

ACCOUNTS RECEIVABLE

Defined events

Loss or damage as a result of accident or misfortune (hereinafter termed Damage) to Your books of account or other business books or records at the premises or at the residence of any director, partner or employee or the premises of any accountant of Yours, in consequence whereof You are unable to trace or establish the outstanding debit balances in whole or part due to them.

Provided that

Our liability shall not exceed the sums insured stated in the schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such goods are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided You shall notify Us in writing of such removal within 30 days thereafter.

We will also pay all reasonable collection costs and expenses incurred by You in excess of normal collection costs and expenses made necessary because of such Damage.

Specific exceptions

We will not pay for:

- a. loss resulting from loss or damage to the books of account or other business books or records caused by
 - i. wear and tear or gradual deterioration or moths or vermin
 - ii. detention, seizure or confiscation by any lawfully constituted authority
 - iii. electrical or electronic or magnetic injury, disturbances or erasure unless You maintain the duplicate records referred to in the Duplicate records clause of this section, in which case You will be responsible for the first amount payable as stated in the schedule for each and every claim.
- b. loss caused by fraud or dishonesty of any principal, director, partner or employee of Yours.

Specification

The insurance under this section is limited to the loss sustained by You in respect of outstanding debit balances directly due to the Damage and the amount payable shall not exceed:

- a. the difference between
 - i. the outstanding debit balances and
 - ii. the total of the amounts received or traced in respect thereof plus
- b. the additional expenditure incurred in tracing and establishing customers' debit balances after the Damage provided that:
if the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

Definitions

Outstanding debit balances

The total declared in the statement last given under the provisions of the following memorandum adjusted for:

- a. bad debts
- b. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage and
- c. any abnormal condition of trade which had or could have had a material effect on the business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

Clauses and memoranda

Declarations

You shall, within 60 days of the end of each month or other agreed period, deposit with Us, signed statement showing the total

amount outstanding in customers' accounts as set out in Your accounts as at the end of the said month.

Adjustment

In consideration of the premium under this section being provisional in that it is calculated on 75 per cent of the sum insured, the premium will be adjusted as follows:

On the expiry of each period of twelve consecutive months from the inception date or anniversary date the actual premium shall be calculated at the rate per cent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, You shall pay the difference. If it is less, the difference shall be repaid to You, but such repayment shall not exceed 33,3 per cent of the provisional premium paid.

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration, then for the purposes of this memorandum only, You shall be deemed to have declared such sum insured.

Accountant's clause

Any particulars or details contained in Your books of account or other business books or records which may be required by Us under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by Your auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Duplicate records (if stated in the schedule to be included)

You shall maintain duplicates of their books of account or other business books or records containing details of outstanding balances and such duplicates shall be stored at different premises from the originals.

Protections (if stated in the schedule to be included)

Your books of account, or other business books or records containing details of outstanding balances, must be kept in a fire-resistant safe, cabinet or strong room outside business hours unless they are being worked on or are required for immediate reference.

Transit extension (if stated in the schedule to be included)

The insurance under this section includes loss as defined to Your books of account or other business books or records whilst in transit to or from the premises or residence of any director, partner, employee or accountant of Yours.