

FIRE INSURANCE POLICY

POLICY N° :

INSURER : **BK GENERAL INSURANCE**
: **P.O Box: 724 Kigali - RWANDA**

INSURED :

PREMIUM AMOUNT :.....**Frw** (VAT and administrative fees included).

PERIOD OF INSURANCE : **12 Months (From to)**

Intermediary (Agent/Broker) :

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS :

In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to. IN CONSIDERATION of the client named LUSA INVESTMENT Ltd herein referred to as the "Insured", and in the schedule and carrying on the business described herein paying to BK GENERAL INSURANCE LTD (hereinafter called "the Insurer") we will provide insurance in the terms of this Contract in respect of events occurring during the period of insurance. payment of the First Premium the Property Insured or any part of such property described in the Schedule be lost, destroyed or damaged by any of THE PERILS specified in the Schedule at any time during the period of Insurance or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of this policy, the Company will pay to the Insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at its option will reinstate or replace such property or any part thereof

PROVIDED that the liability of the company shall in no case exceed in the whole;

- (i) the total sum insured or in respect of any item its sum insured at the time of the loss or destruction or damage.
- (ii) the sum insured remaining after payment for any loss or destruction or damage occurring during the same period of Insurance unless the Company shall have agreed to reinstate any portion of the such sum insured already utilized in settling a loss under the policy.

This contract, the Schedule and any condition thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout.

PARTICULARS CONDITIONS APPLICABLE TO THIS CONTRACT

OPERATING COVER CLAUSES :

In consideration of payment of Premium, We, BK INSURANCE agrees, subject to the conditions and exclusions contained or endorsed or otherwise expressed hereon, to

cover loss or damage to building mentioned herein arising from the operation of Cover against loss or damage caused by fire or lightning, explosion, earthquake, spontaneous combustion, floods, water damage following bursting or overflowing of overhead pipes of apparatus, bush fire, impact of vehicles and aerial devices and malicious damage.

INTEREST & SUM INSURED

RISKS DESCRIPTION	Covers	Sum Insured (Frw)
Owner's risk for Commercial building at village-Gako cell-.....sector-.....district UPI :	Cover against loss or damage caused by fire or lightning, explosion, earthquake, spontaneous combustion, floods, water damage following bursting or overflowing of overhead pipes of apparatus, bush fire, impact of vehicles and aerial devices and malicious damage.

PREMIUM SECTION

(Frw)

Net Premium :

Fees :

VAT :

Total Premium :

The total net premium is **Frw** and the subscriber has to pay **Frw** (VAT and administrative fees included).

EXCEPTIONS/ EXCLUSIONS

This Policy does not cover any damage arising from:

- 1 (a)
 - ✓ war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, military or popular rising, insurrection, rebellion, military or usurped power, martial law or

state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege

- ✓ damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- ✓ damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building;
- ✓ any riot, strike or public disorder or any act or activity, which is calculated or directed to bring about public disorder unless riots and strike extension is endorsed on the policy and then only to the extent stated.
- ✓ any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change or in protest against any state or government, or any political or local authority or for the purpose of imposing fear in the public or any section thereof.
- ✓ The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in times (vi) and (vii) above.
- ✓ Plundering, looting, war, pillage in connection with riots and/or civil commotion. For the purposes of items (vi to viii), any loss or damage occasioned directly by a labour disturbance, lock-out or strike shall not be excluded.

(b) damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from : (i) any nuclear weapons material

(ii) ionizing radiation 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 exclusion combustion shall include any self-sustaining process of nuclear fission).

(c) damage to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by over-running, excessive pressure, short

circuiting, self-heating, arcing or leakage of electricity from whatever cause (lightning included) **PROVIDED** that this exclusion shall only apply to the particular machine, apparatus, or portion of the electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

(d) damage caused by pollution or contamination except (unless otherwise excluded) damage to the Property Insured caused by :

(i) pollution or contamination which itself results from a Peril hereby insured against

(ii) any Peril hereby insured against which itself results from pollution or contamination.

2. (a) damage to goods held in trust or on commission, bullion or unset precious stones, money (coined or paper), cheques, securities, stamps, documents, manuscripts, business books, computer system records, models, moulds, plans, drawings or designs, explosives, unless specifically mentioned as insured by this policy;

(b) damage to property which, at the time of the happening of such damage is insured by, or would, but for the existence of this Policy, be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been affected.

