

DEFINITIONS

For the purpose of this Policy, the following definitions shall apply unless the context otherwise requires:

Agreement: Master Policy Agreement between AFNIC and NBF for Insuring the Residential units of various Home Loan Borrowers under the Home Shield Insurance scheme.

Bank means National Bank of Fujairah PSC, United Arab Emirates

Borrower/Insured Person means the person to whom the bank has advanced a mortgage loan and who has not been disqualified by the provisions of this policy to be eligible to receive the benefits under this policy.

Company means Al Fujairah National Insurance Company, Fujairah, United Arab Emirates

Commencement Date means the date the Insured Person is enrolled for this Policy by the Bank or the date of inception of this Policy whichever is later as declared by the Bank in their Monthly Declaration submitted to AFNIC

Date of Event means any one of the following:

- In respect of Home Finance Shield, the date of the happening of loss or destruction or the damage to the property insured after the commencement date and during the policy period.

Property Insured means the buildings or apartments for which loan was disbursed by the bank and fixed improvements to the subject building, if any made by the borrower (Construction completed properties, not under construction properties)

Reinstatement value means the expenses incurred by the insured for reinstating/ rebuilding the destroyed or damaged property on the same site by a new property of a similar kind, capacity, size and quality

Terrorism means Act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s) committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/ or to put the public, or any section of the public, in fear.

Class I Construction means Building built with block and cement walls and roofed with reinforced concrete.

In this policy, where the context admits, words importing the masculine gender shall include the feminine gender and words importing singular member shall include the plural and vice versa.

ELIGIBILITY CONDITIONS

1. The Insured Person must meet the eligibility criteria stipulated by the Bank for issuance of a mortgage loan.
2. The maximum amount sanctioned by the Bank to the Borrower should not exceed AED 30,000,000/-. Sum insured amounts in excess of AED 30,000,000/- would be considered on a case to case basis.
3. The purpose of loan should be for the purchase of residential property only.
4. The Borrower should be a UAE National or an expatriate resident in UAE at policy inception.

SCOPE OF COVER

Property

Covers residential Building for which purchase finance was disbursed to the Customer by the covered Bank against All Risks cover excluding Sabotage, Terrorism and Political risks of any kind.

Subject to the terms exceptions limits and conditions contained herein or endorsed hereon (hereinafter referred to as 'the Terms of the Policy') if the Property Covered or any part thereof shall be accidentally physically lost destroyed or damaged 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 their option reinstate or replace such property or any part thereof.

PROVIDED THAT the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Policy Schedule to be Insured thereon or in the whole the total sum insured hereby or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Company. The liability of the Company individually in respect of such loss destruction or damage shall be limited to the proportion set against its name.

Sum Insured

New Reinstatement Value of the Covered Property, however subject to maximum of AED 30,000,000/-. Anything above should be referred to Al Fujairah National Insurance Company for approval.

Basis of Settlement

Repair or Reinstatement as may be decided by the Company. The total indemnity shall not exceed the Sum Insured/New Reinstatement Value of that part of the property damaged.

In the event of Sum Insured being less than 85% of the Current New Reinstatement Value at the time of loss, then the claim payment shall be in that proportion as the Sum Insured is to the Current New Reinstatement Value.

Deductible

An amount of AED 2,000/- will be deducted from each and every claim payable. Losses due to / arising out of a single event shall be considered as single claim.

Exclusions applicable to Property Shield

The Company will not indemnify the Insured in respect of

1. a) electrical or mechanical breakdown or derangement of plant machinery or equipment
- b) deterioration of property due to change in temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system
- c) subsidence ground heave landslip erosion settling or cracking

UNLESS EITHER (i) caused by

- fire lightning
- explosion (for the purposes of this Exception "explosion" shall not mean the bursting or disruption of turbines compressors transformers rectifiers switchgear engine cylinders' hydraulic cylinders' fly-wheels or other moving parts subject to centrifugal force or boilers economisers or other vessels machinery or apparatus in which pressure is used)
- aircraft or other aerial devices or articles dropped therefrom
- impact by vehicles watercraft locomotives or rolling stock
- earthquake
- riot or malicious acts (other than any act excluded by reason of Exception 6 (b) herein)
- Strikes locked-out workers or persons taking part in labour disturbances
- Storm, Tempest and Flood

