salvage, if any, but not exceeding the Sum Insured.

The Actual Cash Value shall be obtained deducting from the Replacement Cost of the damaged property at the date of loss, the depreciation amount, calculated on the useful life and the preservation condition of the corresponding equipment, as indicated in the following table of "Depreciation Factors".

TABLE OF DEPRECIATION FACTORS FOR USE AND AGE											
MONTHS / UP TO	CONTRACTS INCLUDING MAINTENANCE AND MODERATE USE			CONTRACTS WITHOUT MAINTENANCE AND MODERATE USE, BUT CONTRACTS INCLUDING MAINTENANCE AND INTENSIVE USE			CONTRACTS WITHOUT MAINTENANCE AND INTENSIVE USE			CELLULAR PHONES AND BEEPERS	
	LAP TOP	PC'S	SERVERS AND PERIPHERALS	LAP TOP	PC'S	SERVERS AND PERIPHERALS	LAP TOP	PC'S	SERVERS AND PERIPHERALS	INTENSIVE USE 3 YEARS	INTENSIVE USE 3 YEARS
1	0.979	0.983	0.988	0.881	0.885	0.889	0.783	0.787	0.790	0.972	0.983
4	0.917	0.933	0.952	0.825	0.840	0.857	0.733	0.747	0.762	0.889	0.933
8	0.833	0.867	0.905	0.750	0.780	0.814	0.667	0.693	0.724	0.778	0.867
12	0.750	0.800	0.857	0.675	0.720	0.771	0.600	0.640	0.686	0.667	0.800
16	0.667	0.733	0.810	0.600	0.660	0.729	0.533	0.587	0.648	0.556	0.733
20	0.583	0.667	0.762	0.525	0.600	0.686	0.467	0.533	0.610	0.444	0.667
24	0.500	0.600	0.714	0.450	0.540	0.643	0.400	0.480	0.571	0.333	0.600
28	0.417	0.533	0.667	0.375	0.480	0.600	0.333	0.427	0.533	0.300	0.533
32	0.333	0.467	0.619	0.300	0.420	0.557	0.300	0.373	0.495	0.300	0.467
36	0.300	0.400	0.571	0.300	0.360	0.514	0.300	0.320	0.457	0.300	0.400
40	0.300	0.333	0.524	0.300	0.300	0.471	0.300	0.300	0.419		0.333
44	0.300	0.300	0.476	0.300	0.300	0.429	0.300	0.300	0.381		0.300
48	0.300	0.300	0.429	0.300	0.300	0.386	0.300	0.300	0.343		0.300
52	0.300	0.300	0.381	0.300	0.300	0.343	0.300	0.300	0.305		0.300
56	0.300	0.300	0.333	0.300	0.300	0.300	0.300	0.300	0.300		0.300
60	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300		0.300

**NOTE: TO DETERMINE THE REMAINING VALUE, THIS FACTOR SHALL BE APPLIED TO THE REPLACEMENT COST OF THE DAMAGED EQUIPMENT.**

**CONCEPTS:**

Moderate use: Equipment use by the owner of the equipment and his family in the private domicile of the Insured.

Private and family use, in accordance with the manufacturer’s operating instructions.

Intensive use: Equipment use as work tools in offices, service companies, commercial outlets, schools or industrial plants, whether in the public or private sector.

If, as a result of the technological advance, at the date of loss, the damaged and/or stolen equipment is not manufactured, and consequently its “Replacement Cost” cannot be obtained, the Company shall indemnify based on the value of the new equipment existing in the market with similar technical and technological characteristics and/or close to the damaged and/or stolen equipment, less the amount of the corresponding “depreciation” calculated as indicated in the above paragraph, and less the amount of the deductible agreed upon, but in no case exceeding the Sum Insured declared for the damaged property.

When the repair cost of the covered property is equal to or greater than the actual cash value, the loss shall be considered as a total loss.

After an indemnity for total loss, the insurance for damaged property shall be considered terminated.

**CLAUSE I.9. DAMAGES IN TUBES AND VALVES**

It is understood and agreed that in addition to the terms, exclusions and conditions contained in the Policy or in the endorsements, and provided it is mentioned in the Specification of this Policy, this insurance is extended to cover loss or damage to any type of tubes and valves. The indemnity shall be limited to the actual cash value of this property (items 1 to 7) prior to the occurrence of the damage, including ordinary transit expenses, assembly costs and eventual customs duties, if any.

**9.1. Actual Cash Value**

- 9.1.A. Vertical x-ray anode tubes in tank generators, and gyratory x-ray anode tubes with no counter in diagnostic installations.
- 9.1.B X-ray tubes and valves for surface therapy and close-ups installations.
- 9.1.C Tubes for image amplification.

<b>AGE (MONTHS)</b>	<b>ACTUAL CASH VALUE IN % OF REPLACEMENT COST</b>
less than 18	100
between 18 and 20	90
Between 21 and 23	80
Between 24 and 26	70
Between 27 and 30	60
Between 31 and 34	50
Between 35 and 40	40
Between 41 and 46	30
Between 47 and 52	20
Between 53 and 60	10
Greater than 60	00

**9.2. Actual cash value of valves for diagnostic installations**

AGE (MONTHS)	ACTUAL CASH VALUE IN % OF REPLACEMENT COST
less than 33	100
between 34 and 36	90
between 37 and 39	80
between 40 and 42	70
between 43 and 45	60
between 46 and 48	50
between 49 and 51	40
between 52 and 54	30
between 55 and 57	20
between 58 and 60	10
greater than 60	00

**9.3. Actual cash value of gyratory x-ray anode tubes with strapped counter for diagnostic installations**

NUMBER OF X-RAYS	ACTUAL CASH VALUE IN % OF REPLACEMENT COST
less than 10000	100
From 10000 to 12000	90
From 12001 to 14000	80
From 14001 to 16000	70
From 16001 to 19000	60
From 19001 to 22000	50
From 22001 to 26000	40
From 26001 to 30000	30
From 30001 to 35000	20
From 35001 to 40000	10
greater than 40000	00

**9.4. Actual cash value for x-ray tubes and valves for intense therapy installations**

PERIOD OF SERVICE (HOURS)	AGE (MONTHS)	ACTUAL CASH VALUE IN % OF REPLACEMENT COST
less than 400	less than 18	100
From 400 to 500	From 18 to 22	90
From 501 to 600	From 23 to 26	80
From 601 to 700	From 27 to 30	70
From 701 to 800	From 31 to 35	60
From 801 to 900	From 36 to 40	50
From 901 to 1000	From 41 to 45	40
From 1001 to 1100	From 46 to 50	30
From 1101 to 1200	From 51 to 55	20
From 1201 to 1300	From 56 to 60	10
greater than 1300	More than 60	00

**9.5. Actual cash value of x-ray tubes and valves for material analysis installations**

PERIOD OF SERVICE (HOURS)	AGE (MONTHS)	ACTUAL CASH VALUE IN % OF REPLACEMENT COST
Less than 300	less than 6	100
From 300 to 380	From 6 to 8	90
From 381 to 460	From 9 to 10	80
From 461 to 540	From 11 to 12	70
From 541 to 620	From 13 to 14	60
From 621 to 700	From 15 to 16	50
From 701 to 780	From 17 to 18	40
From 781 to 860	From 19 to 20	30
Greater than 860	Greater than 20	00

**9.6. Actual cash value of image receiver and transmitter tubes for T.V. installations**

After the first 12 (twelve) months of use, the actual cash value of image receiver and transmitter tubes shall be reduced by 3% per month, up to a minimum of 20% of the replacement cost.

**9.7 Actual cash value of other type of tubes and valves**

For other type of tubes and valves, the actual cash value at the time of the occurrence of the loss shall be determined based on data provided by the manufacturer.

