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# Commercial All-Risk Insurance



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**moderna**  
F Ö R S Ä K R I N G A R

## General conditions of insurance relating to business policies, 1999

*This being a translation, the Swedish wording shall always prevail.*

The scope of the insurance is shown in the policy.

These conditions form part of a series of conditions of Commercial Insurance and which consequently affects the numbering.

"General Conditions of Contract" and "Definitions and Explanations" (AB-DF) have been printed separately and are the terms and conditions currently in force.

If the insurance policy, AB-DF and these terms contain conflicting undertakings or conditions, the wording of the insurance policy shall take preference over the commercial terms, which in turn take preference over AB-DF.

An asterisk \* indicates when a word, expression or term appears for the first time in the text. Explanations can be found in "Definitions-Explanations" in AB-DF.

### Contents

	Page	
<b>I</b>	<b>PROPERTY INSURANCE</b>	<b>3-13</b>
1	What is covered	3
2	Who is covered	3
3	When cover is provided	3
4	Where cover is provided	3
5	Sum insured. Insured property	3-4
6	Limitations	4
7	Exclusions	5-6
18	Machinery breakdown insurance	6
21	Loss assessment rules	7-8
22	Indemnity rules	10-12
23	Deductible	12
31	Safety regulations	13-16
<b>II</b>	<b>Business interruption insurance</b>	<b>16-19</b>
1	Who is covered	16
2	When cover is provided	16
3	Events insured against	16
4	Insured interest	16
5	Sum insured	16
21	Loss assessment rules	17-19
22	Indemnity rules	19
23	Deductible and waiting period	19
31	Safety regulations	19

# I PROPERTY INSURANCE

## 1 What is insured

The insurance applies, with the following limitations and exclusions, to sudden and unforeseen physical damage to or loss of insured property. The insurance only covers damage which results in a reduction in the value or loss of the property.

## 2 Who is insured

The insurance applies to an insured party, as owner of or representative for the insured property. The insurance also applies to property for which the insured is responsible in another way, on condition that the owner is not entitled to indemnity through his/her/its own insurance.

## 3 When cover is provided

The insurance applies to loss or damage occurring during the period the insurance is in force.

## 4 Where cover is provided

### 4.1 At the insured location

The insurance applies to insured property within the insurance location stated in the policy.

### 4.2 Elsewhere

The insurance applies to insured property stored at a location other than the stated insured location, although subject to a maximum of 10 base amounts.

### 4.3 During transport

The insurance applies on a subsidiary basis for losses during land transport between the insurance location in Europe using the insured's own, rented or leased vehicles, subject to a maximum of 10 base amounts.

## 5. Sum insured. Insured property

The insurance applies subject to the sums insured stated in the insurance policy.

The insurance applies as a floating insurance within each insured location stated in the insurance policy.

The insurance for buildings\*, machinery\* and goods\* is full value insurance\*.

Otherwise, first loss insurance\* applies.

### 5.1 Free sums insured

The insurance covers - even if this is not stated in the insurance policy - the following property, up to the maximum amounts stated below.

- Goods comprising theft-prone\* property on condition that the object type Goods is insured 0.2 base amounts
- Drawings, archives and data media\* 2 base amounts
- Money and securities\*
  - stored at the insured location in a locked safe that complies with SS3150 1 base amount
  - otherwise stored at the insured location 0.2 base amount
  - in conjunction with robbery or attack 2 base amounts

- Customers' property\*, although not money or securities or theft-prone property 2 base amounts
- Rented premises for which the policyholder is contractually responsible 1 base amount
- Employees' property\* up to a maximum for each employee 0.2 base amounts
- Signs 1 base amount
- Gardens and plots\* where the insurance covers a building\* 5 base amounts

**5.2 Investment and price changes**

The sum insured for full-value insured buildings and machinery at the beginning of the insurance year is deemed to be raised at each point in time by the amount the value of the property has changed through investment or a change in price.

Such an increase in value is, however, limited for each insurance location during the insurance year to 30% of the most recently stated sum insured.

**6 Limitations**

**6.1 Damage as a result of natural phenomena**

In the event of damage resulting from land or foundation displacement or subsidence, landslide, landslip, avalanche, earthquake or similar natural occurrence, indemnity is limited to 150 base amounts per loss.

**6.2 Liquid damage**

For damage caused by a leaking liquid indemnity is limited to MSEK 5 for any other damage than loss due to unforeseen discharge of

- water from a pipe system, including connected devices,
- water vapour or fluid from a pipe system or systems for heating premises,
- water from a space which has a drainage gutter and which, for its operation, has been fitted with insulation intended to prevent discharge,
- fluid or coolant from refrigeration or freezer plants in the event of a power failure or fault in the system.