OR (ii) resulting in

- The occurrence of any of the events in (i) above then the Company will only indemnify the Insured under the Terms of the Policy in respect of the resultant loss destruction or damage.
2. loss destruction or damage to:-
 - a) property in course of construction or erection
 - b) electrical wiring caused by electrical current (other than lightning)
 3.
 - a) consequential loss of any kind or description whatsoever.
 - b) the cost of replacing or rectifying defective materials workmanship design or defect or omission in design plan or specification
 - c) contamination pollution, wear and tear, corrosion, vermin fungus rot, gradual deterioration, deformation or distortion, shrinkage, evaporation, change in colour or texture or finish or action of light
 - d) the cost of normal upkeep or normal making good
 4. loss destruction or damage by storm tempest water hail frost or snow to temporary structures other than buildings structures and designed to exist and operate in the open.
 5. the amount stated in the Schedule as the Deductible in respect of each and every occurrence or a series of occurrences consequent on or attributable to one source or original cause giving rise to loss destruction or damage the subject of indemnity under this Policy
 6. any loss destruction or damage directly or indirectly occasioned by or through or in consequence of:-
 - a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
 - b) mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power or any act of any person acting on behalf of or in connection with any organisation 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 violence
 - c)
 - i) permanent or temporary dispossession resulting from confiscation nationalization commandeering or requisition by any lawfully constituted authority
 - ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that the Company is not relieved of any liability to the Insured in respect

- of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy.
- d) the destruction of property by order of any public authority

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exceptions 6(a) and 6(b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

7. any loss destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by :-

- a) nuclear weapons material
- b) ionising radiations 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 Exception 7(b) combustion shall include any self-sustaining process of nuclear fission

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exclusion 6 above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

General Condition with respect to Home Finance Shield

1. ALTERATION

This Policy ceases to attach under the following circumstances as regards the property affected unless the Insured, before the occurrence of any Loss or Damage, obtains the sanction of the Company signified by endorsement upon the insurance certificate by or on behalf of the Company

- a) if nature of the occupation of or other circumstances affecting the Property Covered be changed in such a way as to increase the risk of loss or damage
- b) if the Property Covered becomes unoccupied and so remains for a period of more than ninety (90) days. However, this clause is not applicable in respect of Total Loss.
- c) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law

2. SAFEGUARDS AND MAINTENANCE

The Customer shall at all times and as far as is reasonably practicable take steps to safeguard the Property Covered and maintain it in a proper state of repair. The Customer shall also take steps to enforce the observance of all statutory provisions Promoter's/Developer's recommendations and other regulations relating to the safety use and inspection of the Property Covered.

3. COMPANY'S RIGHTS AFTER A LOSS

On the happening of DAMAGE in respect of which a claim is made the Company and any person authorised by the Company may without hereby incurring any liability or diminishing any of the Company's rights under this Policy

- a) enter, 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.

No property may be abandoned to the Company whether it is taken possession of by the Company or not.

4. REINSTATEMENT

If the Company elect or become bound to reinstate or replace any property the Insured shall at his own expenses produce and give to the Company all such plans documents books and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon

5. SUBROGATION

The Insured shall 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 for or making good any loss destruction or damage under this insurance certificate, whether such acts and things shall be or become necessary or required before or after their indemnification by the Company

6. CONTRIBUTION

If at the time of any loss destruction or damage happening to any Property Covered there be any other subsisting insurance certificate whether effected by the Insured or by any other person or persons covering the same property the Company shall not be liable to pay or contribute more than their ratable proportion of such loss destruction or damage

7. AVERAGE

Each item Insured is declared to be separately subject to the following condition of Average namely.

If the sum representing 85% of the value of the Property Covered shall at the time of any loss destruction or damage be of greater value than the Sum Insured thereon then the Policy holder shall be considered as being his own Insurer for the difference and shall bear a ratable proportion of the loss accordingly.

8. ARCHITECTS', SURVEYORS', CONSULTANTS' & LEGAL FEES

Insurance Policy extends to include Architects', Surveyors', Consulting Engineers', Consultants' and legal or other fees for the preparation of estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage but preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the scale of various institutions and/ or bodies regulating such charges and that the liability for such destruction or damage shall not exceed in the aggregate the sum insured by each item and in respect of fees 10% of the actual claim amount.