**CLAUSE I.10. ELECTRONIC TOMOGRAPHS**

Whensoever mentioned in the Specification of this Policy, this endorsement shall form an integral part of all such Policies issued to cover this type of property.

It is understood and agreed upon that in addition to the terms, exclusions, Clauses, and conditions contained in this Policy or any such endorsements thereof, the Company shall not indemnify the Insured for any loss or damage derived from a failure of the different elements and constructive groups, unless proven that such was caused by the action of external phenomenon in the installation or by fire therein.

As a result of modifications in the indemnity conditions of the Clause referring to tubes and valves in installations and electrotherapy equipment for tubes installed in electronic tomographs shown below, the following conditions shall apply:

X-RAY TUBES WITH HIGH VOLTAGE HOURS COUNTER (VERTICAL ANODE TUBE) (SERVICE HOURS UP TO)	WITH RADIOGRAPH COUNTER GYRATORY ANODE TUBE (NUMBER OF RADIOGRAPHS UP TO)	INDEMNITY %
400	10000	100
440	11000	90
480	12000	80
520	13000	70
600	15000	60
720	18000	50
840	21000	40
960	24000	30
1080	27000	20
1200	30000	10

## Voltage and levelling stabilization tubes

USAGE TIME UP TO (MONTHS)	INDEMNITY (%)
3 6	100
3 9	90
4 1	80
4 4	70
4 7	60
4 9	50
5 2	40
5 5	30
5 7	20
6 0	10

### CLAUSE I.11. PROPORTIONAL RULE (APPLICABLE ONLY TO SECTION I)

Notwithstanding the provisions in Clause I.11 “Proportional Rule” of the Individual Conditions of the Policy, if at the time of the loss occurrence, the Replacement Cost of the property damaged is greater than the amount insured, in accordance with stipulations in items I.5.1 and I.5.2, Clause I.5 “Sum Insured” Section I Physical Damage to Electronic Equipment, the Company shall only be liable in proportion to the damage caused, and from such proportion, the deductible stated in the specification of this Policy shall be deducted therefrom.

### CLAUSE I.12. INDEMNITY

- I.12.1 The Company, at its option, may replace, repair or pay in cash the damaged or destroyed property.
- I.12.2 Should the Company choose to pay in cash the amount of the loss calculated in accordance with Clauses I.7. “Partial Loss” and I.8. “Total Loss” of the Individual Conditions of this Policy, such amount shall be based on the costs in force at the time of loss.
- I.12.3 In partial losses, the indemnity calculation in favour of the Insured shall be taken into account in accordance with provisions in Clause I.11. “Proportional Rule” of Section I of this Policy.
- I.12.4 Application of deductible and salvage
- I.12.4.A Should the Company, at its option, choose to replace, repair or pay in cash the damaged or destroyed property, the Insured shall pay to the Company the deductible, together with the value of any salvage that remains in his possession.
- I.12.4.B Should the Company choose to pay in cash, the deductible together with the value of any salvage in his possession shall be discounted from the resulting amount in accordance with stipulations in items I.12.2 and I.12.3 of this Clause.
- I.12.4.C If on the Insured’s behalf, the adjustment is delayed, and subsequently material and workmanship costs are increased between the date of loss and actual payment thereof; the Company shall indemnify the damage at costs calculated on the date whereby the agreed upon payment in cash would have taken place. The difference shall be to the Insured’s account, plus the deductible amount specified in the Policy.
- I.12.4.D When two or more items are affected by a single loss, subject to indemnity, in accordance with the conditions of this Policy, the Insured shall pay only the amount of the highest deductible applicable to such property.

I.12.4.E The Company's maximum liability for one or more losses occurred during the term of the Policy shall not exceed the total Sum Insured corresponding to the damaged property, less the respective deductible.

I.12.4.F Each partial indemnity paid by the Company during the term of the Policy shall be reduced in the same amount, and the indemnity of subsequent losses shall be paid up to the limit of the remaining amount. In case that Clause I.11 "Proportional Rule" of Section I of this Policy applies hereto, the reductions to the Sum Insured as a result of previous paid indemnities shall not be applicable.

The Company, at the request of the Insured, may reinstate the reduced amounts, when the payment of the pro rate corresponding premium is effected. Should the Policy consist of various items, the reduction or reinstatement shall apply to such affected item or items.

**SECTION II. EXTERNAL DATA CARRIERS  
(AUXILIARY TO THE DATA PROCESSING INSTALLATIONS COVERED IN SECTION I “PHYSICAL  
DAMAGE TO ELECTRONIC EQUIPMENT” OF THIS POLICY)**

By express agreement between the Insured and the Company, and under the obligation of payment of the corresponding additional premium on behalf of the Insured, and subscribed to in the Specification, this Policy may be extended to cover this Section:

**CLAUSE II.1. PERILS COVERED**

The covered property under this Item is insured against physical loss or damage caused by the same covered perils, subject to Section I “Physical Damage to Electronic Equipment”, including such property covered by the contracted additional coverages.

Furthermore, the reproduction and recording expenses of the information stored therein are covered, providing that the Insured has the necessary data source of information, including the expenses for the transportation of said data source to the premises. This coverage only applies to the external data carriers within the premises mentioned in the Specification of the Policy or in another location agreed upon with the Insured.

However, the covered property under this Item is insured outside the Insured’s premises, only when such is used or shall be used for the operation of mobile or portable equipment covered outside these premises, in accordance with the additional coverage referred to in Clause I.4. item 10 “Mobile and Portable Equipment outside the premises mentioned in the face of the Policy” of Section I “Physical Damage to Electronic Equipment”.

**CLAUSE II.2. PROPERTY COVERED**

For the purposes of this insurance, the external data carriers are devices that store legible data, whether magnetic or mechanically, and are capable of being used in the electronic data processing installation insured, but do not form an integral part of said installation.

**CLAUSE II.3. EXCLUSIONS**

**II.3.1 EXCLUSIONS**

**THE COMPANY SHALL NOT BE LIABLE FOR LOSS OR DAMAGE AFFECTING THE FOLLOWING PROPERTY:**

**II.3.1.A USELESS EXTERNAL DATA CARRIERS FOR THE INSURED.**

**II.3.1.B PROGRAMS FOR RESEARCH AND DEVELOPMENT.**

## **II.3.2 PERILS EXCLUDED**

**IN ADDITION TO THE EXCLUSIONS MENTIONED IN SECTION I "PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT", IT IS UNDERSTOOD AND AGREED UPON THAT IN NO CASE SHALL THE COMPANY COVER:**

- II.3.2.A ANY EXPENSE RESULTING FROM FALSE PROGRAMMING OR CLASSIFICATION OR DATA INSERTION, AND ACCIDENTAL DATA ANNULMENT, EXCEPT WHEN ORIGINATED FROM A LOSS COVERED UNDER ITEM I "PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT"**
- II.3.2.B LOSS OF INFORMATION CAUSED BY MAGNETIC FIELDS.**
- II.3.2.C REPRODUCTION AND RERECORDING OF ANY UNNECESSARY DATA, WHICH WAS NOT CARRIED OUT WITHIN A PERIOD OF 12 (TWELVE) MONTHS FOLLOWING THE LOSS, IN SUCH CASE, THE COMPANY SHALL ONLY INDEMNIFY THE AMOUNT CORRESPONDING TO THE MATERIAL OF EXTERNAL CARRIERS.**
- II.3.2.D GRADUAL WEAR AND TEAR OF EXTERNAL DATA CARRIERS.**
- II.3.2.E ANY BENEFIT OBTAINED BY MEANS OF AN ALTERATION OR MODIFICATION OF THE DATA ORIGINALLY CONTAINED IN THE CARRIERS.**
- II.3.2.F DAMAGE OR LOSS TO DATA AS A CONSEQUENCE OF VIRUS.**
- II.3.2.G DAMAGE OR LOSS OF DATA AS A RESULT OF ERRORS IN DATES READING PROCESSES.**
- II.3.2.H DESIGN EXPENSES FOR ANY PROGRAM CONTAINED IN THE EXTERNAL DATA CARRIERS.**

## **CLAUSE II.4. SUM INSURED**

The sum insured shall be the necessary amount to replace the insured data carriers, including the cost of blank material, and reproduction and rerecording the data originally contained therein. Moreover, the Company, irrespective of the corresponding deductible shall pay in full the amount of the expenses incurred for damage sustained to the carriers insured, up to the amount of the corresponding Sum Insured.