3. Consequential losses or damage of any kind or description.

4. Any kind of theft.

5. Any other property, equipments or stock not mentioned in the valuation report or does not belong to the insured.

CONDITIONS FORMING PART OF THIS POLICY

1. IDENTIFICATION :

This Policy and the Schedule (which forms an integral part of this policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.

2. MISDESCRIPTION/POLICY AVOIDANCE : -

This Policy shall be voidable by the Company in the event of misrepresentation, Misdescription or non-disclosure in any material particular by the insured.

3. ALTERATIONS AND REMOVALS :

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any damage, has obtained the sanction of the Company signified by endorsement upon the Policy, by or on behalf of the Company:

- (a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the property insured be changed in such a way as to increase the risk of damage by any of the perils insured;
- (b) if any of the buildings insured or containing the property insured becomes unoccupied and so remain for a period of more than 30 days;
- (c) if the property insured is removed to any building or place other than that in which it is herein stated to be insured;
- (d) if the interest in the property Insured passes from the Insured otherwise than by will or operation of law;

4. WARRANTIES :

Every warranty to which the Property insured or any item thereof, is or may be made subject, shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such warranty shall be a bar to any claim in respect of such property or item, provided that whenever this Policy is renewed a claim in respect of damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before commencement of such period.

5. REASONABLE PRECAUTIONS :

The insured shall maintain the property insured in a proper state of repair and warrants to take all reasonable precaution to prevent damage thereto and at all times shall act as if uninsured.

APPLICABLE CLAUSES/ WARRANTIES FORMING PART OF THIS POLICY

The following clauses are forming part of this policy :

1. EXCESS CLAUSE

It is hereby declared and agreed that the Company shall not be liable for the first part of each and every loss arising out of each peril in the respective order stated .

2. FIRE EXTINGUISHING APPLIANCE CLAUSE

It is warranted that fire extinguishers shall be installed and notice of such purchase and erection shall be given to the insurer. Installed extinguishers shall be maintained in good and efficient working conditions and same shall be serviced by the manufacturers or their agents at least every six month and necessary documentary proof retained by the insured as evidence of compliance to this warranty.

3. BREACH OF CONDITIONS CLAUSE

The conditions and warranties of the policy shall apply to the items concerned individually and not collectively as if each were insured by a separate policy. Thus a breach of any condition or warranty shall void the insured's rights of claim only with respect of the items to which the breach applies and not in respect of the remaining items.

4. HAZARDOUS GOODS WARRANTY

Warranted that no time during the currency of this policy shall the hazardous goods be stored in the premises insured without the express written approval from the insurer.

5. DOCUMENTARY EVIDENCE WARRANTY

It is warranted during the currency of this policy that in the event of claim for loss arising under the policy schedule, the insured shall produce documentary evidence in form of RRA Tax purchase receipt showing the actual amount of value of the items insured prior to the happening of the loss.

6. PUBLIC AUTHORITIES REQUIREMENT CLAUSE

The insurance on Buildings by this policy extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Buildings or other Regulations under or

framed in pursuance of the Government Ordinances or Bye-Laws of any Province, District or Sector 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 Bye-Laws.
 - i) in respect of destruction or damage occurring prior to the granting of this extension.
 - ii) in respect of destruction or damage not insured by the policy.
 - iii) 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 specially excluded from the insurance of this policy) of that portion of the property destroyed or damaged.
 - iv) in respect of the undamaged property or undamaged portions of property;
 - (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 Bye-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 Bye-Laws.
2. The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twenty four months after the destruction or damage or within such further time as the insurers may (during the said twenty-four months) in writing allow 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 insurers under this Extension not exceeding the Sum Insured on that particular item as insured.
3. If the liability of the insurers under the policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the policy then the liability of the insurers under this Extension shall be reduced in like proportion.