9. DEBRIS REMOVAL AND CLEAN-UP

This insurance Policy extends to include costs and expenses necessarily incurred by the insured subject to a maximum of 10% of the claim amount with the consent of the Company in:

- o Removing Debris
- o Dismantling and/ or demolishing
- o Shoring up or propping
- o Cleaning up

Of the property destroyed or damaged by an event hereby insured against.

The liability of the Company under this condition and under the insurance Policy shall in no case exceed 10% of the actual claim amount.

10. FIRE BRIGADE CHARGES AND OTHER EXTINGUISHING EXPENSES

It is hereby declared and agreed that should the property herein insured be or threatened to be destroyed or damaged by a peril insured against, this insurance Policy shall cover:

- a) Fire brigade charges and other extinguishing expenses for which the insured may be assessed;
- b) Loss of fire extinguishing materials expended

11. WORKMEN

Workmen shall be allowed on the premises for the purpose of effecting repairs and minor structural alterations and also for general maintenance purposes and the like without prejudice to this insurance certificate.

12. PUBLIC AUTHORITIES

This Insurance Policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby Insured as may be incurred solely by reason of the necessity to comply with the building or other regulations under or framed in pursuance of any act of Government or with Bye-laws of any municipal or local authority 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.
 - In respect of destruction or damage occurring prior to the granting
 - In respect of destruction or damage not insured by the insurance Policy.
 - 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 specifically excluded from the insurance certificate) of that portion of the property destroyed or damaged.
 - 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 dispatch 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 Company under this condition not being thereby increased.
- 3) If the liability of the Company under any item of the insurance certificate apart from this condition shall be reduced by the application of any of the terms and conditions of the insurance certificate then the liability of the Company under this condition (in respect of any such item) shall be reduced in like proportion.
- 4) The total amount recoverable under any item of the Insurance Policy shall not exceed the sum insured thereby.
- 5) All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

GENERAL CONDITIONS

Notwithstanding anything contained herein to the contrary:

ADHERENCE

Compulsory for all eligible Insured Persons

DEFINITION

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule, specifications, endorsements, conditions or exclusions shall bear such meaning wherever it may appear.

MISDESCRIPTION

If there be any material misdescription or omission or any misrepresentation as to any material fact to be known for estimating the risk or any omission to state such fact, the Company shall not be liable under this Policy and the Policy shall become null and void.

ALTERATION

If under any circumstances the insurance contract entered into is materially altered, without the written consent of the Company, the Policy shall become null and void.

FORFEITURE

If any Claim made pursuant to this Policy is in any respect fraudulent or if any fraudulent means or devices or trick devices or other false pretence are used by the Insured Person or any one acting on his behalf to obtain any benefit under this Policy or if the Claim be occasioned by the wilful act or with the connivance of the Insured Person all benefits under this Policy shall be forfeited in respect of that particular Insured Person.

TERMINATION OF BENEFITS

The benefits under this Policy in respect of the Insured Person shall terminate upon the happening of any one or more of the following:

- Closure of the loan account with the Bank by the Insured Person;
- The Insured person becomes a defaulter for a period of 180 days;
- Payment of the benefits under the Policy; or
- Cancellation of the benefits under this Policy by the Bank at any time in accordance with the terms and conditions of this Policy.

DECLARATION

Declaration containing the following information would be provided by the Bank within 15 days from the end of each month

- Loan Account No
- Name of the Borrower
- New Reinstatement Value of the Covered Property
- Address of the Covered Property (Location)

CANCELLATION OF CONTRACT

It is hereby noted and agreed that either Party may cancel this **Master Policy Agreement** on the anniversary date by giving thirty (30) days written notice of cancellation. In the event of **such** cancellation of the **Master Policy Agreement** contract by the Bank or the Company the Premium charged shall be made on the basis of the **respective commencement dates of each risk as stated in the Banks Monthly Declaration statement till 365th day of each such risk regardless of the Expiry date or Cancellation effective date of this Master Policy Agreement period.**

TIME LIMITATION

If a claim be made and rejected and an action or suit be not commenced within six months after such rejection or (in case of an arbitration taking place as per provisions of this Policy) within six months after the Arbitrator shall have made his award all benefit under this Policy shall be forfeited.

GOVERNING LAW AND JURISDICTION

This Policy shall be governed by and construed in accordance with the laws of United Arab Emirates. Both Parties agree and submit to the exclusive jurisdiction of the Courts of the United Arab Emirates.

