

**HDFC ERGO BUSINESS SURAKSHA CLASSIK – LAGHU UDYAM**

**BURGLARY ENDORSEMENTS**

**1. BURGLARY- AGREED BANK CLAUSE**

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.

2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.

N.B.: The Bank shall mean named in the policy.

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.

4. That any adjustment, settlement, compromise in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on one such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

**2. BURGLARY- FIRST LOSS ENDORSEMENT**

Notwithstanding anything herein contained to the contrary, it is hereby declared and agreed that this policy is issued on a First Loss Basis in respect of the insured stocks for the amount specified in the Schedule.

It is further declared and agreed that if the event of the total value of stocks at the time of loss be greater than

the total value declared for purposes of this insurance and incorporated in the Schedule, the Insured shall be considered as being his own insurer, for the difference, and shall bear a rateable share of the loss accordingly.

Every item, if more than one, under or in terms of the endorsement, shall be separately subject to this condition.

Subject otherwise to the terms and conditions of the policy.

**3. BURGLARY- FLOATER CLAUSE**

In consideration of payment of additional premium the Sum Insured in aggregate under the policy is available for any one, more, or all locations as specified in respect of the property insured.

If the property of all locations hereby insured against be collectively of greater value than the aggregate sum insured over all locations thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

At all times during the currency of this policy the insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

Any change in the address of locations specifically declared at inception shall be communicated and proper recording of such changes shall have to be recorded in the Policy.

**4. BURGLARY- RIOT & STRIKE DAMAGE CLAUSE**

It is hereby declared and agreed, subject to the terms, conditions and exclusions contained or endorsed or otherwise expressed in the Policy, that the Policy is extended to indemnify the Insured to the extent of intrinsic value of any loss of or visible physical damage by Burglary to the property insured directly caused by:

1. The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in exclusion c & d.
2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
3. The wilful act of any striker or locked-out worker done in furtherance of strike or in resistance to a lock-

out resulting in visible physical damage by external violent means.

4. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

This insurance however does not cover:

- a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation or omissions of any kind.
- c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- d) Loss or damage occasioned by permanent or temporary dispossession of any building or plant or unit or machinery resulting from the unlawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.

PROVIDED nevertheless that the Company is not relieved under (c) or (d) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

## 5. BURGLARY- THEFT EXTENSION CLAUSE

It is hereby declared and agreed that the Policy is extended to indemnify the Insured to the extent of intrinsic value of any loss of or damage due to Theft of property or any part thereof whilst contained in the premises described in the Schedule of the Policy excluding theft committed by or with the connivance of the Employees or hires or agents or representatives or custodians responsible for the insured property or by members of the household of the Insured.

The Company shall in no event be liable for any loss or damage where such loss or damage is:

- discovered during any process of stock taking or inventory reconciliation
- due to non-return of the insured property by the agent/custodian/hirer or any other third party to whom the insured property was given in custody by the Insured or his representative.
- following removal of the insured property from location it is stated as situated
- during or after the occurrence of any fire, riot, strike, earthquake or other convulsion of nature affecting the location where the insured property is situated.

- is in excess of the stated limit of indemnity for each and every loss and nor in excess of the stated aggregate limit of indemnity.

In view of the above, an additional premium as agreed is hereby charged to the Insured.

All other terms, conditions and exclusions of the Policy remain the same.

## 6. BURGLARY- DESIGNATION OF PROPERTY CLAUSE

For all purpose of determining, where necessary, the item under which any property is insured, the insurers agree to accept the designation under which the property has been entered in the insured's books.

