

INDONESIAN STANDARD FIRE POLICY

We, the undersigned ('hereinafter called the Insurer') will indemnify, subject to the Insurer having paid the premium and given a written proposal that attaching to and forming part of this policy, the property and/or interests of the Insured Mentioned in the schedule against losses caused by the risks mentioned and described in the terms and conditions contained, attached and/or endorsed here on in this policy.

CHAPTER I PERILS INSURED

This policy cover loss of or damage to insured property and/or interests caused by:

1. FIRE

in consequence of negligence or wrongdoing of Insured's servants or employees, neighbors, robbers or others whomsoever or other unknown causes of fire not hereunder excluded, including the consequences of:

- 1.1. the spreading of fire caused by self-combustion, short-circuit or fire due to the nature of the insured property (inherent vice).
- 1.2. fire to another near by objects, such as loss of or damage to insured property and/or interests caused by water or other instruments used to fight or extinguish the fire, also loss of or damage as a consequence of the destruction of all part of the Insured's property and/or interests ordered by lawful Authorities to prevent further spreading of the fire.

2. LIGHTNING

Damage directly caused by lightning. Damage to machinery, electronic apparatus or appliances and electrical installations will only be covered hereunder if the lightning ignites fire to such property

3. EXPLOSION

Explosion is any sudden release of energy resulting from the expansion of gases or vapor. The bursting of container (boiler, pipe etc.) is only regarded as an explosion if the walls of the container are torn open to such an extent that a sudden equalization of the pressures inside and outside takes place.

If an explosion occurs inside a container due to a chemical reaction, any damage to the container is indemnifiable even if the walls of the container are not torn open. Losses caused by low pressure are not covered by the policy.

Losses to combustion engine resulting from the explosion taking place within the combustion chambers or to switching members in electrical switches by gas pressure arising within are excluded from the cover.

Subject to the explosion is also covered by any other Policy specifically made for it, then the liability of the Insurer is limited to loss of or damage that are not covered by such policy.

4. IMPACT OF FALLING AIRCRAFT

is any direct loss resulting from actual physical contact of an aircraft or by any object falling therefrom with the property covered hereunder or with the building containing the property covered hereunder.

5. SMOKE

is smoke resulting from the burning of the insured property covered hereunder.

CHAPTER II EXCLUSIONS

1. PERILS NOT INSURED

This Policy does not cover any loss or damage including loss or damage as a consequence of fire to the property and/or interest insured :

- 1.1. Directly caused by:
 - 1.1.1. fire or explosion as a result of self-combustion or short circuit or arising from inherent vice of nature.
 - 1.1.2. theft and/or loss during and after the occurrence of an insured peril.
- 1.2. Directly or indirectly caused by or consequent upon:
 - 1.2.1. deliberate acts by the Insured, the Insured's employee and/or other person on the order of the Insured.
 - 1.2.2. forest fires, bush fires, wild grass and peat fires.
 - 1.2.3. nuclear reactions, including but not limited to nuclear radiation, ionization, fusion, fission or pollution by radioactivity, regardless of whether such processes occur inside or outside the buildings where the property and/or interest insured is contained.
 - 1.2.4. business interruption of any kind, earthquake, tsunami and volcanic eruptions.
- 1.3. Directly or indirectly caused by or arising from or consequent upon the following perils, unless otherwise extended:
 - 1.3.1. *Riots, Strikes, Locked-out Workers, Malicious Acts, Civil Commotion, Insurrection/Popular Rising, Usurped Power, Revolution, Rebellion, Military Power, Invasion, Civil War, War and Hostilities, Subversive Acts, Terrorism, Sabotage or Looting.*

In any action, suit or other proceedings, where the Insurer alleges that loss or damage is directly or indirectly caused by one or more of the excluded perils under this Section, the burden of proof that such loss or damage is covered shall be on the Insured.
 - 1.3.2. vehicle impact, industrial smoke, landslide, flood, inundation, typhoon, windstorm and tempest.
 - 1.3.3. debris removal expenses.