TERRITORIAL LIMITS

UAE

OBSERVANCE OF CONDITIONS

The due observance and fulfillment of the terms, conditions and endorsements of this Policy by the Bank, as referenced in this Agreement, in so far as they relate to anything to be done or complied with by the Bank shall be conditions precedent to any liability of the Company to make payment under this Policy.

72 HOURS CLAUSE

All insured losses which occur during a period of 72 consecutive hours caused by:

- (a) Earthquake, Earth Tremor, Seaquake, Tidal Wave or any other loss from Seismic Activity insured under this Policy.
- (b) Volcanic Eruption.
- (c) Hurricane, Typhoon, Tornado, Windstorm, Wind Driven Water or other Wind Peril insured under this Policy.
- (d) Flood.

shall be deemed a single loss occurrence for the purposes of this insurance.

Any such event which continues for a period exceeding 72 consecutive hours shall be deemed two or more events.

The Insured may choose the date and time when each loss period of 72 hours shall commence provided that:

- i) This is not earlier than the first recorded loss sustained by the Insured.
- ii) The date of commencement falls within the period of this insurance.
- iii) No two or more periods of 72 hours shall overlap.

AUTOMATIC REINSTATEMENT OF LOSS CLAUSE

In the event of loss or damage which results in an indemnity under the Policy the Sum Insured is automatically reinstated in full by the amount of such indemnity from the date of such loss or damage the Insured agreeing in the event of any indemnity paid hereunder to pay a pro-rata additional premium on the amount of such indemnity from the date of such loss or damage to the expiry of the current period of insurance.

Subject otherwise to the terms, conditions and exceptions of the policy.

ESCALATION CLAUSE

It is hereby understood and agreed that the sum insured by each item of the Schedule [other than Stock-in-Trade] during the period of insurance be increased by proportion of 10% which the number of days since the commencement of such period shall bear to the whole such period.

Subject otherwise to the terms, condition and exceptions of the policy.

CAPITAL ADDITIONS CLAUSE

The insurance in respect of buildings, machinery and plant shall extend to include

- a) Buildings, Machinery and plant newly acquired, erected or taken into use for which the Insured is responsible
- b) Alterations, additions and improvements to buildings, machinery and plant but not any appreciation in value

Provided that:

- i. at any one situation this cover shall not exceed the percentage stated in the Policy Schedule
- ii. the property is not otherwise insured by or on behalf of the Insured
- iii. the Insured gives details to the Insurer every 30 days of such covers and arranges specific insurance from the effective date of the Insurer's liability

Following each declaration the amount by (i) is reinstated.

PROFESSIONAL FEES CLAUSE

The sum insured by this policy are declared to include Architects', Surveyors', and Consulting Engineers' fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of said buildings following description or damage by any perils hereby insured against excepting in so far as the Company elects to reinstate or replace wholly or in any part any property so damaged or destroyed. It is understood and agreed that the amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim.

VAT CLAUSE

It is hereby declared and agreed that if VAT (Value Added Tax) is applicable on the Insurance Premium and/or other Charges payable/paid retrospectively or prospectively from the date of implementation of VAT, the Insurer reserves that right to collect the same from the Insured in compliance with the VAT Law and Regulations as implemented in the UAE

CLAIMS PROCEDURE

Upon happening of an event giving rise to a claim under this Policy, the Borrower /Borrower's Legal Representatives/Insured shall follow the following procedure:

1. Give immediate written notice to the Company and shall within 15 days after such loss, destruction or damage, or such further time as the Insurer may in writing allow, at his own expense deliver to the Insurer a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property lost, destroyed or damaged and of the amount of such loss, destruction or damage thereto respectively, having regard to their value at the time of the loss, destruction or damage together with details of any other insurances on any property hereby insured. The insured shall also give to the Insurer all such proofs and information with respect to the claim as may be reasonably required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this policy shall be payable unless the terms of the Condition have been complied with.

In the case of property lost or stolen, or if willful or malicious damage is suspected, the Insured shall immediately notify the police and render all reasonable assistance in causing the discovery and punishment of any guilty person and in tracing and recovering lost or stolen property.