## 7. BURGLARY- COST OF DEBRIS REMOVAL

This policy is extended to cover cost necessarily incurred by an insured in the removal of debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril upto 10% of the claim amount to a maximum of Rs.10,000/-

## 8. BURGLARY- COST OF RESTORING DOCUMENTS

It is hereby agreed and declared that company will Indemnify the insured cost, charges and expenses incurred in replacing and/or restoring paper files, plans, records and drawings and cost for restoring data and installation costs upto a maximum of Rs.10,000/-

## 9. BURGLARY- EMPLOYEE PERSONAL PROPERTY COVER

This clause provides for damage to assets belonging to insured's employees lying at the insured's premises following an insured peril for which the insured is liable upto a maximum limit of Rs.5,000/-

## 10. BURGLARY- REPLACEMENT OF LOCKS INCLUDING REPAIR TO INSURED PREMISES

The insurance by this Policy extends to include the cost to the Insured of replacing locks or repairs if any to the insured premises following a loss or damage at any Insured's Premises specified in the schedule

Provided that:-

1. the Company indemnity shall be limited to the cost of replacing any such lock with one of similar quality to that being the subject of the claim
2. the Company indemnity shall not exceed 10% of the total sum insured.

## 11. BURGLARY- OMISSION TO INSURE

The insurance by this policy extends to cover property as defined in the schedule hereof which the insured may acquire or for which they may become responsible:-

- i) The liability under this extension shall not exceed 5% of the sum insured by items of the schedule.

- ii) The insured shall notify the company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.
- iii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
- iv) No liability shall attach to the company in respect of any property while such property is otherwise insured.

All new additions by the insured not specifically insured/ included during the currency of the policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of acquisition of additions may be suitably adjusted.

If the insured fails to declare the values of such additions within 30 days after expiry of the policy, there shall be no refund of the advance premium collected.

#### PLATE GLASS AND SANITARY FITTINGS

### 1. PG- DAMAGE TO FRAME AND FRAMEWORK OF ANY DESCRIPTION FOLLOWING BREAKAGE OF GLASS SUBJECT TO A MAXIMUM OF RS 5000/-.

### 3. PG- AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.  
N.B.: The Bank shall mean named in the policy.
3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

#### NEON SIGN/ GLOW SIGN

### 2. NG/GS- AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.  
N.B.: The Bank shall mean named in the policy.
3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

## BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE ENDORSEMENTS

### 1. MBD- ESCALATION CLAUSE

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing  $\frac{1}{365}^{\text{th}}$  of the specified percentage increase per annum.

Unless specifically agreed to the contrary the provisions of the Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers:-

1. the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance upto that renewal date, and
2. the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

### 2. MBD- EXPRESS FREIGHT

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the demand item(s) is/are less than the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

### 3. MBD- AIR FREIGHT

In consideration of insured having paid extra premium specified in the schedule it is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

Limit of indemnity shall be as specified in the schedule during currency of the Policy.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

Subject otherwise to terms, conditions and exceptions of the Policy.

### 4. MBD- OWNERS SURROUNDING PROPERTY

In consideration of insured having paid extra premium as specified in the schedule it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belonging to or held in care, custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in use for construction or erection during period of policy.

The Company will pay to the insured the value of the damaged property at the time of accident or at its option reinstate or replace such damaged property or any part thereof provided that -

The liability of the Company shall in no case exceed the for any one accident or series of accidents arising out of any one event and in the whole the total indemnity as specified in the schedule during the currency of the Policy.

The insured shall bear the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured ascertains with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

### 5. MBD- THIRD PARTY LIABILITY

Third Party Liability could be covered at an additional premium of 25 % of the gross average rate applied on the limit of liability chosen for third party liability. The excess applicable will be 1% of the TPL limits selected.

### 6. MBD- ADDITIONAL CUSTOMS DUTY

In consideration of the Insured having paid an additional premium as specified in the schedule it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the policy, towards the additional Customs Duty which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured of the affected items.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible

Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Subject otherwise to the terms, conditions and exceptions of the Policy.

Note- For computation of indemnity under the Additional Customs duty extension, exchange rate applicable on date of occurrence of loss shall be considered.

## **7. MBD- FURNACE ENDORSEMENT**

### **1. INDUCTION FURNACE -**

The Induction Furnace should be covered subject to the following endorsement, which should be compulsorily used in case of all Induction Furnaces - 'It is hereby declared and agreed that the damage to the refractory lining due to any cause is specifically excluded'.