2. PROPERTY AND/OR INTERESTS NOT INSURED

Unless otherwise specifically stated in the Schedule, this Policy does not cover:

- 2.1. goods held in trust and/or on consignment or in commission;
- 2.2. bullion, jewelry, set or unset precious stones;
- 2.3. curiosity or work of art;
- 2.4. plans, drawings or designs, patterns, models or moulds and prints;
- 2.5. effects, bonds, shares or all kinds of negotiable certificates and documents, stamps and excise stamps, notes and coins, cheques, business books and computer records;
- 2.6. all kinds of explosives.

CHAPTER III DEFINITIONS

Notwithstanding anything which may be defined in any laws or regulations to the contrary, for the purpose of this Policy, all terminology printed in italics shall be defined as follows:

1. **Riots** is an act of a group of at least 12 (twelve) persons, who in the execution of their common purpose cause public disturbance tumultuously with violence and damage to the property of others, not amounting to *Civil Commotions*.
2. **Strikes** is a deliberate act of damage, by a group of workers of at least 12 (twelve) persons or one half of the entire workforce (if the total number of workforce is less than 24 persons), refusing to work as usual in an attempt to force the employer to accept their demands or to protest against any terms of employment enforced by the employer.
3. **Locked-out Workers** is a deliberate act of damage, by a group of workers of at least 12 (twelve) persons or one half of the entire workforce (if the total number of workforce is less than twenty-four persons), to protest against the termination or suspension of a fellow employee by the employer.
4. **Malicious Acts** is an act of any person(s) deliberately causing damage to the property of others driven by vengeance, hatred, anger or vandalistic, except such acts

done by the employee(s) of the Insured, or any person(s) on behalf of the Insured, or by person(s) entrusted by the Insured to maintain or keep such property, or by thieves/robbers/looters.

5. **Preventive Acts** is an act of any lawfully constituted authority or body in an attempt to prevent or suppress the occurrence of any of insured perils or to minimize the consequences of any such perils.
6. **Civil Commotions** is an act of a large number of people acting together disrupting public peace and disturbance tumultuously with violence and a chain of destruction of a large number of properties, indicated by the cessation of more than one half of the normal activity of commercial/shopping or business areas or schools or public transportation in one city for at least 24(twenty-four) hours consecutively commencing immediately before, during or after the event.
7. **Insurrection/Popular Rising** is an uprising of a majority of the people in the capital city of the country, or in three or more capital cities of the provinces within 12(twelve) days, demanding a change in the government de jure or de facto, or open resistance against the government de jure or de facto, not amounting to a **Rebellion**.
8. **Usurped Power** is a situation where the established order has been overthrown and replaced by some illegal authority which is in a position to lay down rules of conduct and also ensure that the rules are obeyed.
9. **Revolution** is an uprising of the people with force to make a radical change to the current public administration system of the country or to overthrow the established government de jure or de facto, not amounting to a **Rebellion**.
10. **Rebellion** is a state of organized resistance against the established authority with the object of supplanting or overthrowing it with force using fire arms which threatens the existence of such authority.
11. **Military Power** is an act by a group of home or foreign armed forces personnel consisting of at least 30(thirty) persons using force with the intention to overthrow the established authority or to cause public disorder and disturbance.
12. **Invasion** is an act by the military power of one country to penetrate or invade the territory of another with the object of

permanently or temporarily occupying and taking control over such territory.

13. **Civil War** is an armed conflict between regions or political factions within the territorial limits of a country with the object of gaining legitimate power.
14. **War and Hostilities** is a widespread armed conflict (whether or not war has been declared) or a warlike situation between two or more countries, including military exercises of a country or joint-military exercises between countries.
15. **Subversive Acts** is an act by any person on behalf of or in connection with any organization with activities directed towards the overthrow by force of the government "de jure" or "de facto", or to the influencing of it by **Terrorism** or **Sabotage** or violence.
16. **Terrorism** is an act by any person using force to create public fear in an attempt to achieve a goal which according to public opinion has a political background.
17. **Sabotage** is a destructive act against property or the obstruction of work process or causing the reduction in value of work, by any person in an attempt to achieve a goal which according to public opinion has a political background.
18. **Looting** is the appropriation of property belonging to another by any person (including those employed by or under the control of the Insured), with the intention of permanently depriving that other of it.

