

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, cover shall be extended to include deterioration of raw materials, intermediate, or finished products or operating media specified with a separate sum insured in the List of Material Insured attached to the Policy, the following conditions being applicable:

- 1 Deterioration of insured items is covered only if actually caused by an indemnifiable interruption or interference in the operation of a plant item specified in the List of Machinery and Plant Insured, and provided that such interruption or interference exceeds the agreed minimum period mentioned in the List of Material Insured.
- 2 The sum insured for each insured product or material shall be the amount required to replace the insured material by material of a similar kind and quality or to newly manufacture it.
- 3 The amount of indemnity payable for deterioration is limited to:
  - a the percentage stated for each item in the List of Material Insured,
  - b the amount required to replace the damaged material by material of a similar kind and quality or to newly manufacture it, such amount not to exceed the obtainable sales price, or in the case of unfinished products manufactured or processed by the Insured the market sales price of the finished products less the manufacturing or processing costs still to be incurred,less any amount obtained by way of salvage.
- 4 For products in a deliverable state and saleable, the indemnity payable shall be limited to the market sales price according to the actual market situation at the time of the commencement of deterioration less any costs which will be saved by virtue of the insurance claim.
- 5 For products such as beet roots, sugar cane or potatoes, which cannot be replaced, the indemnity payable shall be limited to the purchase cost.
- 6 If, at the time of loss occurrence, the sum insured is less than the actual value of the item(s) insured, the amount payable shall be reduced in the proportion the sum insured bears to the actual value.
- 7 The amount payable in accordance with Nos 3, 4 and 5 shall be reduced by the agreed deductible. (A time excess for loss or damage due to deterioration does not apply.)

Deductible: 20 % of the loss, minimum