

Section 5M1

Deterioration of Stock

(Operative only if stated in the schedule)

Definitions

Breakdown

The sudden and complete failure of **plant** to function due to damage to any of its components (including electrical burn-out) occurring during normal use.

Estimated Selling Price

The estimated value of the goods if they had been sold in their intended market at the intended sale time, had **insured damage** not occurred.

Event Y

- a) a change in controlled temperature, humidity or gas concentrations in the chamber(s) in which the goods are stored, as a direct result of
- i) sudden accidental damage to the **plant** or its **breakdown**
 - ii) accidental failure of the public electricity, gas or water supply
 - iii) deliberate cut off of public electricity, gas or water by the supplier where this is necessitated by an emergency of which there was no advance warning of more than 72 hours to the Insured
 - iv) accidental damage to the permanent structure of the chamber(s) in which the goods are stored
- b) contamination of the stored goods by the escape of refrigerant.

Insured Damage

Destruction of or damage to goods belonging to the Insured or for which the Insured is responsible by **event Y**, if this happens during the **period of insurance** at the **premises**.

NFU Mutual

National Farmers Union Mutual Insurance Society Limited.

Period of Insurance

The period from the effective date until noon on the expiry date or the cancellation date if earlier. The effective date and expiry date are stated in the schedule. The procedures for cancelling the policy earlier than the expiry date are set out in the general conditions.

Plant

All plant and machinery permanently at the **premises** used by the Insured to control temperature or humidity or gas concentrations.

Premises

As stated in the schedule to this section.

Cover

If **insured damage** occurs, **NFU Mutual** will pay the Insured in accordance with the terms below.

The insurance covers reduction in value of goods, increase in cost of working and professional accountants' charges and the amounts payable will be

- a) the shortfall in the realised sale price of the goods compared with the **estimated selling price**, less any savings made by the Insured as a result of the **insured damage**
- b) the additional expenditure necessarily incurred to avoid reduction in value of goods, provided the additional expenditure does not exceed the loss avoided
- c) the charges payable by the Insured to professional accountants for producing or verifying any particulars required by **NFU Mutual** in connection with a claim.

Maximum Amount Payable

The sum insured against any item is the maximum amount payable by **NFU Mutual** for that item.

Special Conditions

Liquidation of the Business

The insurance under this section will cease if the business is carried on by a receiver or liquidator, unless **NFU Mutual** agrees otherwise in writing.

Underinsurance

If the sum insured on an item is less than the **estimated selling price** for the goods insured by that item, claim payments will be reduced in the same proportion.

Value Added Tax

All terms in this section are exclusive of any Value Added Tax for which the Insured is accountable to H.M. Customs & Excise.