## **CLAUSE II.5. SCOPE OF INDEMNITY**

The Company shall indemnify proven expenses incurred by the Insured within a period of 12 (twelve) months, from the date of loss, in order to repair the external data carriers to such similar conditions existing prior to the loss, and thereby allowing normal data processing operations.

If it is unnecessary to reproduce the lost information or data, or if such reproduction is not effected within the 12 (twelve) months, after the loss, the Company shall only indemnify the expenses for replacement of new material of the external data carriers.

At the date of the occurrence of a payable loss, the Sum Insured shall be reduced by the unexpired term to the indemnified amount, unless the Sum Insured is reinstated.

In the event of loss affecting this Section, the indemnity payable by the Company includes:

- II.5.1 The acquisition cost of the external data carriers affected by the loss, and
- II.5.2 The expenses incurred to carry out the reproduction and rerecording of the information stored therein.

However in both cases shall not exceed the Replacement Cost or the Sum Insured.

If on the Insured's behalf, the adjustment is delayed, and subsequently material and workmanship costs are increased between the date of loss and actual payment thereof; the Company shall indemnify the damage at costs calculated on the date whereby the agreed upon payment in cash would have taken place. The difference shall be to the Insured's account, plus the deductible amount specified in the Policy.

### **SECTION III. INCREASED COST OF OPERATION FOR THE UTILIZATION OF A DATA PROCESSING CENTER**

By express agreement between the Insured and the Company, and under the obligation of payment of the corresponding additional premium on behalf of the Insured, and subscribed to in the Specification, this Policy may be extended to cover this Section:

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

The Company agrees that whenever the property covered under Section I. "Physical Damage to Electronic Equipment", of this Policy is destroyed or damaged as a consequence of the perils covered under such Section, or as a result of the additional perils that have been contracted, and henceforth the operations of the electronic data processing system were interrupted or shut down; the Company shall indemnify the Insured for the additional expenses paid for the use of a supplementary or other electronic data processing system, which is not insured by this Policy, but would allow the Insured to continue his normal operations during the number of months agreed upon in such indemnity period, and up to a sum not exceeding the daily indemnity agreed upon or the total Sum Insured.

#### **CLAUSE III.2. EXCLUSIONS**

**IN ADDITION TO THE EXCLUSIONS MENTIONED IN SECTION I "PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT", IT IS UNDERSTOOD AND AGREED THAT THE COMPANY SHALL NOT BE LIABLE FOR ANY ADDITIONAL EXPENSES AS A CONSEQUENCE OF:**

- III.2.1 EXTENSION OF THE INDEMNITY PERIOD CAUSED BY ENLARGEMENTS OR BETTERMENTS OF THE DAMAGED ELECTRONIC DATA PROCESSING INSTALLATION.**
- III.2.2 EXPENSES INCURRED FOR RECONSTRUCTING AND/OR RERECORDING INFORMATION CONTAINED IN EXTERNAL DATA CARRIERS.**
- III.2.3 LACK OF THE NECESSARY MATERIAL TO CONTINUE THE NORMAL DATA PROCESSING.**
- III.2.4 THE APPLICATION OF ANY STATE OR FEDERAL LAW LIMITING OR AVOIDING THE RECONSTRUCTION OR REPAIR OF THE COVERED PROPERTY.**
- III.2.5 THE SUSPENSION, EXPIRY OR CANCELLATION OF ANY PERMISSION, LICENSE, LEASE OR PATENT RIGHTS.**

**III.2.6 THE INSURED'S ECONOMICAL FAILURE TO PAY THE EXPENSES FOR THE RECONSTRUCTION OR REPAIR OF THE DAMAGED PROPERTY INSURED IN SECTION I "PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT".**

**CLAUSE III.3. SUM INSURED**

III.3.1 The Sum Insured must be annual and equal to the necessary amount incurred during the 12 (twelve) months due to increased costs of operations insured (even if a shorter period of indemnity is chosen) of an auxiliary and other data processing center, and with similar capacity to the insured electronic data processing system.

III.3.2 The Sums Insured shall be fixed separately to each data processing center.

III.3.3 The Sum Insured is determined as follows:

III.3.3.A Additional expenses incurred several times.

III.3.3.A.1 Daily increased costs of operation while using the Electronic Installations of the data processing center or other photocomposition installations or for using other computer, photocomposition or operation processes, in addition to:

III.3.3.A.2 Daily increase to regular income of employees, salaries of other employees, daily costs of other services; plus:

III.3.3.A.3 Daily expenses for transportation of data carriers; material and staff; less:

III.3.3.A.4 Expense saving, such as daily rent of the own installation of the data processing center, and lower utilities cost.

III.3.3.A.5 The sum of the daily expenses indicated in items 1 to 4 of this section III.3.3.A is multiplied by the number of working days of the data processing center, and then multiplied by 12 (twelve) months.

III.3.3.B. Additional expenses incurred one time:

The sum insured shall correspond to the unusual additional expenses, and thus does not meet a time frame schedule; consequently, it shall be determined based on the following concepts:

III.3.3.B.1 The costs to convert the system to alternative working process.

III.3.3.B.1 Transportation costs incurred one time.

#### **CLAUSE III.4. SUSPENSIONS**

The coverage of this Item shall not be effective in the following cases:

**III.4.1 IF, AFTER A LOSS, THE INSURED SUSPENDS THE OPERATIONS, WITH THE INTENTION OF NOT RESUMING SUCH OPERATIONS.**

**III.4.2 IF DUE TO REASONS OTHER THAN THE PERILS COVERED BY THIS POLICY, THE REAL PROPERTY IS CLOSED DOWN OR THE OPERATIONS ARE SUSPENDED BY ORDER OF A LEGALLY RECOGNIZED AUTHORITY IN PURSUANCE OF THEIR FUNCTIONS.**

**III.4.3 IF AFTER A LOSS, THE INSURED DOES NOT KEEP IN FORCE THE PHYSICAL DAMAGE COVERAGE OF SECTION I "PHYSICAL DAMAGE TO ELECTRONIC EQUIPMENT".**

In such cases, Clause 13 "Advance Termination of Contract" of the General Conditions of the Policy shall apply.

#### **CLAUSE III.5. INDEMNITY PERIOD**

The indemnity period covered by this Section in no case shall exceed the number of months contracted and stated in the Specification. The term attaches from the time of operation of the supplementary electronic data processing equipment, but not limited by the expiry date of this Policy.

Nonetheless, should the Insured cancel Section I "Physical Damage to Electronic Equipment", the Section III "Increase in Operational Costs for the Utilization of a Data Processing Center" shall automatically be cancelled.

#### **MONTHLY INDEMNITY**

The monthly indemnity shall be limited to the indemnity period stated in the Specification of the Policy, but not exceeding the monthly and daily Sum Insured determined in accordance with provisions in Clause III.1 "Perils Covered" of this Section.

If after an interruption of the operations of the covered electronic data processing system is found that the additional expenses incurred during such period of interruption is greater than the proportional part of the annual Sum Insured applicable to such period, the Company shall only be liable for such part of the annual Sum Insured corresponding to the proportion between the interruption period and the indemnity period whereto fore agreed upon.

The amount of indemnity charged to the Company shall be calculated taking into consideration any expense savings.