### **2. ELECTRICAL FURNACES -**

- a) It is hereby declared and agreed that any damage to crucibles and refractory linings due to any cause is excluded under the policy.

Subject otherwise to the terms, conditions and exceptions of the policy.

- b) It is hereby declared and agreed that any damage to induction coils/heating element of electric furnace will be subject to 25 % depreciation per year or part thereof subject to a maximum depreciation of 75 %.

Subject otherwise to the terms, conditions and exceptions of the policy.

- c) Warranted that the refractory linings are examined each time the furnace is recharged and linings renewed, if any defects are apparent. Further, the linings are, in any event, replaced periodically in accordance with the Maker's recommendations.

## **8. MBD DG SET ENDORSEMENT FOR 'LOSS MINIMISATION'**

It is hereby declared that any loss or damage payable under the policy to the cylinder head, liner and piston of the Diesel/oil engines insured here will be indemnified subject to –

1. 15 % depreciation per annum be made applicable to the Turbo- charger subject to a maximum of 75 %.
2. Turbo-charger cannot be insured in isolation.

## **9. MBD REDUCTION GEAR BOX**

It is hereby declared and agreed that all claims pertaining to reduction Gear Box will be subject to depreciation at the

rate of 15 % per year or part thereof subject to a maximum depreciation of 75 %.

Subject otherwise to the terms, conditions and exceptions of the policy.

## **10. MBD PATTERNS AND CORE-BOXES**

It is hereby declared and agreed that in the event of an accident, for which the Insurer is liable under the Policy, involving the replacement of a casting for which no patterns are available, the Insured shall bear the cost of making patterns and core boxes, the Insurer's liability being for the making of the casting itself.

## **11. MBD ALTERNATE WORKING**

Warranted by the Insured that except when the load is being transferred from one machine to another the No. \_\_\_\_ etc. insured under this policy shall only work alternately with No. \_\_\_\_ etc. Insured under this policy.

The plant may be turned over periodically for maintenance purpose only.

If the plant is to be used otherwise than as above the Insured shall forthwith notify the Insurer and pay such additional premium as may be required by the Insurer failing which the Insurer's liability thereon shall cease.

## **12. MBD STAND-BY MACHINERY**

Warranted by the Insured that any item of machinery marked 'STANDBY' in the Schedule of machinery shall not be worked at the same time as the machine to which it is standby except for the period when the load is being transferred from one to the other.

Provided that the standby machine may be turned over periodically for maintenance purpose.

Provided always that if the standby machine shall be used otherwise than as above the Insured shall forthwith notify the insurer and pay such additional premium as may be required by the Insurer failing which the Insurer's liability thereon shall cease.

## **13. MBD BAKERIES**

It is hereby declared and agreed that any damage to whisks, dough hook and beaters of dough mixers are specifically excluded from the scope of cover.

## **14. MBD INSURANCE OF ROPES IN LIFTS, CRANES AND ROPEWAYS**

It is understood and agreed that insurance by this policy shall include sudden and unforeseen damage to rope resulting in their actual and complete severance. It shall not include breakage or abrasion of wire or strand of ropes/slings although replacement is necessitated thereby.

Provided that the amount indemnifiable in respect of items thus affected is depreciated at an annual rate to

be determined at the time of loss, this rate being not less than 15 % per annum subject to a maximum of 75 %.

#### 15. MBD- UN REPAIRED DAMAGES

In the event of insured deciding not to replace or repair the damaged item covered under the policy and decides to continue with the damaged item after incurring necessary expenditure for safe working of the damaged item. The insurer shall indemnify amount expended in making the item safe plus the reasonable repair cost which would have been incurred by the Insured had the Insured repaired the damage item or reasonable amount equivalent to reduced life of damaged item.