4. The total amount recoverable in respect of Buildings shall not exceed the specific sum insured thereon on the particular building concerned as included in the total sum insured by the Policy.
5. All the conditions of the policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

7. REINSTATEMENT VALUE CONDITIONS

It is hereby declared and agreed that in the event of the property insured under items 1 of the within written policy being destroyed or damaged, the basis upon which the amount payable under each of the said items of this policy is to be calculated, shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, subject to the following Special Provisions and subject also to the terms and Conditions of the policy except in so far the same be varied hereby. The provisions of this memo shall only apply where so expressed on the Policy Schedule as having been incorporated as part of the policy

SPECIAL PROVISIONS TO MEMO 7 ABOVE

1. The work of replacement or reinstatement (whichever may be carried out upon another site and in any manner suitable to the requirements of the Insured) subject to the liability of the Insurer not being thereby increased must be commenced and carried out within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow, otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.
2. Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged the Insurers shall not be liable for any payment of excess of the amount which would have been payable under the policy if this memorandum has not been incorporated therein.
3. If at the time of replacement or reinstatement the sum representing the cost of which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed, exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any

other perils insured against by the policy then the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provisions.

4. This memorandum shall be without force or effect if:

- (a) The Insured fails to intimate to the Insurers within six months from the date of destruction or damage or of such further time as the insurers may in writing allow, his intention to replace or reinstate the property destroyed or damaged.
- (b) If the Insured is unable or unwilling to first replace or reinstate the destroyed or
or
damaged property on the same or another site before being compensated by the insurer.

8. ***ELECTRICAL CLAUSE***

The Company is expressly declared to be free from liability for loss of or damage to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by over-running, excessive pressure, short-circuiting, arcing, self-heating or leakage of electricity from whatsoever cause (lightning included) arising. PROVIDED that this exemption shall only apply to the particular electrical machine, apparatus, or portion of electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

9. **AVERAGE CONDITION -**

Average clause 85%: It is hereby agreed that Insured value must not be less than 85% of actual value of property. If at time of loss, it is found that the Sum Insured is less than 85% of Replacement (reinstatement) value, the indemnity shall be prorated as follows: $[(\text{Amount of Adjusted loss} \times \text{Insured Value}) / \text{Reinstating value}]$.

10. **CONTRIBUTION : -**

If at the time of any damage there be any other insurance effected by or on behalf of the Insured covering any of the property lost, destroyed or damaged, the liability of the Company hereunder shall be limited to its rateable proportion of such damage. If any such other insurance is expressed to cover any of the Property insured, but is subject

to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateable to the destruction or damage, the liability of the Company hereunder shall be limited to such proportion of the destruction or damage as the sum hereby insured bears to the value of the property.

11. SUBROGATION : -

Any claimant under this Policy shall at the request and 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 or making good any destruction or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

CLAIMS CONDITIONS

ACTION BY THE INSURED :

If any event giving rise to or shall likely give rise to a claim under this policy comes to his knowledge the insured shall immediately

- (a) (i) take steps to minimize the loss or damage and recover any missing property,
- (ii) notify to the claim to the insurer immediately as he gets to know the incident by email or telephone and give notice in writing to the insurer within 5 working days and give notice to the police in the event of deliberate or malicious, damage also deliver all required/supporting documents to the insurer not later than 30 days after the occurrence of the loss.
- (iii) a claim in writing for the loss or damage containing as particular an account as may be reasonably practical of all the several articles or items of property lost or damaged and the amount of loss or damage thereto respectively, having regard to their value at the time of the loss or damage.
- (iv) particulars of all other insurances if any.

The Insured shall at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the loss or damage and circumstances under which

the loss or damage occurred, and any matter touching the liability or the amount of liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

2. FORFEITURE : -

(a) All benefits under the Policy shall be forfeited if any claim made be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain a benefit under this Policy or if any damage is caused by the willful act or with the connivance of the insured.

(b) Benefits under the Policy shall also be forfeited in respect of any claim

(i) made and rejected if any action or suit be not commenced within twelve months after such rejection, or

(ii) where arbitration takes place in pursuance of Claims Condition 8 of this policy and an action or suit be not commenced within twelve months after the arbitrator or arbitrators or umpire shall have made their award

3. REINSTATEMENT :

The company may at its option, repair or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other Company or Insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost to repair such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured thereon. If the Company so elects to repair or replace any property the insured shall, at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view of repair or replacement shall be deemed as an election by the company to repair or replace. If in any case the Company shall be unable to repair or, replace the property insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the

Company shall in every such case, only be liable to pay such sums as would be required to repair or replace such property if the same could lawfully be repaired to its former condition.

4. RIGHTS OF THE COMPANY FOLLOWING A CLAIM :

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

- (a) enter and 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.