As of the date of the loss occurrence payable, the Sum Insured shall be reduced for the unexpired term by the amount indemnified, unless such is reinstated.

The Insured shall be charged that proportion of the claim corresponding to the temporal deductible agreed upon.

### **CLAUSE III.6. DELAY IN REPAIR WORKS**

The Company shall be liable for a maximum period of 4 (four) weeks for delay in repairs due to:

- III.6.1 Transfer of spare parts or equipment from the dealer's plant or warehouse to the Insured's premises.
- III.6.2 Transfer of the equipment to and from the repair shop.
- III.6.3 If necessary, transfer and reception of foreign specialists to the Insured's premises.
- III.6.4 Time required for the import and export permits of the parts or equipment, or the purchase of foreign currency.
- III.6.5 Lack of spare parts for the repair of the damaged electronic data processing installation or completion of equipment, when such spare parts for equipment completion are not available due that they can not be imported or are not a manufactured line.

In all such cases, the maximum liability of the Company shall be limited to 4 (four) weeks of the operation of supplementary installation; and there forwith, the Company shall refund the proportional unearned premium of the damaged property, deducting the corresponding deductible.

**CONDITIONS APPLICABLE TO ALL SECTIONS**

**CLAUSE 1. EXCLUSIONS**

**1.1 IN ADDITION TO THE EXCLUSIONS SPECIALLY MENTIONED IN EACH SECTION OF THIS POLICY, IN NO CASE SHALL THE COMPANY BE LIABLE FOR LOSS OR DAMAGE AS A RESULT OF:**

**1.1.A DAMAGE AND LIABILITY DUE TO INCOME REDUCTION AND/OR ANY OTHER CONSEQUENTIAL LOSS, BEING UNDERSTOOD AS SUCH LOSS OF ANY PROFIT, EARNINGS, BENEFIT OR LICIT GAIN RESULTING FROM THE FULFILMENT OR INTERRUPTION OF BUSINESS OPERATIONS AS A CONSEQUENCE OF THE OCCURRENCE OF A PERIL.**

**1.1.B HOSTILITIES, WARLIKE ACTS OR OPERATIONS, WHETHER WAR HAS BEEN DECLARED OR NOT, INVASION BY FOREIGN ENEMY, CIVIL WAR, REVOLUTION, REBELLION, INSURRECTION, SUSPENSION OF GUARANTEES OR ACTS ARISING FROM SUCH ACTIVITIES, DE JURE OR DE FACTO.**

**1.1.C. EXPROPRIATION, REQUISITION, DETENTION, EXPROPRIATION, REQUISITION OR DESTRUCTION OF PROPERTY BY ORDER OF ANY LEGAL AUTHORITY IN PERSUANT OF THEIR FUNCTIONS.**

**1.1.D NUCLEAR REACTION, NUCLEAR RADIATION OR RADIOACTIVE CONTAMINATION.**

**1.1.E INTENTIONAL ACTS OR GROSS NEGLIGENCE ON BEHALF OF THE INSURED OR HIS LEGAL REPRESENTATIVES.**

**IN ANY ACTION, SUIT OR OTHER PROCEEDING WHERE THE INSURERS ALLEGE THAT FOR REASON OF THE PROVISIONS IN THE ABOVE EXCLUSIONS 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.**

- 1.1.F DECEIT OR GROSS NEGLIGENCE ON BEHALF OF THE INSURED, LOSS PAYEE, ASSIGNEES, ATTORNEYS, HIS REPRESENTATIVES OR PERSONS LIABLE FOR THE TECHNICAL DIRECTION; IF AND WHEN SUCH ACT OR NEGLIGENCE IS DIRECTLY ATTRIBUTABLE TO SUCH PERSONS.
- 1.1.G VIBRATION SHOCK OR SONIC BOOM CAUSED BY AIRCRAFT OR OTHER MECHANISMS.
- 1.1.H DAMAGE CAUSED BY VIBRATIONS OR NATURAL MOVEMENTS OF SOIL, SUCH AS SUDDEN SINKING, SLIDES AND NATURAL SETTLEMENT.
- 1.1.I LOSS OR DAMAGE, AS A DIRECT CONSEQUENCE OF CONTINUOUS USE OR GRADUAL WEARING DUE TO ATMOSPHERIC OR CLIMATIC CONDITIONS IN THE PREMISES, SUCH AS: WEAR AND TEAR, EROSION, CORROSION, INCRUSTATION, SEDIMENTATION, CRACKING, AND CAVITATION.
- 1.1.J THEFT COMMITTED DURING AND AFTER THE OCCURRENCE OF A FIRE, EXPLOSION OR ANY METEOROLOGICAL OR SEISMIC PHENOMENA.
- 1.1.K THEFT BY DIRECT OR INDIRECT INTERVENTION OF EMPLOYEES AND DEPENDENTS OF THE INSURED WHETHER ACTING ALONE OR IN COLLUSION WITH OTHERS.
- 1.1.L THEFT COMMITTED BY THE LOSS PAYEES OR ASSIGNEES OF THE INSURED OR BY THE ATTORNEYS, OR PERSONS FOR WHOM THE INSURED IS CIVILLY LIABLE.
- 1.1.M DAMAGE CAUSED BY INTERRUPTION, FAILURE OR DEFFICIENCY OF THE ELECTRIC CURRENTS, FROM PUBLIC UTILITIES, WHEN SUCH EQUIPMENT LACKS THE PROTECTION, IN ACCORDANCE WITH CLAUSE 2 "INSURED'S OBLIGATIONS" OF THE CONDITIONS APPLICABLE TO ALL SECTIONS.
- 1.1.N DAMAGE CAUSED BY INTERRUPTION, FAILURE OR DEFFICIENCY IN THE SUPPLY OF WATER OR GAS FROM THE PUBLIC UTILITIES.
- 1.1.O EXPENSES FOR MAINTENANCE AND WHATSOEVER INCURRED FOR IMPROVEMENTS.
- 1.1.P INTERFERENCE BY STRIKERS OR OTHER PERSONS IN THE REPAIR OR RECONSTRUCTION OF THE DAMAGE, OR INTERRUPTING THE RESUMPTION OR CONTINUATION OF THE BUSINESS OPERATIONS.

**1.1.Q TERRORISM AND/OR**

**1.1.Q.1 MEASURES TAKEN IN PREVENTING, SUPPRESSING, CONTROLLING OR MINIMIZING THE CONSEQUENCES DERIVED FROM ANY ACT OF TERRORISM AND/OR**

**1.1.Q.2 ANY CONSEQUENTIAL DAMAGE DERIVED FROM ANY ACT OF TERRORISM.**

**1.1.R COMPUTER VIRUS INCLUDES, BUT IS NOT LIMITED TO, "TROJAN HORSES", "WORMS" AND "TIME OR LOGIC BOMBS".**

**1.1.S COMPUTER CRIME.**

**1.1.T LOSS, DAMAGE, DESTRUCTION, DISTORTION, ERASURE, CORRUPTION OR ALTERATION OF ELECTRONIC DATA FROM ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO COMPUTER VIRUS, OR LOSS OF USE, REDUCTION IN THE FUNCTIONALITY, COST, EXPENSE OF WHATEVER NATURE RESULTING THEREFROM, REGARDLESS OF ANY OTHER CAUSE OR EVENT CONTRIBUTING CONCURRENTLY OR IN ANY OTHER SEQUENCE TO THE LOSS.**

**1.1.U DAMAGE TO ELECTRONIC DATA IS UNDERSTOOD AS FACTS, CONCEPTS AND INFORMATION CONVERTED INTO A FORM USABLE FOR COMMUNICATION, INTERPRETATION OR PROCESSING BY ELECTRONIC AND ELECTROMECHANICAL DATA PROCESSING OR ELECTRONICALLY CONTROLLED EQUIPMENT AND INCLUDES PROGRAMMES, SOFTWARE AND OTHER CODED INSTRUCTIONS FOR THE PROCESSING AND HANDLING OF DATA OR THE DIRECTION AND HANDLING OF SUCH EQUIPMENT.**