**6.2.1 Rain or snow**

For water damage resulting from rain or the melting of snow, which has forced its way out of the sewage pipes, payment is limited to a total of MSEK 5 for the insurance period.

The insurance, however, does not apply to loss through

- water which, as a result of rain or snow, has entered the building in another manner
- water which, as a result of high water, has been forced out of the sewage pipe, flooded over or in some other manner entered the building.

**6.3 Assembly**

A total indemnity for damage other than fire in conjunction with assembly, dismantling, transport or movement within the insured location and subsequent losses caused thereby is limited to a maximum of MSEK 1. This limitation does not apply to losses in conjunction with normal maintenance of the property at the insured location.

**6.4 Robbery**

For damage through robbery\* the indemnity is limited to MSEK 5 per loss.

6.5	Glass	For damage to glass* the indemnity is limited to MSEK 5 per loss.
6.6	Lock changes	Lock changes as a result of a key or a lock code being misplaced are indemnified up to 10 base amounts. Indemnity presupposes that a key or code which is stored in a security cupboard * at the policyholder or at its representative is stolen in conjunction with a break-in. Even lock changes as a result of a key or a code being lost in conjunction with a robbery are indemnified up to 10 base amounts.
6.7	Data media	Loss of information on data media is indemnified within the sum insured, presupposing that the loss is a direct result of indemnifiable physical damage to property other than data media. A prerequisite for the payment of indemnity is also that a backup copy is documented and stored so that, at the request of Moderna Försäkringar, the policyholder can present it after the loss has occurred.
<b>7 Exclusions</b>		
7.1	Damage due to	<p>The insurance does not cover damage as a result of</p> <ul style="list-style-type: none"> <li>• volcanic eruption</li> <li>• dam burst</li> <li>• flood</li> <li>• moisture, rot, mould, dry rot or liquid which is not the result of liquid from a pipe system and related facilities</li> <li>• Vermin, insects, bacteria, virus or infectious substances</li> <li>• blasting work</li> <li>• theft, fraud, embezzlement or similar breach of fidelity</li> <li>• melting</li> <li>• change of temperature or humidity as a result of faults in an automatic climate control system.</li> </ul>
7.2	Damage due to	Nor does the insurance cover damage due to lightening or as a result of sudden or unforeseen electric phenomena in electrical equipment, of which the incoming or outgoing voltage exceeds 400 V.
7.3	Damage to	<p>The insurance does not cover damage to</p> <ul style="list-style-type: none"> <li>• machinery</li> <li>• masonry, walling or lining</li> </ul> <p>as long as the property is not damaged through fire, explosion, lightening, electric phenomena or sudden and unforeseen external effects, presupposing that the loss event is not excluded under 7.1 or 7.2 above. See also 18 Machinery breakdown Insurance (Supplementary Agreement).</p>
7.4	Damage to	<p>Nor does the insurance cover damage to the following:</p> <ul style="list-style-type: none"> <li>• goods, work in progress, including customers' property, if the loss is attributable to an error in design, advice or instructions, incorrect calculations or descriptions, faulty materials or incorrectly performed processing, manufacturing, assembly, repair, storage or other handling</li> <li>• mechanically-propelled vehicles (motor vehicles, tractors, self-propelled machinery and off-road motor vehicles) and trailers therefor</li> <li>• aircraft, hovercraft, hydrocopters, sail-powered or motor-powered ships and boats, timber trailers, caissons, pontoons, pontoon cranes, dredgers and structures being towed at sea</li> </ul>

- mobile cranes, tower cranes, digging, excavation, roadmaking and pile-driving machines
- such parts of machine bedplates, building foundations or foundation walls which are lower than both the lowest cellar floor and adjacent land or water surfaces
- consumable materials, moulds and replaceable tools
- property which the policyholder rents or leases to another party, unless otherwise stated in the insurance policy.

7.5 Loss comprising The insurance does not cover a loss to the extent it comprises contamination.

## 18 Machinery Breakdown Insurance

Special agreement required Machinery breakdown is covered only if this is stated specifically in the insurance policy and can cover objects such as machinery or real estate equipment.

The term real estate equipment refers to

- water, heating, waste, ventilation, gas and electricity systems
- elevator machinery, escalators or other arrangements for transporting persons
- washing, refrigeration and freezing facilities for common use within the building
- manoeuvring devices for mechanically-operated gates
- waste suction facilities

The Machinery Breakdown Insurance supplement means that the exclusions under 7.2 and 7.3 above are rescinded.

### 18.1 Exclusions

18.1.1 Events excluded Indemnity is not paid for damage resulting from the freezing of a combustion engine or of a cooling system belonging thereto.