CHAPTER IV GENERAL CONDITIONS

Article I

PAYMENT OF PREMIUMS

1. Notwithstanding anything to the contrary in the provisions of Article 257 of the Commercial Code and notwithstanding herein to the contrary, and subject only without prejudice to paragraph 2 hereinafter set out, it is hereby declare and agreed that it is a condition precedent to liability under this Policy, that any premium due must be paid and actually received in full by the Insurer:
 - a. when the period of insurance is 45 (forty five) days or more, the premium must be

paid in full within 45 (forty five) days from the date of coverage under the policy;

- b. when the period of insurance is less than 45 (forty-five) days, the premium must be paid in full within the period of insurance specified in the policy.

2. In the event any of the above mentioned premium is not paid in full to and received by The Insurer as described above in the manner and within the time stipulated in paragraph 1 above, the cover under this policy shall be deemed to have terminated from the expiry of the period described in paragraph 1 above and the Insurer shall be discharge from all liability therefrom, but without prejudice to any liability incurred before that date and the Insurer will be entitled to a pro rata premium subject to a minimum of 25% of annual premium.

Article II

OTHER INSURANCE

1. Prior to the attachment of this insurance the Insured shall give notice to the Insurer of any Insurance already effected on the same property and/or interests;
2. If subsequent to the attachment of this insurance other insurance is effected on the same property and/or interests, the Insured is obliged to make full disclosure thereof to the Insurer.

Article III

ALTERATION TO RISK

1. If changes or alterations are made to the insured property or to the premises where the insured properties are stored, or if part of the premises or the entire premises are used for other purposes, or if other goods are stored at the premises which increases the risk of fire or explosion and the Insured have known or should have known about this, then the Insured is obliged to notify the Insurer within 7 (seven) days from such changes or alteration.
2. In accordance with alteration to risk described in paragraph 1 above, the Insurer shall have the right to determine whether or not this insurance may be continue on the basis of the existing premium or whether a higher premium should be charged or

whether the insurance should be terminated. In the event of such termination the Insured shall be entitled to receive a refund of premium for the unexpired period of insurance on pro rata basis.

Article IV

REMOVALS AND CHANGE OF OWNERSHIP

1. This insurance shall cease to attach to any household goods or any insured items which have been removed to other room, storey, place or building other than those mentioned in the policy, unless the Insurer has agreed prior to such removal by written endorsement to the policy schedule.
2. Notwithstanding anything to the contrary in the provisions of article 263 of the Commercial Code, when there is a change of ownership of the insured property and/or interests, whether on the basis of agreement or due to the death of the Insured, this insurance shall automatically become void 10(ten) days after such change of ownership unless the Insurer has agree in writing to continue the insurance.

Article V

OBLIGATIONS OF THE INSURED IN THE EVENT OF LOSS OR DAMAGE

1. The Insured, upon knowing or when it could be regarded that he should have known about the occurrence of the loss or damage to the property and/or interests insured by this policy must:
 - a. Immediately inform the Insurer;
 - b. Within 7 (seven) days give a written report containing all known facts concerning the loss or damage including information as to the cause of the damage or loss to the best of his knowledge or assumption. Such report should contain as particular an account as may be reasonably practicable of all the several articles or items of property lost, damaged or destroyed as well as an account of all insured property, which is not, affected by such loss or damage.
2. At the time of the loss or damage the Insured is obliged:
 - a. To the best of his ability, safeguard the insured property and/or interests and

authorized other people to assist and safeguard the property;

- b. To provide full support to the Insurer or his representative or any other party appointed by the Insurer to conduct an investigation of the loss or damage;
- c. To safeguard all salvageable property.

All rights to indemnification under the policy shall be forfeited if the Insured fails to comply with the above requirements.

Article VI LOSS REPORTING

When filling a claim under this policy the Insured must:

- a. To fill and submit to the Insurer the Claim Report Form;
- b. Submit the policy together with an official report of the incident from the *Lurah or Kepala Desa*, the local police;
- c. Deliver a detailed report explaining as complete as possible the circumstances that according to his knowledge have caused the loss or damage;
- d. Supply any other information and evidence as requested by the Insurer.

Article VII INDEMNITY

1. In the event of loss or damage to the insured property and/or interests the maximum liability of the Insurer shall be limited to the Sum Insured;
2. The basis of calculation of the indemnity shall be a comparison of the value immediately prior to the loss or damage to the value immediately after the loss or damage;
3. Any salvage will be taken into consideration to the claim amount payable.