**Limit :** Upto Per event and in aggregate as agreed and specified in Schedule

#### 16. MBD- WAIVER OF IMPROVEMENT/BETTERMENT CLAUSE FOR REPLACEMENT OF SELECTED MACHINERY

In the event of total physical damage of the insured machinery/ equipment necessitating replacement, which may become obsolete at the time of such replacement, shall be the cost of reinstatement of the damaged machinery with the follow up model of the same type provided that such cost of replacement does not exceed the sum insured set against the said item.

It is further agreed & declared that this extension shall not be enforceable if the insured is unable or unwilling to reinstate the property. However, if the cost of replacement with the follow up model exceeds the sum insured set against the said item, the company's liability would not exceed the sum insured.

#### 17. MBD-AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.  
  
N.B.: The Bank shall mean named in the policy.
3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in connection with any dispute between the Company

and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on one such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

### ELECTONIC EQUIPMENT INSURANCE ENDORSEMENTS

#### 1. EEI ENDORSEMENT FOR EXCLUSION OF DAMAGE CAUSED BY FIRE AND ALLIED PERILS

Notwithstanding the conditions, provisions and other endorsements of this policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from –

1. Fire (including losses arising out of fire fighting and rescue work).
2. Lightning.
3. Explosion/implosion.
4. Riot, Strike and Malicious Damage.
5. An act of terrorism committed by a person or persons acting on behalf of or in connection with any organization and/or the action of any lawfully constituted authority in suppressing or attempting to suppress any such act of terrorism or in minimizing consequences thereof.
6. Impact by any rail/road vehicle or animals.
7. Aircraft and other aerial and/or space devices and/or articles dropped there from.
8. Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
9. Subsidence and Land Slide including Rockslide.
10. Earthquake, Fire and Shock.

#### 2. EEI MEDICAL EQUIPMENT USING X-RAYS TUBES

1. Cover of X- rays valves and tubes
2. Special condition concerning Computer Technographs
3. Warranty for lightning and over – voltage protection Devices
4. Warranty concerning Air- conditioning Plant.

**Cover of valves and tubes:**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended to include loss of or damage to valves and tubes. Indemnification shall be limited to the actual value of such items (of 1- 7) immediately prior to the occurrence of the loss or damage, including ordinary freight, erection costs and custom duties and dues, if any.

## 1. Actual values of

1.1 Stationary anode X-ray tubes in single- tank setup and rotating anode X- ray tubes without exposure counters for diagnostic equipment.

1.2 Surface and close- range radio- therapy X- ray tubes and valves

1.3 Video amplifier tubes

Age (months)	Actual value in % of new replacement value
Less than 18	100
Less than 20	90
Less than 23	80
Less than 26	70
Less than 30	60
Less than 34	50
Less than 40	40
Less than 46	30
Less than 52	20
Less than 60	10
More than 60	0

## 2. Actual values of valves for diagnostic equipment:

Age (months)	Actual value in % of new replacement value
Less than 33	100
Less than 36	90
Less than 39	80
Less than 42	70
Less than 45	60
less than 48	50
Less than 51	40
Less than 54	30
Less than 57	20
Less than 60	10
More than 60	0

## 11. Actual value of rotating anode X- ray tubes with lead-sealed exposure counters

For diagnostic equipment:

Number of exposures	Actual value in % of new replacement value
Less than 10,000	100
Less than 12,000	90
Less than 14,000	80
Less than 16,000	70
Less than 19,000	60
Less than 22,000	50
Less than 26,000	40
Less than 30,000	30
Less than 35,000	20
Less than 40,000	10
More than 40,000	0

## 4. Actual values of deep therapy X-ray tubes and valves

Period of Operation (hours or age 9 months) whichever results in the lower actual value)		Actual value in % of new replacement value
Period of operation (hours)	Age (months)	
Less than 400	Less than 18	100
Less than 500	Less than 20	90
Less than 600	Less than 23	80
Less than 700	Less than 26	70
Less than 800	Less than 30	60
Less than 900	Less than 34	50
Less than 1000	Less than 40	40
Less than 1100	Less than 46	30
Less than 1200	Less than 52	20
Less than 1300	Less than 60	10
More than 1300	More than 60	0