Nor is indemnity paid for damage

- in the form of wear and tear, consumption, corrosion\* (e.g. rust or pitting), cavitation\*, coating or deposition
- which is not of such a nature that it affects the usability of the property or which can be remedied by normal servicing or adjustment.

### 18.1.2 Excluded property

Indemnity is not paid for damage to

- a fountain or a swimming pool
- an electrical heater in a boiler or water heater
- chimney, foundations, masonry and walling or lining
- expendable materials, moulds and replaceable tools

## 21 Loss assessment rules

The amount of the loss in cases of damage to property is calculated in accordance with the following rules. Damaged and undamaged property is valued on the same basis.

### 21.1 Valuation of damage to building

#### 21.1.1 Building which is reinstated

If reinstatement\* is carried out, the loss is valued at the cost of reinstating a building without delay using the same workmanship, but in an efficient manner with regard to methods and materials.

If reinstatement takes place at another location, the cost of the loss must not exceed what it would have cost to restore the damaged building on the same foundation.

The cost of reinstatement is reduced by the increase in value which may arise as a result of such increased suitability, the cause of which may be a factor other than the change in location.

Reinstatement must take place no later than two years after the date of the loss. If it takes place later as a result of impediments not attributable to the insured, the period of two years may run from the date the impediment ceased to exist, although no later than three years after the date of the loss.

The cost of the loss does not include additional costs due to action taken to accelerate reinstatement; e.g. repairs involving working overtime, purchase at higher prices for speedier delivery or transport other than by customary modes of transport.

If reinstatement can be carried out without material inconvenience in connection with normal maintenance, the amount of the loss will be taken to be an estimated proportion of the maintenance cost.

#### 21.1.1.2 The value of the building is less than half the replacement value

If the value of the building has been reduced by age, wear and tear or obsolescence by more than half the replacement value\* at the time of the loss, the loss will be regarded as being the cost of reinstatement, although only up to a maximum of the value as reduced on the grounds of age, wear and tear and obsolescence.

#### 21.1.3 The value of a system is less than half the replacement value

If a system that belongs to the building – such as a lift, boiler or a water, heating, sewage, ventilation, gas or electricity system – has been reduced in value by age, wear and tear and obsolescence by more than half the replacement value at the time of the loss, the loss of such a system will be regarded as being the cost of reinstatement, although only up to a maximum of the value of the installation following a reduction in the value on account of age, wear and tear and obsolescence. This applies irrespective of the reduction in the value of the building otherwise. Each object and each pipe system is assessed separately.

#### 21.1.4 Surface covering or chimney, the maintenance of which has been neglected

In the event of damage to a surface covering – e.g. paintwork, wallpaper, roof, wall or floor covering (including any damp-proofing insulation) – or a chimney, the maintenance of which was clearly neglected before the loss, a deduction is made for the reduction in value thus caused.

**21.1.5 Fabric in a marquee or tent**

Damage to the fabric in a marquee or tent is valued at the cost of reinstatement, although only up to the current value\*.

**21.1.6 Other building acquired**

If within two years another building is acquired for the same purpose instead of the damaged building, the loss is valued as provided for in 21.1.1, with a deduction for the increase in value which may arise as a result of a difference in usability and location.

**21.1.7 Building not reinstated and no other building acquired**

If the damaged building is not reinstated and no other building is acquired for the same purpose within two years, the loss is valued at the difference between the current value of the building immediately before and immediately after the loss.

**21.1.8 Legal impediment or directive from a public authority**

If the reinstatement of the building is impeded by law or by a directive from a public authority, the policyholder is also entitled to indemnity – residual value compensation – for what the remaining parts have thus lost in value. The policyholder is obliged to follow Moderna Försäkringar's instructions and at Moderna Försäkringar's expense take necessary action, such as applying for exemption or appealing against a decision. If these instructions are not followed then the insured is not entitled to indemnity for the loss arising from the fact that the remaining parts of the building cannot be used.

**21.2 Valuation of damage to machinery**

**21.2.1 Machinery which is reinstated, replacement value**

If reinstatement is carried out, the loss is valued as the cost of reinstating the object without delay using rational methods and materials. Reinstatement must take place within two years.

Additional costs for repair due to working overtime or transport by means other than customary modes of transport shall not be included in the cost of the loss. The reduction in value which the object may possibly have suffered as a result of the damage shall not be included.

If the object's equipment or potential profitability is increased in the course of reinstatement, this shall be taken into account in the valuation.

**21.2.2 Machinery which is reinstated, the value of which is less than half the replacement value**

If at the time of the loss the object has been reduced in value by more than half the replacement value as a result of age, wear and tear or obsolescence, the loss is valued at the cost of reinstatement, although only up to the maximum value following a reduction for age, wear and tear and obsolescence.

