



Add-on wording of Outstanding Accounts Receivable

UIN IRDAN102A0011V01201011

It is hereby declared and agreed subject to receipt of consideration, that otherwise subject to the terms, conditions and exclusions of the Policy and endorsed hereon,

- a) The Company will pay for direct physical loss of or damage caused by an insured peril to Insured's records of accounts receivable in respect of the following:
 - i. All sums due to insured from their customers,
 - ii. Interest charges on any loan to offset such impaired collections pending repayment of those sums made non- collectible by loss or damage;
 - iii. Collection expense in excess of normal collection cost and made necessary because of loss of accounts receivable;
 - iv. Other expenses, when reasonably incurred by insured in re-establishing records of accounts receivable following loss in respect of this policy
 - v. For the purpose of this Policy, credit card charge records shall be deemed to represent sums due to Insured from customers, until the charge records are delivered to the credit card company.
- b) When there is proof that a loss of records of accounts receivable has occurred but Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of loss, the amount of recovery shall be computed as follows:
 - i. The monthly average of accounts receivable during the last available twelve (12) months, together with collection expenses in excess of normal collection costs and made necessary because of loss or damage, and reasonable expenses incurred in re-establishing records of accounts receivable following loss, shall be adjusted in accordance with the percentage increase or decrease in the twelve (12) months average of monthly gross revenues which may have occurred in the interim.
 - ii. The monthly amount of accounts receivable as established above shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred. Consideration will also be given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.
- c) Company will pay no more than the applicable sub-limit of insurance as specified in the schedule. There shall be deducted from the total amounts of account receivable, however established, the amount of accounts evidenced by records not lost or damaged, or otherwise established or collected by Insured, and an amount to allow for probable bad debts which



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Insured normally would have been unable to collect and for the normal collection costs incurred due to accounts receivable.

- d) The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule Specific exclusions applicable to this clause: This Additional Coverage does not insure against shortage resulting from:
 - a) bookkeeping, accounting or billing errors or omissions; or
 - b) (i) alteration, falsification, manipulation; or (ii) concealment, destruction or disposal of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.
- e) if the sum insured is less than the Outstanding Accounts Receivable, the amount payable shall be proportionately reduced
- f) as soon as possible at the end of each month the Insured shall record and store at alternative premises not at the Premises the total of the Outstanding Accounts receivable and these figures shall be kept for a period of 36 months.
- g) Premises: Location(s) of the Property insured as shown in the schedule.