**1.2 IN NO CASE SHALL THE INSURANCE COMPANY BE LIABLE FOR:**

**1.2.A LOSS, PHYSICAL DAMAGE, DAMAGE AND EXPENSES CAUSED, DIRECTLY OR INDIRECTLY, AS A CONSEQUENCE OF A REDUCTION IN THE FUNCTIONALITY, DESIGN ERRORS OR BY FAILURES, ERRORS OR DEFICIENCIES OF ANY DEVICE, DATA PROCESSING EQUIPMENT OR MICROCHIP, OPERATING SYSTEMS, MICROPROCESSORS (COMPUTER CHIPS), INTEGRATED CIRCUIT OR SIMILAR DEVICE, ANY PROGRAM (SOFTWARE), OR COMPUTER SYSTEM, WHETHER THE PROPERTY OF THE INSURED OR NOT OR UNDER HIS CONTROL OR POSSESSION, AS A CONSEQUENCE OF THE INABILITY OF ITS PHYSICAL OR LOGICAL COMPONENTS TO CORRECTLY RECOGNIZE OR USE A DATE, BEFORE, DURING AND AFTER THE YEAR 2000 THAT RESULTS FROM THE INABILITY TO:**

**1.2.A.1 RECOGNIZE CORRECTLY ANY DATE AS ITS TRUE CALENDAR DATE.**

**1.2.A.2 CAPTURE, SAVE, RETAIN AND/OR CORRECTLY MANIPULATE, INTERPRET AND PROCESS ANY INFORMATION, DATA, COMMAND OR INSTRUCTION AS A RESULT OF TREATING ANY DATE OTHERWISE THAN AS ITS TRUE CALENDAR DATE.**

**1.2.A.3 CAPTURE, SAVE, RETAIN AND/OR CORRECTLY PROCESS ANY DATA AS A RESULT OF THE OPERATION OF ANY COMMAND WHICH HAS BEEN PROGRAMMED INTO ANY COMPUTER SOFTWARE, BEING A COMMAND WHICH CAUSES THE LOSS OF DATA OR THE INABILITY TO CAPTURE, SAVE, RETAIN OR CORRECTLY PROCESS SUCH DATA ON OR AFTER ANY DATE.**

**1.2.B ANY EXPENSE FOR THE REPAIR OR MODIFICATION OF ANY PART OF AN ELECTRONIC DATA PROCESSING SYSTEM OR ITS RELATED EQUIPMENT, TO CORRECT DEFICIENCIES IN PROGRAMMING OR OPERATION.**

**1.2.C EXPENSES INCURRED FOR CHANGES, MODIFICATIONS OR REPAIRS CARRIED OUT OR SO INTENDED WITH RESPECT TO THE PHYSICAL OR LOGICAL COMPONENTS ALREADY DEFINED DUE TO THE ARRIVAL OF THE DATES, INCLUDING ANY LOSS OR DAMAGE ARISING FROM THE FAILURE, INADEQUACY, OR MALFUNCTION OF ANY ADVICE, CONSULTATION, DESIGN, EVALUATION, INSPECTION, MAINTENANCE, REPAIR OR SUPERVISION DONE BY THE INSURED OR FOR THE INSURED, AND ANY DAMAGE CAUSED BY THE INTERACTION OF COMPUTERS OR SYSTEMS OF THIRD PARTIES WITH THE EQUIPMENT OF THE INSURED DERIVED FROM THE POSSIBILITY TO RECOGNIZE THE DATES AS STATED IN THIS CLAUSE.**

**1.2.D LOSS, PHYSICAL DAMAGE, DAMAGE AND EXPENSES CAUSED, DIRECTLY OR INDIRECTLY AS DESCRIBED IN THIS ITEM 1.23 ARE EXCLUDED REGARDLESS OF ANY OTHER CAUSE THAT CONTRIBUTED CONCURRENTLY OR IN ANY OTHER SEQUENCE.**

## **CLAUSE 2. INSURED'S OBLIGATIONS**

The coverage of this Policy is subject to the Insured's compliance with the following obligations:

- 2.1 Maintain the property insured in good operating conditions.
- 2.2 The equipment shall not be habitually or intentionally overloaded or used in works for which they were not constructed.
- 2.3 Comply with the respective technical and administrative regulations with respect to the installation and operation of the equipment.
- 2.4 Keep valid preventive maintenance contracts with the manufacturers or suppliers of the insured equipment as required and as shown in the Specification of this Policy, in order to guarantee regular inspection and maintenance.
- 2.5 Have installed environmental control air conditioning where the insured equipment is placed, according to the manufacturer's instructions.
- 2.6 Adequate connection to an individual earth, in accordance with the instructions of the manufacturer of the covered equipment. Furthermore, to have atmospheric voltage discharges to earth, also voltage regulators (No Break, U.P.S.) equipment for use in computer centers.
- 2.7 **SHOULD THE INSURED FAIL TO COMPLY WITH THESE OBLIGATIONS, THE COMPANY SHALL BE RELEASED FROM ALL LIABILITY, PROVIDED THAT SUCH NON-COMPLIANCE HAD A DIRECT INFLUENCE ON THE OCCURRENCE OF THE LOSS.**

2.8 Retain all damaged and defective parts for inspection by the Company.

### **CLAUSE 3. (DISCONTINUED) PARTS OR SPARES OFF THE MARKET**

Should the necessary spare parts for the repair of the equipment not be available, the Company's liability shall be limited to indemnify based on the value of such spares at the time of the loss, as per the manufacturers' list of prices plus the corresponding expenses, as per Clause I.7 "Partial Loss" of **Section I "Physical Damage to Electronic Equipment"**.

### **CLAUSE 4. INSURED'S PARTICIPATION**

In every loss meriting indemnity, the Insured shall always be charged the deductible as shown in the Specification of the Policy, such is applicable to each section contracted and to each damaged equipment, whether covered by the basic or additional coverages.

Should the provisions of Clause I.11 "Proportional Rule" of Section I of this Policy, the Insured shall be charged only a proportion of the deductible amount to the same extent as to which the Company responds proportionally to the damage claim.

In case of a loss from a peril covered by express agreement and when the corresponding endorsement indicates another deductible, the latter shall apply.

This deductible shall be applied before any coinsurance or contribution of the Insured.

For **Section III**, the Insured shall be charged the expenses corresponding to the deductible in days stipulated on the face of the Policy, from the date of use of the supplementary equipment.

### **CLAUSE 5. INSPECTION OF DAMAGE**

Upon receiving notice of the loss, the Company, at its option, may authorize the Insured in writing to make all necessary repairs to have the equipment in the same conditions prior to the occurrence of the loss.

In such case of loss, the Company reserves the right to send a representative, to inspect the damage; however, the Insured shall take all necessary measures to maintain business in good order, provided these do not change the state of being of the loss prior to inspection, without prejudice to provisions in Clause 5 "Procedures in the Event of loss", of the General Conditions of the Policy.

When the inspection is not carried out within a period of 7 (seven) days as of the date of notice of loss, the Insured shall be authorized to carry out the necessary repairs or modifications.