**21.2.3 Machinery not reinstated**

If the damaged object is not reinstated within two years, the loss is valued at the difference between the current value of the object immediately prior to and following the damage.

## 21.3 Special rules for certain objects

### 21.3.1 Compressors, heating pumps

When calculating the current value of compressors and heating pumps a deduction for depreciation shall be made equivalent to an annual reduction of 10% of the new acquisition value. No deduction is made, however, for the two first years after installation.

The depreciation is subject to a limit of 80%.

### 21.3.2 Computers, mechanically-propelled vehicles etc.

Damage to the following objects is valued at the cost of reinstatement, although no higher than the current value

- computers older than one year, with related equipment
- mechanically-propelled vehicles (motor vehicles, tractors, self-propelled machinery, and off-road vehicles) and trailers therefor
- forest machinery, e.g. processors or felling machinery
- machines, boilers, sheds and huts for building and construction work
- the fabric of a plastic marquee or tent.

### 21.3.3 Electrical equipment

In the case of damage to windings - and damage or loss to electrical equipment plates as a result thereof - the loss is valued at the cost of reinstatement with a deduction for depreciation.

When calculating the indemnity for electric motors, generators and transformers, a deduction for the decrease in value shall be made from the reinstatement cost of the windings and plates (i.e. the cost of dismantling and refitting, transport, materials and labour) at a rate of

- 5% per year for motors
- 4% per year for generators
- 3% per year for transformers

calculated from the time which in the case of

- motors begins 10 years after
- generators and transformers begins 15 years after

the equipment has been brought into use as new or was most recently rewound.

Depreciation is subject to a maximum of 80%.

If operating conditions are such that the fall in value of the windings takes place at a significantly faster rate than that stated above, this should be taken into consideration by increasing the percentage and/or bringing forward the time of its application.

## 21.4 Valuation of damage to goods

### 21.4.1 Goods acquired for resale

Goods which the policyholder has acquired for resale are valued at what it would have cost to replace them at the time of the loss with new goods of the same kind. If the value of the goods had been reduced by obsolescence or other circumstances before being damaged they will be valued accordingly.

- 21.4.2 Goods manufactured commercially by the policyholder**  
 Goods which the policyholder has manufactured or was in the course of manufacturing are valued at the manufacturing cost – direct materials, material overheads, direct wages, manufacturing overheads and administration costs – at the time of the loss, subject, however, to a maximum of the price at which the property could have been sold.
- 21.4.3 Goods sold and ready for delivery**  
 Goods sold and ready for delivery shall – to the extent that delivery cannot be completed with other goods – be valued at the agreed selling price reduced by the costs saved.
- 21.5 Drawings, filed documents and data media**  
 The loss is valued at the normal cost incurred within two years in order to reinstate the loss of information necessary for the business that occurred as a result of the loss.  
  
 The term filed documents refers only to drawings, registers or card files which contain information that must be recreated following damage.
- 21.6 Documents of value**  
 The loss is valued at the normal cost incurred within two years for reinstatement.
- 21.7 Customers' property**  
 The loss is valued in accordance with the rules which apply to the category of object to which the property belongs, e.g. machinery or goods.
- 21.8 Valuation of loss of employees' property**  
 Employees' property which the policyholder is obliged to replace under a union agreement is valued in accordance with the rules of the union agreement.  
  
 Employees' property is otherwise valued in accordance with standard practice for household insurers.
- 21.9 Moulds, models and patterns**  
 Damage to models, pressing and punching tools, moulds and patterns are valued at the normal cost which, within two years, will be paid out to reinstate the object. Obsolete objects are, however, valued at a maximum of 25% of the cost of reinstatement.
- 22 Indemnity rules**  
  
 A loss is valued in accordance with the valuation rules in 21 and indemnified in accordance with the following rules.  
  
 The insurance shall not provide the policyholder with any profit, only with indemnity for loss suffered, even if the sum insured is higher.
- 22.1 Full value insurance**  
 Full insurance exists under a full value insurance policy if the sum insured is equivalent to at least the sum calculated according to 21. If there is full insurance, loss occurring is indemnified in its entirety up to the sum insured, subject to the restrictions otherwise contained in the conditions.
- 22.1.1 Amount for buildings and machinery**  
 The amount for buildings and machinery shall be the replacement value of the property at the time of the loss.