5. Actual value of X-rays tubes and valves for the material testing equipments

Period of Operation (hours) or age 9 months) whichever results in the lower actual value)		Actual value in % of new replacement value
Period of operation (hours)	Age (months)	
Less than 300	Less than 6	100
Less than 380	Less than 8	90
Less than 460	Less than 10	80
Less than 540	Less than 12	70
Less than 620	Less than 14	60
Less than 700	Less than 16	50
Less than 780	Less than 18	40
Less than 860	Less than 20	30
Less than 860	Less than 20	20

6. Actual values of picture and pick-up tubes for TV equipment

After 12 months' use, the actual values of picture and pick-up tubes shall be reduced by 3% per month down to a minimum of 20% of the new replacement values.

7. Actual values of other types of tubes and valves.

For other types of tubes and valves the actual values on the date of an occurrence shall be determined on the basis of data furnished by the supplier.

#### Special conditions concerning Compute Tomographs

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not be liable for any damage consisting in the failure of individual construction elements or components, unless it can be proved that such damage has been caused by an external event acting on the system or by a fire generated within the system.

In contrast to the indemnity scales of Endorsement on "Cover for valves and tubes" incorporated in medical equipment, the following scales shall apply to the tubes indicated below built into computer tomographs:

- a) X-ray tubes

With high-voltage time meter (stationary-anode tubes): (Operating hours up to)	With exposure counter (rotating anode tubes): (No. of exposures upto)	Indemnity: (%)
400	10,000	100
440	11,000	90
480	12,000	80

With high-voltage time meter (stationary-anode tubes): (Operating hours up to)	With exposure counter (rotating anode tubes): (No. of exposures upto)	Indemnity: (%)
520	13,000	70
600	15,000	60
720	18,000	50
840	21,000	40
960	24,000	30
1,080	27,000	20
1,200	30,000	10

Tubes for voltage stabilization and regulations

Period of use (Months)	Indemnity %
36	100
39	90
41	80
44	70
47	60
49	50
52	40
55	30
37	20
60	10

#### Warranty for Lightning and over voltage Protection Devices

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss of or damage to electronic equipment or data media or increased cost of working as a result of lightning or over voltage if the electronic equipment is fitted with lightning and over voltage protection devices and alarm system and these have been installed and maintained in accordance with the recommendations of the manufacturers of the electronic equipment and the lightning and over voltage protection devices

This means that the lightning and over voltage protection devices and alarm system

- are regularly serviced by qualified personnel of the manufacturer or supplier,
- are kept under supervision by trained personnel,
- are provided with an automatic switch-off device complying with the latest requirement for electronic equipment and the manufacture's recommendations.



### Warranty Concerning Air-Conditioning Plant

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of any loss or damage in regard to electronic equipment, data media and increased cost of working due to the failure of the air-conditioning plant, if this air-conditioning plant is not covered against material damage and has been equipped, installed or maintained in accordance with the recommendations of the manufacturers of the electronic equipment and air-conditioning plant.

This means that the insured air-conditioning plant

- and the alarm and the switch-off devices are maintained by qualified personnel of the manufacturer or supplier at least every six months;
- is equipped with independent sensors to monitor temperature and humidity, to detect smoke and a release visual and acoustical alarm;
- is kept under supervision by trained personnel who are able to take all loss prevention measures necessary in the event of an alarm;
- is provided with an automatic emergency switch-off device complying with the requirements stipulated by the manufacturers of the electronic equipment.

### 3. EEI ESCALATION CLAUSE

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing  $\frac{1}{365}^{\text{th}}$  of the specified percentage increase per annum.

Unless specifically agreed to the contrary the provisions of the Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers:-

1. the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance upto that renewal date, and
2. the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

### 4. EEI EXPRESS FREIGHT

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the demand item(s) is/are less than the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

### 5. EEI AIR FREIGHT

In consideration of insured having paid extra premium as specified in the schedule attached it is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

Limit of indemnity shall be as per the schedule during currency of the Policy.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

Subject otherwise to terms, conditions and exceptions of the Policy.