## CLAUSE 6. DEFINITIONS

The following terms whensoever used in this Policy shall have the following meaning:

- 6.1 **Increase of hazard.**- Situation produced when for determined events, within or beyond the control of the Insured, the peril covered by this Policy takes on a more dangerous condition than that was foreseen.
- 6.2 **Assault.**- Shall mean such perpetrated by means of force or violence (whether moral or physical) on the persons.
- 6.3 **Insured.**- Holder of the interest, subject to risk, to whom the rights and obligations derived from this contract shall correspond.
- 6.4 **Downspout.**- For the purposes of this insurance, the down-pipe installed in the roofs of the real property, and which function is to eject and run off the rain water.
- 6.5 **Loss Payee.**- Person to whom the Insured recognizes the right to receive the corresponding indemnity derived from the occurrence of a peril covered by this Policy.
- 6.6 **Cavitation.**- Formation of hollows or local cavitations full of steam or gas in the hollow of a liquid in movement, when the pressure at a point of the liquid results inferior to the tension of vapour and causes damage to metals.
- 6.7 **Coinsurance.**- The participation of liability between the Insured and the Insurance Company.
- 6.8 **Computer Crime.**- Means a malicious act with the intention of creating, downloading or sending to a web-site any "device" including a designed or fit program in order to obtain mainly unauthorized access to a computer system, interfering with the function of a computer system, whether erasing or altering data.
- 6.9 **Physical Damage.**- Loss and/or damage to the property covered shall mean actions or events which do not cause direct loss and/or damage to the property are excluded (i.e. but not limited to confiscation, nationalization, disappearance).
- 6.10 **Deductible.**- The amount or percentage expressly agreed upon which shall be deducted from the indemnity corresponding to each loss and shall always be charged to the Insured.
- 6.11 **Depreciation.**- Physical wearing down of a covered equipment caused by the wear and tear and the interrelation of the elements composed thereof. The depreciation shall constitute the proportion of reduction affecting the indemnity when the equipment has been insured at actual cash value.
- 6.12 **Deceit or bad faith.**- Acts or omissions of a person to induce another to commit an error. Fraudulent or false acts of a person with respect to another in the contractual relations, whether at the time of agreement or during the term of the policy, and being in compliance thereof. Skill or simulation of a person with the intentional execution of an act in prejudice of another.
- 6.13 **Electronic Equipment.**- Equipment designed by a set of circuits specialized in certain functions for handling electric signs and generating, engineering and providing information. For example: control switch boards, computers and telecommunication systems.
- 6.14 **Extra expense.**- Extra Expense is defined as the difference of the total cost incurred by the insured chargeable to the operation of the Insured's business, less the total cost that would normally have been incurred to conduct the business during the same period had no physical damage occurred. This extra expense shall include, in each case, those incurred in obtaining the use of other property or installations of other companies or other emergency expenses.

- 6.15 **Larceny.-** Theft without violence, offence committed in a furtive manner by a person taking possession of another's property, without being noticed.
- 6.16 **Real property.-** As used in this Policy comprises the interior part of the premises occupied by the Insured in connection with the activities declared to the Company, the common areas of the real property such as: halls, aisles, entrances, stairs, gardens and other places of public service.
- 6.17 **Flood.-** meaning such the accidental temporary covering of soil by water, as a consequence of deviation, overflow or fracture of retaining walls, rivers, channels, lakes, ponds, reservoirs and other streams or deposits of water, whether natural or man-made.
- 6.18 **Negligence.-** Carelessness, lack of diligence, omission of attention and due care corresponding to legal acts and in the negotiation of property.
- 6.19 **Normal operations.-** The normal business operations of the Insured means the condition that would have existed had no loss occurred under this Policy.
- 6.20 **Damage.-** It means the provable legal economical loss suffered by third parties, due to the loss of use of the damaged property, during the necessary time for the repair or replacement thereof.
- 6.21 **External data carriers.-** For the purposes of this insurance, the external data carriers are devices that store legible data, whether magnetically or mechanically, and are capable of being used in the electronic data processing installation insured, which neither join nor form part of said installation.
- 6.22 **Premium.-** Price of the insurance that the Insured shall pay to the Company for the concept of the peril coverage offered to him.
- 6.23 **Accidental peril.-** Sudden and unforeseen action or fortuitous cause means that any action or cause which gradually arises or is intentional shall be totally excluded (i. e. but not limited to use, gradual tear and wear, oxidation, and corrosion).
- 6.24 **Violent theft.-** shall mean that perpetrated by any such person or persons who making use of violence for breaking and entering into the insured property are found to leave such visible signs of perpetrated violence.
- 6.25 **Salvage.-** The total property recovered during or following the occurrence of a loss.
- 6.26 **Sum Insured.-** The amount fixed by the Insured in each item of the policy which constitutes the Company's maximum liability limit, in case of loss. Unless otherwise agreed to the contrary, it shall correspond to the replacement cost of the property covered prior to the occurrence thereof.
- 6.27 **Terrorism.-** For the purpose of this policy an act of terrorism means:
- 6.27.A The acts of force or violence by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization whether for political, religious, ideological, ethical or whatsoever nature with the intention to influence or pressure any government to undermine and overthrow the authority of the State.
- 6.27.B The loss or physical damage direct or indirect with a mediate or immediate origin are the result of the utilization of explosives, toxic substances, firearms, or by any other violent means to carry out against persons, objects or public services whereby said actions cause alarm, fear, terror in the general public or in a group or sector thereof, with the aim to disturb the peace.
- 6.28 **Replacement Cost:** The necessary amount for the construction and/or repair and/or installation of the affected property with others of such like kind, quality and size and/or capacity of production of the covered property, including the cost of freight, customs duties and site erection expenses, if any; irrespective of any deduction for physical depreciation.

- 6.29 **Actual Cash Value:** The amount necessarily incurred to repair, rebuild or replace insured items for others of such like kind, size and capacity prior to the occurrence of the loss and/or damage, but deducting physical depreciation, at the date of loss.
- 6.30 **Computer Virus.-** For the purpose of this Policy, computer virus means any corrupting, harmful or otherwise unauthorized instructions or code including any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature.

## **GENERAL CONDITIONS**

### **CLAUSE 1. PREMIUM**

- 1.1. The premium charged to the Insured becomes due at the time of issuing of the contract, and any subsequent agreement that may affect the Policy, which gives rise to the payment of any such additional premiums.
- 1.2. Should the Insured choose to make installment payments of the premium, the installments shall be payable in equal periods no less than a month, and the installments shall be due at the inception of each period thereto agreed upon. The financial rate of the premium shall be applied to the installment payment in force at the time of issuance or renewal of the Policy, which shall be made known to the Insured in writing.
- 1.3. The time for the payment of premium or any installment may not be greater than 30 (thirty) calendar days following the expiry date of the premium. The effects of this contract shall automatically end at the 12:00 (twelve) noon on the last day of this period. The hours shown in this item shall be the local official time in the place whereby the corresponding insurance policies are issued.
- 1.4. The agreed premium shall be paid in the Company's offices upon delivery of the corresponding receipt thereof.
- 1.5. In the event of loss, the Company shall deduct from the indemnity the total premium pending or outstanding installments not paid, until the total premium corresponding to the period of insurance contracted is completed.

### **CLAUSE 2. REINSTATEMENT**

Notwithstanding the provisions in Clause 1 "Premium" of these General Conditions of the Policy, the Insured may, within the 15 (fifteen) days following the last day of the aforementioned grace period, pay the premium for this insurance or the corresponding part should installment payments have been agreed upon. In this case, upon making such payment, the effects of this insurance shall be reinstated as of the hour and day shown in the payment voucher, and the Company shall refund at pro rata, at the time of receiving the payment, the corresponding premium to the period during which the effects of this insurance ended, in accordance with provisions in Article 40 of the Insurance Contract Law.

Moreover, if the Insured requests in writing at the time of making such payment, that the insurance term is to be extended, this shall be automatically accepted by the Company, and extended for a period equal to that comprised between the last day of such grace period and the hour and date in which such reinstatement becomes effective.

In case that the hour is not clearly shown in the payment voucher, it shall be understood that the insurance is reinstated at midnight on the date of payment. The hours shown in this item shall be the official local time in the place whereby the corresponding insurance policies are issued

The reinstatement referred to in this Clause shall be registered by the Company on the receipt issued for the corresponding payment for administrative purposes, and in any subsequent document issued.