22.1.2	<b>Amount for goods</b>	The amount for goods shall be equivalent to the value of the goods at the time of the loss in accordance with the valuation rules in 21.4.
22.2	<b>General sum insured</b>	<p>If the sum insured is general for several objects but lower than the total value of the objects, then in the event of loss of such an object indemnity will be paid only for the loss which corresponds to the ratio between the sum insured and this value.</p> <p>These rules also apply where relevant to the cost of salvage and removing debris.</p>
22.3	<b>Underinsurance</b>	<p>If there is not full insurance – i.e. if there is underinsurance – indemnity will be paid only for the part of the loss represented by the sum insured in proportion to the sum calculated in accordance with 21.</p> <p>In the event of underinsurance, a corresponding reduction applies to the cost of salvage and removing debris.</p>
22.4	<b>Cost of removing debris etc.</b>	<p>The insurance indemnifies in accordance with the following rules the costs of removing debris after an indemnifiable loss of the insured property.</p> <p>In addition to the sum insured, the cost of necessary demolition, debris removal, removal from the site, destruction and disposal are indemnified as follows:</p> <ul style="list-style-type: none"> <li>• loss or damage to goods is indemnified up to a maximum of 20% of the value of the goods at the time of the loss although subject to a maximum of 30 base amounts</li> <li>• in the event of pollution of or other impact on a lake or other area of water or groundwater, indemnity is limited to a maximum of 10 base amounts.</li> </ul> <p>In the event of a loss according to 6.1 Damage as a result of natural phenomena, the total indemnity for loss, disruption and debris removal is limited to 150 base amounts</p> <p>In the case of underinsurance, indemnity is reduced, see 22.3.</p>
22.5	<b>First loss insurance</b>	If the policy is a first loss policy, a loss occurring, including the cost of removing debris, is indemnified up to the sum insured subject to the restrictions otherwise contained in the conditions.
22.6	<b>Maximum amount of indemnity, employees' property</b>	In the event of loss, indemnity is paid to an employee up to a maximum of 0.2 of the base amount per employee or such higher amount as may be stated in the collective agreement concerned.
22.8	<b>Other rules of indemnity</b>	<p>Moderna Försäkringar is entitled, instead of paying cash indemnity, to have damaged property reinstated or to provide other property of equivalent value.</p> <p>When paying out indemnity, VAT is debited for a party that is obliged to pay VAT.</p> <p>Moderna Försäkringar is not obliged to take possession of damaged property but has the right after valuation to take possession of any major or minor part thereof.</p>

Should property for which indemnity has been paid be recovered, the property shall immediately be placed at Moderna Försäkringar's disposal. However, the insured may retain the property if he repays the indemnity received therefor without delay.

Damaged property is indemnified to a maximum amount of the costs incurred for reinstatement unless otherwise implied by what has been stated above.

In the event of property damage which is covered by the insurance, indemnity is also paid for property loss arising from the fact that insured property has been damaged, lost or stolen in the course of justified emergency action. However, indemnity is not paid if compensation can be received from public funds.

## **23 Deductible**

On each loss occasion a sum which constitutes the policyholder's excess will be deducted from the amount of the claim as calculated in accordance with 21. The minimum deductible for the insurance is stated in the insurance policy (basic deductible). In the case of certain losses the deductible is increased according to 23.1 below.

If the insurance relates to a number of real estate units as shown in the property register, an deductible is applied to each unit. If several real estate units are situated within one and the same block, however, only one deductible will apply.

### **23.1 Special deductible**

#### **23.1.1 Goods**

In the event of water damage to goods which have not been raised at least 10 cm above floor level in a basement\*, the deductible is increased by one base amount over the agreed basic deductible.

#### **23.1.2 Water damage**

The deductible, in addition to the agreed deductible, is increased by one base amount in the case of damage caused through leakage from

- a layer intended to prevent discharge, e.g. damp-proofing insulation or tiles with connections and openings
- installation through normal changes as a result of age, e.g. corrosion or wear or obviously neglected maintenance.

#### **23.1.3 Precipitation**

In the event of damage according to 6.2.1 Precipitation, the deductible, in addition to the agreed deductible, is increased by three base amounts.

#### **23.1.4 Burglary**

Where protection category stipulations according to the terms or the insurance policy have not been fulfilled, the deductible is increased by three base amounts over the agreed deductible.

## 31 Safety regulations

In addition to the safety regulations stipulated here and in AB-DF, see separate document, the insured is obliged to observe the safety regulations issued by Moderna Försäkringar in the policy with a view to preventing or limiting loss.

The insured shall ensure that the regulations intended to prevent or limit loss and contained in laws or ordinances shall be observed. These regulations refer to

- inflammable goods
- explosive goods
- chemical products
- environmental protection
- electrical power plants, including rules for implementation.

In the matter of a reduction or loss of indemnity if safety regulations are not observed, see AB-DF, separate document.

### 31.1 Safety regulations for fire insurance

#### 31.1.1 Fire-extinguishing appliances and alarm devices

Fire-extinguishing appliances and alarm devices shall exist to the extent stated by the municipal chief fire officer or Moderna Försäkringar.