### 6. EEI OWNERS SURROUNDING PROPERTY

In consideration of insured having paid extra premium as specified in the schedule attached it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belonging to or held in care, custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in use for construction or erection during period of policy.

The Company will pay to the insured the value of the damaged property at the time of accident or at its option reinstate or replace such damaged property or any part thereof provided that -

The liability of the Company shall in no case exceed the limit of liability mentioned in the schedule for any one accident or series of accidents arising out of any one event and in the whole the total indemnity during the currency of the Policy.

The insured shall bare the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted

to actual repair cost, provided prior to commencement of work, insured ascertains with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

## 7. EEI ADDITIONAL CUSTOMS DUTY

In consideration of the Insured having paid an additional premium as per the schedule it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the policy, towards the additional Customs Duty, amount as specified in the schedule which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured of the affected items.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Subject otherwise to the terms, conditions and exceptions of the Policy.

Note- For computation of indemnity under the Additional Customs duty extension, exchange rate applicable on date of occurrence of loss shall be considered.

## 8. EEI THIRD PARTY LIABILITY

In consideration of the payment of the additional premium as specified in the schedule it is hereby agreed and declared that notwithstanding anything to the contrary stated in this policy, the Company will indemnify the insured –

- a) against legal liability for the accidental loss or damage caused to the property of other persons.
- b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the works/site/premises location or employees of the other firms/connected with any other work site/premises/ location or members of the family of the insured or any of the aforesaid.

## EXCLUSIONS UNDER THE TPL EXTENSION –

The Company will not indemnify the insured, under this extension in respect of –

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.

## c) Liability consequent upon -

- i) bodily injury to or illness of employees/workmen/ members of the families of the insured or of the owners of the works/site/ premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.
- ii) loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/ site/ premises/ location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
- iii) any accident caused by vehicles licensed for general road use or by waterborne vessels or by aircraft.
- iv) any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

## CONDITIONS APPLYING TO TPL EXTENSION -

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

- b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

Sum insured under TPL extension of annual policies should not exceed 10% of the sum insured subject to a maximum amount of Rs 10 crs per location

## 9. EEI SOFTWARE ENDORSEMENT

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall only indemnify the Insured in respect of loss of or damage to Value of "System Software" which are integral to the hardware and of off-the shelf type and shall exclude any loss of or damage to "Application Software" or "Proprietary Software" which are of external type.

## 10. EEI- FLOATER CLAUSE

In consideration of the payment of additional premium, the equipments covered under the policy will enjoy

coverage at all locations as specified in the list of locations mentioned in the policy.

If the equipments of all locations hereby insured against be collectively of greater value than the aggregate sum insured of overall locations there on, then the insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly.

At all times during the currency of this policy the insured should have a good internal monitoring procedure under which the locations of all the equipments can be established at any particular time if required.

The cover under the policy shall cease during the transit of equipment(s) between any of the two policy locations or to any other location.

The changes in the address of locations, specifically declared at inception, should be communicated" to insurer immediately.

#### 15. EEI-MODIFICATION COST/INCOMPATIBILITY EXPENSES

In consideration of the payment of additional premium, the policy extend to cover the cost or expenses for modification of (A) damaged or undamaged equipments including but not limited to computers and ancillary equipments and/or (B) the cost of replacement/restoration and recompilation of computer records to mitigate the incompatibility between the replaced equipment and undamaged equipment and/or computer records. Insurer will indemnify the cost to achieve compatibility between the above two situation whichever is lesser subject to limit as mentioned in schedule

**Limit :** Upto Per event and in aggregate as agreed and specified in Schedule

#### 19. EEI-AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.  
N.B.: The Bank shall mean named in the policy.
3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in

connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

### PORTABLE ELECTRONIC EQUIPMENT ENDORSEMENTS

#### 1. PEEI- REINSTATEMENT VALUE CLAUSE FOR PORTABLE ITEMS

Notwithstanding anything contrary to what is stated in section VII of this policy it is hereby declared and agreed that in the event of the property insured under this section and stated within the policy being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the policy is to be calculated and shall be cost or replacing or reinstating on the same site or any other site with property of the same kind or type but not superior to or more extensive than the insured property when new as on date of the loss, subject to the following Special Provisions and subject also to the terms and conditions of the policy except in so far as the same may be varied hereby.

