

## **Public Authorities Clause**

It is agreed and understood that subject to the Insured having paid the agreed additional premium, this Policy shall be extended to include such additional cost of reinstatement of the destroyed or damaged property thereby 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 ordinance, law, statute or with by-laws of any relative public authority provided that:

1. The Company shall not indemnify the Insured for such additional cost as may be incurred by reason of the necessity to comply with building or other regulations under or framed in pursuance of any ordinance, law, statute or with by-laws of any relative public authority in case:

- 1) destruction or damage has occurred prior to the granting of this extension;
- 2) destruction or damage shall not be insured by this Policy;
- 3) notice of rebuilding or demolishing has been served upon the Insured prior to the happening of the destruction or damage;
- 4) work of rebuilding or demolishing or replacement of undamaged property other than foundation shall be carried out.

2. The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Company may (during the said twelve months) in writing and may be carried out upon another site (if the aforesaid regulations or by-laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.

3. If the liability of the Company under this Policy apart from this extension shall be reduced by application of any of the terms and conditions of this Policy then the liability of the Company under this extension shall be reduced in like proportion.

4. The amount recoverable under any item of this Policy shall not exceed the amount listed in the policy.

This Clause is subject other to the terms, conditions and exceptions of this Policy.