#### 31.1.2 Hot works

The insured employees involved and other persons/contractors engaged shall ensure that these instructions are complied with in conjunction with temporary hot works involving welding, cutting and similar work that could entail a fire risk. "Similar work that could entail a fire risk" is deemed to be work which, in the light of the fire risk, is comparable with welding and cutting, e.g. soldering, insulation, roof-covering, working with high-speed tools and other work which involves heating or the generation of sparks.

#### Organisation

The insured shall appoint a person to be responsible for fire safety at the temporary location where the work that could entail a fire risk is to be carried out. The fire safety officer shall assure himself that the following instructions are followed. He should also gather and file welding control confirmation documents/welding permits as stated below.

If a fire safety officer has not been appointed, the insured bears responsibility for fire safety.

#### Contracting

The safety instructions also apply if the work is carried out by a contractor. The fire safety officer is obliged before, during and after the performance of the contracting work to assure himself that the contractor is in compliance with the safety regulations.

#### Surroundings presenting a fire risk

Work that could entail a fire risk may not be performed at a location where there is an obvious risk of fire, such as a location where there are inflammable goods or easily combustible materials.

#### Drying and thawing

Drying and thawing on an open flame may not take place in the proximity of inflammable material.

In the case of roof work, the rules stated below shall apply.

## Preventive measures

Work that could entail a fire risk may only be performed if

- those persons who are to carry out or supervise the work have the requisite training and experience with regard to fire safety. The training should be at least equivalent to the Swedish Fire Prevention Association's authorisation training for the work intended.
- the workplace has been cleaned and, if necessary, watered.
- inflammable material on or in the proximity of the workplace has been moved, protected or screened off by being covered with, for example, a wet tarpaulin.
- inflammable parts of the building have been checked and protected and can be made accessible to allow a fire to be extinguished.
- gaps, holes, apertures and other openings on and beside the workplace have been sealed and checked in the light of the fire risk.
- approved, functioning and adequate extinguishing equipment is available at the workplace (a hose with water or at least two fire extinguishers ABE III).
- the welding equipment is free of faults and during welding, cutting and soldering with gas is fitted with backflash prevention for acetylene or propane gas and oxygen and with a clack valve for acetylene gas and oxygen. Protective gloves and a cut-off key should be available.
- a fireguard should be on duty at the workplace even during breaks. A fireguard is not required, however, if the roof work is carried out as stated below.

## Checks after completion of work

The fireguard may not leave the workplace before, in the light of the circumstances, an adequate period of time has passed following completion of the work and it is felt that there is no longer a fire risk.

## Welding control confirmation/welding permit

Work that could entail a fire risk may not be performed without the permission of the fire safety officer. This is obtained by the fire safety officer signing a welding control confirmation document or a welding permit which the person who is to perform the work has read, completed and signed.

The scope of the welding control confirmation document/welding permit should be at least what is stated in the Swedish Fire Prevention form "Welding control for temporary work".

## Roof work – Special instructions in addition to the above instructions

The drying of an underlying surface and the application of a layer of sealant may not be carried out using an open flame.

When melting asphalt the equipment should be set up, handled and supervised according to the Swedish Fire Prevention Association's "Safety rules in conjunction with work performed on a roof".

During the performance of the work there should be fire extinguishing equipment available, comprising a hose with water, two approved, functioning, hand-held fire extinguishers, ABE III, breaking tools, e.g. a pick-axe, and a hand-held lamp, all of which should be available for immediate extinguishing.

Preparatory measures for raising a fire alarm from a workplace on a roof should be taken, e.g. by carrying a mobile telephone.