2. The Borrower or the Borrower's legal personal representative or the Bank shall submit the following documents

a. for Home Finance Shield claims - a claim statement in writing containing:

- Date of Loss
- Nature of Loss
- Brief description about the incident
- Amount of such loss destruction or damage thereto respectively having regard to their value at the time of the loss destruction or damage
- Details of any other policy on any property hereby Bank.
- Contact details for Survey
- Relevant documents as required by the Surveyor needs to be provided by the Borrower/Bank to the Company.

All papers as indicated above may be required to be produced as attested copies (other than those surrendered to the authorities) for verification before the final settlement of claim.

SCHEDULE**Attached to and forming Part of Policy No. P/3104/1/21/3000002**

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|---|--|
| Insured | Borrowers/ Insured person to whom National Bank of Fujairah PSC has advanced a Mortgaged Loan |
| Business | Group contract for Comprehensive Mortgage Loans - Home Finance Shield issued by the Bank |
| Insured Person | Mortgage loan borrowers who are actively at work on the commencement date of the scheme or the date of taking the loan whichever is later. |
| Adherence | Person as identified by the Insured are automatically covered on compulsory basis. |
| Master Policy Agreement Period | 12 months from date to be agreed |
| Period of Insurance for each individual risk: | This being a 12 month Master Policy issued to National Bank of Fujairah (NBF) covering their various Borrowers (Home Loss Borrowers/ Insured Persons) as declared from time to time within this Master Policy Period, the Insurance commencement for each individual Home Loan Borrower declared under this Scheme commences from the respective dates/s declared by NBF in their Monthly Declaration Statement submitted to the Company (AFNIC), and remains valid until 365 days from the respective commencement date stated in the Monthly declaration statements submitted by NBF, regardless of the expiry date of the Master Policy period, unless NBF specifically requests AFNIC for cancellation of such individual policy serving 30 days' notice of cancellation |
| Geographical Limit | United Arab Emirates |
| Jurisdiction | United Arab Emirates |
| Coverage | Property Shield covers residential Building for which Home Finance was disbursed to the customer by the Covered Bank against All Risks cover as per attached wording excluding Sabotage Terrorism and Political risks of any kind |

Limits of Indemnity**Conditions****Home Finance Shield**

New Reinstatement Value of the Property subject to a maximum of **AED 30,000,000/-** per Property. (**Fully completed properties – not under construction**)

- The herein Insurance coverage is always subject to accidental physical loss or physical damage to tangible property insured herein
- Automatic Reinstatement Clause
- Claim Preparation Clause
- 72 Hours Clause
- Boiler Explosion Extension Clause
- Cancellation Clause
- Capital Additions up to 20% of the Total Sum Insured (60 Days' Time)
- Pro-rata refund in respect of individual customer request for cancellation of their cover or when Loan is closed with the Bank
- Escalation Clause
- No Control Clause
- Mortgage Clause
- Extended Cover on Particular Items
- Extra Charges Clause
- Fire Brigade & Extinguishing Expenses Actual costs subject to a maximum of AED 75,000/-
- Change of Locks and Keys Clause maximum limit of 10% of the Total Sum Insured
- Malicious Damage Clause
- Professional Fees - maximum limit of 10% of the Total Sum Insured
- Public Authorities Clause
- Removal of Debris - maximum limit of AED 150,000/
- Reinstatement Value Clause
- Strike Riot and Civil Commotion Clause
- Sue and Labour
- Workmen's Clause
- Drains Clause
- Miscellaneous Property Clause
- Subsidence and Landslide including Rock Slide
- Impact Damage
- Architects/Surveyors/ Consulting Fees
- Natural Perils
- Alternate/ Temporary Accommodation Clause - maximum AED 100/- per day per owner, subject to a Maximum Aggregate in Amount of AED 3,000/-.
- This scheme is applicable to construction completed properties (not those under construction)

- Subject to U.A.E Value Added Tax
- Micro-organism Exclusion (MAP) (Absolute) – 2791MAP00001
- Asbestos Exclusion Clause
- Sanction Limitation and Exclusion Clause – LMA3100
- Communicable Disease Endorsement LMA5393 (Amended)
- Absolute Fungi Liability Exclusion
- Cyber Loss Exclusion Clause - LMA 5411
- Infectious Disease/ COVID-19 Exclusion Clause
- Epidemic &/or Pandemic Exclusion Clause

Excess (each and every claim) with respect

AED 2,000/ - with respect to property damage to Home Finance Shield Claims