Article VIII LOSS OF OR DAMAGE TO MOVABLE ITEMS

In the event of loss or damage to movable items, the Insured is obliged within 14(fourteen) days to submit :

- 1.a. For household goods; a list containing in details the type of each item and estimated values immediately prior to the loss or damage as well as a list containing information of the salvage.
- b. For raw materials and merchandise; a list containing estimated values of each and every item immediately prior to the loss or damage as well as a list containing information of the salvage.

Books, administrative records and relevant documents as may be requested by the Insurer or if not available, invoices, notes, or any document that can be used as proof or damage.

- 2.a. If the insured object is described by the general terms of "Household goods", "Machinery", or "Goods, Wares and Merchandise", covered under this policy, such household goods, machinery, goods, wares and merchandise which are at the time of the loss or damage at the place mentioned in the policy will be covered by this insurance. Whether they were there at the insurance was not effected or not, subject to the provision of Article X.
- b. If the kind of each of the insured items is specified in details under this policy, the paragraph 2a above will only be valid when those items are present at the premises at the time of the loss or damage.

The preceding provision shall not apply to object that owing to their description or the valuation in the policy are to be considered as irreplaceable.

Article IX INDEMNIFICATION OF MULTIPLE INSURANCE-CONTRIBUTION

1. Notwithstanding anything to the contrary with contrary with the provisions of article 277 paragraph 1 of the Commercial Code, in the event of the loss or damage to the property and/or interests insured under this policy where such property or interest is also insured by any other policy or policies and the Total Sum Insured under all policies exceeds the actual value of the property and/or interests. The Sum Insured will be reduced in proportion to The Total Sum Insured against the insured value and the Insured shall not be entitled to a reduction or refund of premium;

2. The above provision shall apply whether in the event that all of the other insurance made in several different policies and date and notwithstanding anything to the contrary with Article 277 of the Commercial Code that if any or all other insurance precede the effective date of this policy and do not contain a similar provision in the above paragraph.

In the event of the loss or damage the Insured is obliged at the request of the Insurer to submit a written declaration of any other insurance covering the same property and/or interests at the time of loss or damage.

All rights to indemnification under this policy shall be forfeited fails to comply with the above requirements.

Article X UNDER-INSURANCE

If the property and/or interest hereby insured shall at the time of the loss or damage covered under this policy be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Every item, if more than one, of this policy shall be separately subject to this conditions.

Article XI FRAUDULENT REPORTS

If the Insured deliberately with the purpose to have benefits from this policy:

- a. to increase the amount of loss allegedly suffered;
- b. to include items that did not exist at the time of loss or damage and report that those items had destroyed;
- c. to retain items or part of the salvable items and report that those items had been destroyed;
- d. to use false documents or evidence makes fraudulent statements;
- e. to act or gives order to cause loss or damage covered under this policy;
- f. to make a serious mistake or negligence beyond reason to cause loss or damage covered under this policy shall loose the right for indemnification.

Article XII ASSESSMENT OF ESTIMATED VALUE IN THE EVENT OF A CLAIM

1. The estimated value be based on the real value of the property insured at the time of the loss or damage, without adding any profit;
2. In the assessment of the value of building no account shall be taken of their location or occupation;
3. Unless specifically mentioned in the policy, foundations and underground construction shall not be included in the assessment value;
4. Goods, materials and merchandise will be assessed on the basis of their cost price immediately prior to the occurrence of the loss or damage.

Article XIII REIMBURSEMENT

1. In the case of loss, service fees and honoraria for the assessors and other experts who appointed by the Insurer, will be paid by the Insurer;
2. Reasonable expenses incurred to prevent or reduce losses disbursed by the Insured in accordance with provisions in the Article XIV paragraph 2 shall be reimbursed by the Insurer even such effort is not successful.

Article XIV SALVAGE

1. In the event of loss or damage the salvage if any is the responsibility of the Insured;
2. the Insurer is entitled to request the Insured to store all or part of the salvage;
3. It is stipulated that in any action on part of the insurer including a request to store the salvage as mentioned above, can by no means be considered as an acknowledgement of any responsibility whatsoever.

Article XV
INDEMNIFICATION

The Insurer is obliged to pay in full the indemnity within 30(thirty) days after the agreement on the amount of indemnity has been reached.