- 31.1.3 Tobacco-smoking** Smoking may take place in offices, canteens, assembly rooms, specially-designated areas and, following approval by the chief municipal fire officer, even at permanent workplaces. Smoking may not take place at other locations.
- 31.1.4 Fire doors and other sectioning** Fire-doors, fire-shutters and other similar sectioning must be closed during non-working hours.
- 31.1.7 Mechanically-propelled vehicles** A mechanically-propelled vehicle (motor vehicle, tractor, self-propelled machine or off-road vehicle) may enter the premises or storage yard to the extent necessary for the work provided that
- filling, emptying or changing of a fuel container and the charging of batteries are carried out in a safe manner and in a place separate from the rest of the premises or the storage yard,
  - permanent loading and unloading places are equipped with fire-extinguishing appliances,
  - Moderna Försäkringar and the chief municipal fire officer have given their consent thereto, if the premises or storage yard present a fire or explosion hazard.
- Powered vehicles must not be garaged in manufacturing or storage premises or storage yards without the consent of Moderna Försäkringar and the chief municipal fire officer.
- 31.1.8 Special devices** Devices which present a risk of overheating, e.g. saunas and coffee-machines, shall be equipped with non-disconnectable timers.
- 31.2 Burglary insurance** The area enclosing the building (walls, floor, ceiling, door and window units etc.) shall – both with regard to the actual construction as well as locking and bolting arrangements – be in compliance with protection class 1 according to the "Rules for mechanical burglary protection, RUS 200:3" issued by the Swedish Insurance Association. When a stricter protection class is required, protection class 2 or 3, this is stated in the insurance policy.
- 31.2.1 Keys** Keys to premises shall be handled and stored in a satisfactory manner. They must not, for example, be marked or kept in a place where they can be identified by unauthorised persons. Nor may they be stored in such a place in the premises concerned as to render them easily accessible to unauthorised persons.
- 31.2.2 Key cabinet** Key cabinets adjacent to premises as provided for in the previous paragraph may only contain keys to locks to public areas – such as boiler rooms, refuse rooms, lift machine rooms etc. – which are sufficiently separate from the remainder of the premises.
- 31.2.3 Lock and lock combination** A lock or lock combination shall be replaced or changed immediately if there is reason to suspect that any unauthorised person possesses a key or has knowledge of the code or the lock combination.

- 31.4 **Safety regulations for computer media**  
Current systems, standards and application software should be available at least in duplicate. Back-up copies should be up-to-date, correct and usable and stored at a location other than the insured location. The stipulations of the Accounting Act should also be observed.
- 31.5 **Joint instructions for computers and data media**  
To prevent and limit the risk of operating disruptions the insured shall
- prepare safety routines for incorrect handling which should cover existing systems at the facility
  - ensure that the facility, as part of the operating safety procedures, has specific protection against disruptions in electricity supply
  - appoint a suitable person and a deputy for this person to be responsible for ensuring that current safety and security routines are adhered to and that the personnel involved are trained in both handling and safety routines.
- 31.6 **Archives**  
Archive materials, i.e. drawings, registers, card indexes and so forth, which in the event of damage cannot be reconstructed without expert assistance, should be microfilmed or copied in another manner. The film or the copy should be stored at a location other than the insured location.

## II BUSINESS INTERRUPTION INSURANCE

- 1 **Who is covered**  
The insurance applies to the policyholder.
- 2 **When cover is provided**  
Indemnity is paid for loss of gross profit arising during the indemnity period\* as a result of a loss occurring during the insurance period.
- 3 **Extent of cover**  
The insurance covers loss or damage which occurs in the insured business as a result of property which is indemnifiable under the property insurance.  
  
However, business interruption insurance does not cover disruption resulting from machinery breakdown, according to 18 Machinery breakdown insurance, if it is not stated in the insurance policy that business interruption insurance includes machinery breakdown insurance.
- 3.1 **Customer and supplier extension**  
Indemnity is also provided for
- disruption in the supply of electricity, gas or water caused by sudden or unforeseen physical damage to feeder lines or related supply units, exchanges or distribution stations.
  - disruption as a result of fulfilment of a delivery agreement not being possible because of indemnifiable fire damage at the policyholder's customer or supplier with whom the policyholder has a current contract.
- 4 **Insured interest**  
A loss consisting of loss of gross profit.
- 5 **Sum insured**  
The insurance applies with the insured amount and indemnity period as stated in the insurance policy.

- 5.1 Customer and supplier extension**  
In the event of customer and supplier disruption, Moderna Försäkringar's indemnity obligation is limited to 20% of the insured gross profit, although subject to a maximum of MSEK 20.
- 5.3 Damage as a result of natural phenomena**  
In the event of loss or damage according to 6.1 Damage as a result of natural phenomena, the total indemnity for damage, disruption and clearance is limited to 150 base amounts.
- 21 Rules of assessment of loss**  
The loss is calculated after the end of the indemnity period. The amount of the loss consists of the loss calculated as shown below with the addition of reasonable salvage costs.
- 21.1 Calculation of gross profit**
- 21.1.1 Gross profit during the comparative period**  
The gross profit is calculated over a comparative period, which is the same length as the indemnity period, although no longer than 12 months.  
The comparative period begins 12 months before the date of the occurrence of the property damage. Should the indemnity period exceed 12 months, the calculated contribution to profits during the comparative period shall be increased to take into account the extended indemnity period.
- 21.1.2 Adjusted gross profit**  
Should conditions during the indemnity period differ from those during the comparative period, and should these conditions not be connected with the loss, the gross profit shall be adjusted. Adjustment shall be carried out by increasing or reducing the gross profit calculated for the comparative period.  
  