**IN NO EVENT SHALL THE COMPANY BE LIABLE FOR LOSSES OCCURRED DURING THE PERIOD COMPRISED BETWEEN THE EXPIRY OF SUCH GRACE PERIOD AND THE HOUR AND DAY OF SUCH PAYMENT REFERRED TO IN THIS CLAUSE.**

### **CLAUSE 3. INSPECTION**

The Company shall have at all times the right to inspect the property covered, during working hours and by duly authorized persons thereby.

The Insured is obliged to furnish the Company's surveyor with all necessary details and information for the appraisal of the risk.

Should the inspection disclose an essential increase of hazard in any covered property, the Company shall request in writing to the Insured the elimination of such increase of hazard. If whereby the Insured fails to comply with these change notifications during a period stipulated therein, the Company shall not be liable for loss or damage caused by such increase of hazard, if such fact is a direct contribution to the occurrence of the loss.

### **CLAUSE 4. PROPORTIONAL RULE**

The Sum Insured has been fixed by the Insured, and such shall be neither a proof of existence of nor the value of the property. They are to be used exclusively as a basis to determine the maximum liability of the Company.

If, at the time of the occurrence of a loss, the property has a total value greater than the amount covered, the Company shall only be liable proportionally for the damage caused. Should the policy include various items, this provision shall be applied separately to each item.

### **CLAUSE 5. PROCEDURE IN THE EVENT OF LOSS**

Should the covered property be damaged by a peril not excluded, the Company shall indemnify the Insured for the value of such property, or at its option choose to replace or repair to the Insured's satisfaction, or otherwise pay in cash the value of such property; within the limits or sublimits of liability, together with the terms and conditions set forth in this Policy.

#### **5.1. Protection or Recovery Measures**

When the Insured has knowledge of any such loss caused by any of the perils covered by this Policy, he is obliged to take action to lessen and avoid further damage. If delay is not considered dangerous, the Insured shall request and adhere to instructions given by the Company.

Expenses borne by the Insured and not considered inappropriate shall be covered by the Company, if and when they are given in writing and thereafter anticipate such expenses.

Should the Insured omit to give such advice or provoke an essential increase of hazard, the Company's obligations shall thereafter terminate, thus affecting the Insured's rights in the terms of the Insurance Contract Law (Article 52).

#### **5.2. Notice of Loss**

Upon the occurrence of a loss giving rise to an indemnity in accordance with this insurance, the Insured or loss payee shall have a maximum period of 5 (five) days to give such notice in writing, such period starts when the Insured or loss payees have knowledge thereof, except in the case of an act of God or force majeure, which notice may be given as soon as ends one or other cause.

Failure to give prompt notice may result in a reduction to the amount of the original indemnity, if however the Company had received prompt notice thereof

### **5.3. Transfer of Property**

Should the Insured, with the purpose to safeguard the property from loss or damage, transfer such property to any building, property or premises not mentioned in the Policy, in order to continue cover in the new location, he shall give written notice within the following 5 (five) working days.

### **5.4. Documents, data, and information that the Insured shall render to the Company**

The Insured shall prove the exactness of his claim. The Company shall have the right to demand from the Insured or loss payee, all information concerning any event related to the loss, by which the circumstances and consequences may be determined. The Insured shall deliver to the Company, as soon as possible, the following documents and data:

- 5.4.A. An original statement addressed to the Insurance Company and signed by the Insured formalizing his claim.
- 5.4.B. A statement of the damage caused by the loss indicating in the most detailed and exact manner what property was destroyed or damaged, together with the amount of the corresponding loss, taking into consideration the value of said property at the time of loss.
- 5.4.C. Estimate for the repair of damage.
- 5.4.D. A detailed list of all existing insurances of the property.
- 5.4.E. All plans, projects, books, receipts, invoices, railway guides, supporting documents, records and any other accounting-fiscal document that sustains legal possession of the property whereby giving support to such claim.
- 5.4.F. All data with respect to the origin and cause of the loss, including the circumstances giving rise thereto. At the Company's request, and at the Insured's expense, supply certified copies of investigations carried out by the Public Prosecutor or his officers, fire brigade, or by any other authority pursuing the investigation of the loss or facts related thereto.
- 5.4.G. Prompt notice of stock salvage, if any.
- 5.4.H. Any other information or documents required by the Company.
- 5.4.I. Penal Report.

Without prejudice to the aforementioned documents and information, in the event of unlawful cases, the Insured shall render the penal report, the confirmation thereof, and evidence of ownership and pre-existence.

**The prompt advice, the information provided by the Insured to the Company or their representatives, together with the assistance that the Company may give to the Insured for determining the loss; in no event whatsoever shall be construed as an acceptance of liability by the Company.**

In no case, the Company may demand that the loss is proven in lawsuit, according to provisions in Article 71 of the Insurance Contract Law.

## **CLAUSE 6. MEASURES THAT THE COMPANY MAY TAKE IN THE EVENT OF LOSS**

In all cases of loss that destroys or damages the property or whilst the amount of the corresponding indemnity has not been fixed definitely, the Company may:

- 6.1. Enter into the buildings or locations where the loss occurred in order to determine the cause and consequence thereof.
- 6.2. Examine, classify and appraise the property wherever so located.

In no event shall the Company be compelled to undertake the sale or settlement of the property or remnants thereof, or shall the Insured be entitled to abandon such property to the Company.

#### **CLAUSE 7. ARBITRATION**

In the event of dispute between the Insured and the Company as to the amount of any loss or damage, the matter shall be given over in writing to an Arbitrator of mutual agreement; however, in such cases where no single Arbitrator can be agreed upon, two such arbitrators shall be named; one for each party, within a period of 10 (ten) days from the date on which either of the parties has required the other to do so in writing. Moreover, before commencement of arbitration, the two arbitrators shall name an umpire in case of further disagreement.

If either of the parties shall refuse or simply neglect to designate his arbitrator at the request of the other, or if the arbitrators do not agree upon the umpire, then the judicial authority shall, at the request of either of the parties, make the appointment of the arbitrator or the umpire, or both if necessary.

The death of any party, if an individual; or the dissolution, if a corporation, during the arbitration process shall not cancel or affect the authority or powers of the arbitrator, or arbitrators or umpire, as the case may be; or in the event of the death of an arbitrator or umpire of either of the parties die before a decision is made, another shall be appointed by such respective (party, arbitrator, judicial Authority) as a substitution thereof.

Expenses and fees originated by the arbitration shall be divided equally between the Insured and the Company, but each party shall pay the fees of his own arbitrator.

The arbitration referred to in this Clause shall not be construed as an admission of liability by the Company; it shall only determine the amount of the loss which shall eventually be payable by the Company, and while giving both parties liberty to exercise the corresponding objections.

#### **CLAUSE 8. PLACE AND PAYMENT OF INDEMNITY**

The Company shall pay any indemnity at its office, within the 30 (thirty) days following the date of receipt of the documents and information, which are the fundamental base of the claim, in the terms of Clause 5 "Procedures in the Event of Loss" of the General Conditions of the Policy.

#### **CLAUSE 9. REDUCTION AND REINSTATEMENT OF THE SUM INSURED IN THE EVENT OF LOSS**

All partial indemnities paid by the Company, and according to provisions in Clause 8 "Total Loss" of the Individual Conditions of this Policy, shall be reduced in the same amount as the insured sum; however, this may be reinstated upon previous acceptance of the Company, and at the request of the Insured, who shall be obliged to pay the corresponding additional premium.