##### Special Provisions

1. Until expenditure has been incurred by the insured in replacing or reinstating the property destroyed or damaged the company shall not be liable for any payment in excess of the amount which would have been payable under the Policy if this memorandum had not been incorporated therein.
2. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered has been destroyed, exceeds the sum insured thereon or at the commencement of any destruction or damage to such property by any of the perils insured against by the policy, then the insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provision.
3. This memorandum shall be without force or effect if
  - a) The insured fails to intimate to the company within

60 days from the date of destruction or damage or such further time as the company may in writing allow his intention to replace or reinstate the property destroyed or damaged.

- b) The insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

## 2. PEEI- OMISSION TO INSURE ADDITIONS OR EXTENSIONS

The insurance by this policy extends to cover Portable equipment as defined in the Schedule hereof which the insured may acquire or for which they may become responsible:-

1. The liability under this extension shall not exceed in respect of portable equipment 5% of the sum insured by the items of the Schedule
2. The insured shall notify the company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the day of inception.
3. Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
4. No liability shall attach to the company in respect of any portable item while such property is otherwise insured.

All new additions to the portable equipments by the insured not specifically insured/included during the currency of the policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of acquisition of additions may be suitably adjusted.

If the insured fails to declare the values of such additions within 30 days after expiry of the policy, there shall be no refund of the advance premium collected.

## 5. PEEI- ESCALATION CLAUSE

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Unless specifically agreed to the contrary the provisions of the clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers:-

- (i) the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance upto that renewal date, and

- (ii) the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

## 8. PEEI - AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.

N.B.: The Bank shall mean named in the policy.

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on one such mortgagor or owner or any other party or parties insured hereunder or from any securities or funds available.

## MONEY ENDORSEMENTS

### 1. MONEY- AUTOMATIC REINSTATEMENT

Notwithstanding the occurrence of a loss this insurance will remain in force for the full amount insured against each item of the Schedule of Benefits to the Policy (where applicable) or as may be adjusted by endorsement thereto; the Insured agreeing to pay additional premium at the rate at which premium has originally been computed under the policy on the amount of such loss pro rata from the

date of damage to the expiry or renewal of the period of insurance.

## **2. MONEY- BUSINESS / WORKING HOURS EXTENDED**

Notwithstanding anything in the Policy to the contrary the insurance by this Policy extends the definition of 'business hours' to be that period of time that the Insured or any Director, Partner or Employee of the Insured is on the premises of the business.

Business hours may be defined as the time mentioned in the corporate guidelines of the Insured.

## **3. MONEY- CLAIM PREPARATION COSTS**

The insurance by this Policy extends to include costs incurred by the Insured in producing and certifying any particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy subject to a limit of 5% of the claim amount.

## **4. MONEY- DAMAGE TO CLOTHING / PERSONAL EFFECTS (ASSAULT) CLAUSE**

In consideration of the agreed Premium paid by the Insured, the Company agrees that if any of the Insured or any Director, Partner or Employee of the Insured (hereinafter referred to for the purposes of this Clause as the 'insured person(s)') acting in the course of their authorised employment with the Insured and / or in the interests of the Business of the Insured shall either whilst engaged in the custody within the Insured Premises of Money or whilst engaged in any transit of Money declared hereon sustain loss or damage to their clothing and /or personal effects arising from assault during the course of any Burglary or Housebreaking or Hold-up or theft or any attempt thereat or whilst attempting to thwart such Burglary or Housebreaking or Hold-up or theft that results or would have resulted in an indemnifiable loss or damage under the Policy the Company shall indemnify the insured person(s) for the actual loss and/or damage such indemnity being limited to a maximum of Rs.5,000 or 1% of the claim amount whichever is lower.