The adjusted amount shall be considered to represent the gross profit which the business would have generated during the indemnity period if the loss had not occurred.
- 21.1.3 Actual gross profit**  
The gross profit which the business has actually made during the indemnity period is calculated, on observance of the following:
- Costs which are not insured shall, to the extent that they exceed a proportion corresponding to the reduction in size of the business, be deducted from the gross profit to the degree that the policyholder can show that they have led to a reduction in the loss.
  - The gross profit shall be increased by an amount which corresponds to such loss of gross profit caused by the fact that a part of the indemnity period – in excess of the time which would have been required to reinstate the damaged property to the same condition as before the damage – has been used for improvement, extension or other modification, including any such action which is the consequence of a decision by a public authority.

## 21.2 The loss amount

The loss consists of the adjusted gross profit stated in 21.1.2, reduced by

- the actual gross profit that the business has made during the indemnity period
- such costs contained in the adjusted gross profit that were possible to save or use for other purposes during the indemnity period. Examples of such costs are saved salaries of redundant staff, rent, technical depreciation of unutilised plant, interest costs on unutilised capital etc.
- the gross profit that is contained in indemnity for property damage, e.g. in indemnity for goods and own repair work,
- the interest received by the policyholder during the indemnity period on indemnity for the loss
- such increase in the gross profit which, as a consequence of the loss, arose during the indemnity period in another business operated by the policyholder himself or by some other person on his behalf.

## 21.3 Definition of gross profit

Gross profit is understood in loss of profits insurance to mean the net realisable value of goods sold or delivered or services supplied – not including value added tax – with a reduction for

With regard to sales costs

- discounts given,
- freight, transport and marine insurance premiums, customs charges and packaging for sale,
- licences and royalties to the extent these are not guaranteed.

With regard to manufacturing and operating costs

- consumption of direct and indirect materials, i.e. primarily raw materials, expendable items, goods for resale and packaging
- freight, transport and marine insurance premiums and customs charges
- repair and maintenance of machines, tools and other operating equipment,
- electricity, gas and water, to the extent that they do not represent contracted minimum charges,
- production taxes.

The gross profit includes wages to all employees and statutory or contractual charges arising on these wages.

Costs of the nature stated in the definition are deducted from the sales value to the extent that they occur in the business of the policyholder. No other deductions shall be made.

### 21.3.1 Instructions concerning definition

The cost of direct and indirect material shall be calculated as near as possible to the market price during the period to which the consumption of the material relates.

If there is delivery from one department of a company to another or from one company to another within one and the same group of companies, the price debited shall always be adjusted to the current market price. This provision need not be applied if business interruption insurance has been contracted jointly for the whole business or the whole group.

Certain deductible items in the definition relate to the production volume of the business. This does not normally coincide with the volume of sales and the manufacturing costs must therefore be corrected by the value of the change in the volume of finished or semi-finished stocks produced by the business. This correction is made by changing the value after stocktaking between the start and end of the financial year.

This presupposes that the stocktaking principles remain unchanged throughout the year and that all the effects of changes in hidden reserves are eliminated. Changes in the value after stocktaking shall be converted, taking into account the market price of direct and indirect materials during the period.

If the stock has increased, the manufacturing costs must be reduced in order to agree with the sales volume. If the stocks have decreased, the manufacturing costs must be increased.

When making an adjustment due to changes in stocks, the starting and closing stock of finished and semi-finished products shall be recorded as the sum of the manufacturing and the operating costs incurred for these according to the definition.

## **22 Rules of indemnity**

### **22.1 Amount of indemnity**

Full insurance exists if the insured amount is equivalent to at least the adjusted gross profit and Moderna Försäkringar will then indemnify the whole loss up to the sum insured, subject to the restrictions contained in the conditions. In other cases the underinsurance rule is applied.

### **22.3 Time of payment**

Indemnity will be paid after the expiry of the indemnity period and no later than one month after the insured has discharged his obligations under the rules of claim settlement. If indemnity is paid later, delayed payment interest will be paid as provided for in the Interest Act.

## **23 Deductible and waiting period**

On each occasion of loss a sum calculated according to 21, an amount comprising the insured's deductible, will be deducted from the amount of the claim. In the event of business interruption insurance, a waiting period also applies.

### **23.1 Deductible**

The deductible is combined with the property insurance.

### **23.2 Waiting period**

The waiting period is

- 168 hours in the event of disruption as a result of machine damage indemnifiable under 18 Machinery breakdown insurance.
- 168 hours in the event of disruption under 3.1 Customer and supplier disruption.
- 48 hours for other losses

## **31 Safety regulations**

In addition to the safety regulations stated in I 31 and AB-DF other safety regulations shown in the policy also apply.

In the matter of a reduction in or loss of indemnity if a safety regulation has been disregarded, see AB-DF.