**Should the Policy consist of various limits and sublimits, the reduction or reinstatement shall apply to such affected limits and sublimits.**

#### **CLAUSE 10. SUBROGATION OF RIGHTS**

In all terms of Law, the Company shall be subrogated, up to the amount paid, to the Insured's rights, together with the corresponding actions against those liable or responsible for the loss. Should the Company so request, and at the Insured's expense, the Insured shall place in record such subrogation in notarized documents. If due to acts or omissions of the Insured, such subrogation is inhibited, the Company shall be wholly or in part released from its obligations forthwith.

If only a part of the damage is paid, the Insured and the Company agree to exercise their rights in the same corresponding proportion.

**There shall be no subrogation of rights in case the Insured has a marital or blood relationship or kinship up to the second degree with the person(s) that are known to have committed the damage; otherwise, the Insured may be liable for the acts of the aforementioned persons under civil litigation.**

#### **CLAUSE 11. FRAUD, DECEIT, BAD FAITH OR GROSS NEGLIGENCE**

##### **THE COMPANY'S OBLIGATIONS SHALL TERMINATE:**

- 11.1. IF THE INSURED, LOSS PAYEE OR THEIR REPRESENTATIVES WITH THE OBJECT OF INDUCING THE COMPANY TO COMMIT AN ERROR, DISSIMULATE OR MAKE INEXACT DECLARATIONS, WHEREBY EXCLUDING OR RESTRICTING SUCH OBLIGATIONS.**
- 11.2. MOREOVER, IF WITH THE SAME INTENTION THEY DO NOT FURNISH, IN DUE TIME, TO THE COMPANY THE DOCUMENTS NECESSARY FOR THE CORRECT PROCEDURE OF THE PAYMENT OF THE LOSS (BASED ON PROVISIONS IN CLAUSE 5 "PROCEDURE IN THE EVENT OF LOSS" OF THE GENERAL CONDITIONS OF THE POLICY).**
- 11.3. DECEIT OR GROSS NEGLIGENCE ON THE PART OF THE INSURED OR LOSS PAYEE OR ASSIGNEES OR ATTORNEYS, HIS REPRESENTATIVES OR PERSONS LIABLE FOR THE TECHNICAL DIRECTION; IF AND WHEN SUCH ACT OR NEGLIGENCE IS DIRECTLY ATTRIBUTABLE TO SUCH PERSONS.**

#### **CLAUSE 12. INCREASE OF HAZARD**

When the premium has been fixed in accordance with the characteristics of the risk, described in this policy, the Insured shall advise the Company of any essential increase of hazard during the validity of this insurance, within a period of 24 (twenty four ) hours upon having such knowledge thereof. **SHOULD THE INSURED OMIT TO GIVE SUCH ADVICE OR PROVOKE AN ESSENTIAL INCREASE OF HAZARD, THE COMPANY'S OBLIGATIONS SHALL TERMINATE HEREINAFTER.**

### CLAUSE 13. ADVANCE TERMINATION OF CONTRACT

Notwithstanding the term of the Policy, the parties agree that such Policy may be terminated in advance by means of written notice.

When the Insured terminates the Policy, the Company shall have the right to retain that part of the premium corresponding to the time during which the insurance had been in force, in accordance with the following short term tariff (percentage of the annual premium):

SHORT TERM TARIFF	
Up to 7 days	10%
Up to 15 days	15%
Up to 1 month	25%
Up to 2 months	35%
Up to 3 months	45%
Up to 4 months	55%
Up to 5 months	65%
Up to 6 months	70%
Up to 7 months	75%
Up to 8 months	80%
Up to 9 months	85%
Up to 10 months	90%
Up to 11 months	95%
Up to 12 months	100%

When the Company requests the termination of the contract, such shall be by means of written notice to the Insured. The insurance termination shall become effective 15 (fifteen) days after the corresponding notice; and the Company shall return such part of the premium in proportion to the unexpired term, at the moment when giving such notice. Consequently, the cancellation shall not be effective without such herefore stated requirement.

### CLAUSE 14. STATUTE OF LIMITATIONS

All actions derived from this insurance contract shall prescribe in **2 (two) years**, in the terms of Article 81 of the Insurance Contract Law, as of the date of the occurrence thereof, unless exceptions consigned in Article 82 of the same law.

The prescription shall be interrupted not only by ordinary causes, but also by those referred to in the **Law of Protection and Defense of the Financial Service User (CONDUSEF)**.

Article 81 and 82 of the Insurance Contract Law:

Article 81: All actions derived from an insurance contract shall prescribe in two years, as of the date of the occurrence giving rise thereto.

Article 82: The term referred to in the previous article shall not be effective in case of omission, false or inexact declarations of the risk. However, in such case, where loss has occurred it shall be effective when the interested parties have proven that they had no previous knowledge of such loss occurrence taking place but on such date when the company has knowledge thereof. With respect to third party loss payees, they should also be aware of the vested rights in their favour.

## **CLAUSE 15. NOTIFICATIONS**

Any declaration or notification in respect to this contract shall be submitted in writing to the Company's registered address indicated in the Specification of this Policy.

In all such cases where the address of the offices of the Insurance Company is different from such indicated in the issued Policy, the Company shall advise the Insured the new address in the Republic of Mexico for all requests and notifications that should be sent to the Insurance Company for any legal effect.

The requirements and notifications that the Insurance Company shall make to the Insured or his assignees shall be valid to the last known address given to the Insurer.

## **CLAUSE 16. OTHER INSURANCE**

If the covered property is insured, wholly or in part, by other insurance covering the same peril, whether acquired on the same date or another, the Insured is under the obligation to declare such immediately in writing to the Company and/or they should be mentioned in the Policy or enclosure thereto; indicating the name of the insurance companies and the sums insured.

Should the Insured intentionally omit to give such notice, or acquire other insurance in order to obtain an illicit gain, the Company shall be released from its obligations.

When the Company has been duly notified that the same covered interests by this Policy are insured by other companies, the Company is obliged to pay the full value of the damage sustained within the limits of the Sum Insured, and thereafter shall be repeated proportionally against other companies which have issued coverage for the amount insured.

## **CLAUSE 17. BENEFITS FOR THE INSURED**

If during the period of the insurance, the General Conditions are modified in similar contracts, the Insured shall have the right to request in writing to the Company the corresponding modifications in his Policy in order that the new conditions are applied thereto, but if such modifications grant higher benefits for the Company, the Insured is obliged to cover the equivalent increase in the corresponding premium.

## **CLAUSE 18. JURISDICTION**

In the event of controversy, the plaintiff may enforce his rights in the terms provided by the **Law of Protection and Defense of the Financial Service User (CONDUSEF)**.

## **CLAUSE 19. ARREARS INTEREST**

In the event that the Company, even though it has received the documents and information with reference to the basis for the claim made, does not fulfil the obligation of paying the indemnity, capital or rent, in the terms of Article 71 of the Insurance Contract Law, then, by fault of paying the legal interest applicable, the Company is obliged to pay the Insured, loss payee or third party sustaining damage, an arrears interest under the terms provided in Article 135 Bis of the General Law of Insurance Institutions and Mutual Societies, covering the delay period. Such interest shall be calculated as of the following day in which such obligation is so demanded.

**CLAUSE 20. INCEPTION AND TERMINATION OF TERM**

The policy term shall begin and terminate in the dates indicated therein at twelve hours in the place where the covered property is located.

**CLAUSE 21. TERRITORIAL LIMIT**

This Policy has been contracted in accordance with Mexican Laws and to cover damage and/or loss occurred within the territory of the Republic of Mexico.

**CLAUSE 22. CURRENCY**

Both the payment of the premium and indemnity, if any under this Policy, are payable according to the terms of the Monetary Law in force at the date of payment.

**CLAUSE 23. ARTICLE 25 OF THE INSURANCE CONTRACT LAW**

“Should the wording of the Policy or its modifications not agree with the offer, the Insured may request the necessary amendment within the 30 (thirty) days following receipt thereof. After expiry of this period, the provisions or amendments of the Policy shall be considered as accepted”