

### **Public Authority Clause**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to include such additional cost of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Government Act or 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
    - i. in respect of loss destruction or damage occurring prior to the granting of this extension
    - ii. in respect of loss destruction or damage not insured by the Policy
    - iii. under which notice has been served upon the Insured prior to the happening of the loss destruction or damage
    - iv. in respect of undamaged property or undamaged portions of the property
  - b) the additional cost that would have been required to make good the property lost 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 despatch and in any case must be completed within twelve months after the loss destruction or damage or within such further time as The Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws necessitate) subject to the liability of The Company under this extension not being thereby increased.
- 3) If the liability of The Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of The Company under this extension (in respect of any such item) shall be reduced in like proportion.
- 4) Maximum indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule subject to the total amount recoverable under any item of the Policy not exceeding 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.