Article XVI
SUBROGATION

1. In accordance with Article 284 of commercial Code, upon payment of indemnity on the property and/or interest insured by this policy, the Insurer will replace the Insured as regards any rights that he has against a third party concerning the loss or damage.

Such Subrogation Rights as mentioned in the above paragraph will be automatically valid without any letter of authorization from the Insured.

2. The Insured remains responsible for any action that could possibly affect the rights of the Insurer against a third party.

Any negligence of the Insured to comply with the provision in paragraph 2 above shall forfeit or prejudice his rights to indemnification.

Article XVII
REINSTATEMENT OF THE SUM INSURED

After the loss or damage to the property insured and/or interest insured, the Sum Insured shall be reduced by the amount of such loss or damage.

After the restoration of the loss or damage the Insured can request reinstatement of Sum Insured by paying additional premium calculated in a rateable proportion to the unexpired period of insurance. The Insurer has the option not to accept that request.

Article XVII
**FORFEITURE OF RIGHTS TO
INDEMNIFICATION**

1. Rights of indemnification of the Insured under this policy shall automatically be forfeited if:
 - a. fails to comply with the requirements under this policy;

- b. no claim has been submitted by the Insured within 12 (twelve) months from the occurrence of the loss or damage;
- c. Did not submit any objection or take up arbitration arrangement nor any other legal efforts within 6(six) months after the Insurer notified in writing that he has no rights of indemnification under this policy.

2. The Insured's rights for the higher amount of indemnification from what has already been approved by the Insurer shall be automatically forfeited in 3 (three) months after the Insurer notified in writing and the Insurer did not submit any objection or take up any arbitration arrangement or any other legal efforts.

Article XIX
TERMINATION OF THE INSURANCE

1. Both the Insurer and the Insured are entitled to terminate this insurance at any time without giving reason therefor. Such termination notification shall be effected in writing by registered letter from the party who requests such termination to the other party at the latest known address.

The Insurer is relieved from all liability under this policy 3(three) times 24(twenty-four) hours after the date of dispatch of notification letter to the Insured at 12.00 o'clock local time.

2. When the Insurer terminates the insurance, the Insurer is obliged to return prorata premium for the unexpired period of insurance;
3. If the Insured terminates the insurance premium will be calculated in short term laid down in the current Fire Insurance Tariff of Indonesia for the completed period of insurance.

Article XX
RETURN OF PREMIUM

The Insured shall have no rights to any return of premium except as described in Article III, IV and XIX.

Article XXI
DISPUTES

In the event of any dispute between the Insurer and the Insured resulting from the interpretation of this policy, it is hereby agreed that both parties are freely to take up any legal effort to solve such disputes.

However, if any dispute arises resulting from the different amount of loss or damage suffered, such dispute will be solved through arbitration subject to the following procedure:

1. Both parties will appoint an arbitrator by mutual agreement and the intention shall be giving from one party to other party to other party in writing;
2. If the appointment of an Arbitrator in the paragraph 1 can not be fulfilled in 15 (fifteen) days, then an Arbitrator will be appointed by each party, which the two Arbitrators will appoint the third Arbitrator;
3. If such appointment in paragraph 2 is not done within 60(sixty) days after the date from the receipt of the request, the prepared party can appeal to the President of Insurance Council of Indonesia to appoint 3(three) Arbitrators which one of them will be the head of Arbitration Council;
4. The authority given to an Arbitrator, will not be cancelled by the death of the Arbitrator. The party who appoints the deceased arbitrator will appoint another Arbitrator;
5. Any rights, obligations and liabilities and arbitration proceeding will be decided by the Arbitrators and in accordance with the current enactment regulations.

It is hereby noted and agreed that any decision from Arbitrators shall be binding to all parties and the pre requirement of any indemnification rights under this policy.

Article XXII
CONCLUSION

1. If there are different between the text in this policy with the original text circulated by the Board of Insurance Council of Indonesia's decree to al members of Insurance Council of Indonesia-General Insurance, which be stored in the office of Secretary General Insurance Council of Indonesia the latest will be valid;
2. Matters, which may not be sufficiently provided for in this policy, shall be subject to the provisions of the Commercial Code.

In case of dispute arising out of the English wordings of this policy, then in settling this dispute reference has to be made to the original Indonesian Standard Fire Policy in the Indonesian version.

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