4. DEPRECIATION CONDITION

It is hereby understood and agreed that in the event of Total loss to the insured property, insurers shall be entitled to take account of the depreciated value of the property in the adjustment of the loss and consequent indemnity value payable to the insured. Where indemnity is only possible with the provision of a new asset; insurers shall be entitled to a proportional deduction in compensation for New for Old item.

5. ARBITRATION :

If any difference shall arise as to the claim amount to be paid under this policy such difference shall be referred to the decision of an arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator, and in case of disagreement between the arbitrators, the difference shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The costs

of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. Where any difference is by this condition to be referred to arbitration the prior making of an award by the insurer on account of the claim shall be a condition precedent to any right of action against the Insurer.

12. PERIOD OF INSURANCE

The present contract is concluded for a period of one year. The parties agreed that this policy takes effect from and expires on.....

12. CANCELLATION NOTICE

The Insurer or the Insured may cancel this Policy by giving seven days' notice in writing to the other party at its last known address. If the Company gives such notice the Insured shall thereupon become entitled to a proportionate return of premium in accordance with the insurer's usual short period scale provided that subject to no claim has been made in the current Period of Insurance.

13. DECLARATION CONDITION

It is hereby declared and agreed that any claim must be reported to Insurer by Telephone or e-mail within 24 hours of the happening of incident and 5 working days in writing. The maximum limit the insured should claim under this policy is the annual aggregate limit that are described in the schedule. When the limit per period is exhaustive the insured should reinstate the insurance with payment of reinstatement premium upon agreement with the insurer otherwise the insurance take end immediately.

14. REINSTATEMENT AFTER SETTLEMENT OF A CLAIM

All sums which may from time to time be paid by way of indemnity under this policy in any one period of insurance shall be accounted in diminution of the Total Sum Insured so that in case of any subsequent event giving rise to a claim occurring during the same period the total amount payable during that period by the Company shall not in any case exceed the Total Sum Insured. In the event of the property lost, destroyed or damaged being replaced by other property, the Company may extend this insurance

at the Insured's request to include such property upon payment of appropriate pro-rata premium.

15. LOSS PAYEE CLAUSE

It is hereby agreed that indemnity due under this policy shall be payable to**Bank** unless advised otherwise by writing to the beneficiary. Insurers commit to not change or alter the policy without prior written consent of the loss payee. Insurer commits also to not terminate the policy for any cause without prior written notice thirty (30) days before enforcing the termination. It is also agreed that any payment made to the loss payee, shall be regarded as valid discharge to Insurer.

16. PREMIUM PAYMENT WARRANTY

In line with National Bank of Rwanda (BNR) directive reference no. 6/2016 of 23/08/2016 on Conduct of insurance business, article number 10, it is hereby declared and agreed that cover under this Policy is subject to payment of full premium as indicated in the schedule of this policy.

The total premium shall be paid by the Insured to the Insurer at the inception/commencement date of this policy. Consequently, this policy shall always be considered invalid if the premium is not fully paid in BK GENERAL INSURANCE COMPANY LTD accounts.

An Insurance Policy dully signed by both parties whose premiums have not been paid shall be considered as an insurance offer that does not bind the Insurer in any way. There shall be no claim admissible to insurer based on insurance policy whose premium has not been paid in full/totality. The enforceability of any clause of an insurance policy shall depend on the provisions of this clause.

17. DISPUTE RESOLUTION

Any dispute arising out of the contract, which cannot be amicably settled between the two parties, shall be referred to an arbitrator agreed upon by both parties. Should the parties still fail to reach a fair settlement, the matter shall be brought to the competent courts of law in Republic of Rwanda. IN TESTIMONY THEREOF, the parties have signed the present contract in their respective names this day, month and year above. Subject

otherwise to terms and conditions of BK GENERAL INSURANCE COMPANY Ltd for insurance forming part of contract.

18. FINAL DISPOSITION

The parties agree that in case of a conflict between the terms of these particular conditions and general conditions, terms of these particular conditions shall prevail. This policy is established in two (2) copies and comes into effect fromNotice of the happening of any loss covered under the policy should be given immediately to the Company.

Please read your policy and its conditions and, if incorrect return to the company with any written advice regarding the necessary rectifications.

IN WITNESS WHEREOF the undersigned acting on behalf of and under the authority of the Company has hereunto set his hand.

SUBJECT OTHERWISE TO TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY DOCUMENT.

For and on behalf of the insured

.....

For and on behalf of insurer

Insurance

For and on behalf of the beneficiary

.....Bank