Any one occurrence shall for the purposes of this Clause mean loss or damage to clothing and /or personal effects of one or more insured person(s) arising out of a fortuitous event involving one or more instances of assault including repeated exposure to the same general circumstances.

Subject otherwise to the terms, conditions and exceptions of the Policy and endorsements if any thereon.

## **5. MONEY- DEFINITION OF MONEY**

Notwithstanding anything contained in the Policy to the contrary the insurance by this Policy extends to include the following definition of the term 'Money' Coins, Cash, Bank & Currency notes (including foreign currency) Cheques, Travellers Cheques, Postage and Money Orders

unused Postage and Revenue Stamps, Stock and Share Certificates or other Certificates of a negotiable nature, Credit Card Vouchers.

## **6. INFIDELITY COVER CLAUSE**

In consideration of the agreed Premium paid by the Insured, the Company agrees to indemnify the Insured in respect of loss of Money occurring whilst such Money is in transit due to the fraud or dishonesty by the Employee(s) (and not the Insured or any Director or Partner of the Insured) entrusted with the transit of Money provided that

1. such loss following from fraud or dishonesty is discovered and reported to the Company within 72 hours
2. such Employee(s) have not been previously during the course of their employment with the Insured involved in any act of fraud or dishonesty that was known to or discovered by the Insured
3. the services/ employment contracts of such Employee(s) are forthwith terminated
4. the Insured immediately takes all reasonable steps to apprehend such Employee(s) and secure recovery of the Money
5. the indemnification shall be limited to the amount set forth in the Schedule as the Limit of Liability in respect of any one occurrence.
6. the indemnification due to the Insured under the provisions of this Clause shall stand reduced by the amounts of any monies (including terminal benefits) in the custody of the Insured that are due to such Employee(s) which the Insured is legally entitled to confiscate or appropriate

Any one occurrence shall for the purposes of this Clause mean loss of Money following from one event of fraud or dishonesty involving one or more Employee(s) acting in collusion.

## **7. MONEY- LOSS OR DAMAGE TO SAFES, STRONGROOMS & MONEY RECEPTACLES (INCLUDING DAMAGE TO PROPERTY AND LANDLORDS FIXTURES & FITTINGS)**

The insurance by this Policy extends to include:-

1. the cost of repairing the damage to any safe, strongroom or receptacle of money following an 'insured event' whether or not at the time of the occurrence of damage such safe, strong room or receptacle contained money as defined or otherwise
2. the cost of removing and returning such safe or money receptacle from the premises of the Insured to a place of repair as approved by the Company
3. the cost of repairing any building, structure or property as a result of the theft of money (as defined) or any attempt of theft or the removal for repair of any safe or money receptacle including damage done to landlords property as a result of the removal or replacement of such safe or receptacle.

All such costs as incurred in terms of the provisions of this clause shall be **in addition** to the sum or sums insured to the Schedule of the Policy but shall be limited to twenty percent (20%) of the collective Claim amount subject to a maximum of Rs 25,000 by the Schedule to the Policy

## **8. MONEY- MONEY IN OVERNIGHT CUSTODY CLAUSE**

In consideration of the agreed Premium paid by the Insured, the Company agrees to indemnify the Insured for loss of Money by Burglary or Housebreaking whilst such Money is in the overnight custody of the Insured or any Director, Partner or Employee (hereinafter referred to for the purposes of this Clause as the 'insured person(s)') in the course of an insured transit provided that

- such overnight custody of Money arose from business exigencies
- the Money is kept hidden and secured in a locked safe or any other locked container within the usual private residence of the insured person and such private residence is not left unoccupied at any time
- the duration of such overnight custody does not exceed 14 hours (in addition to any intervening holidays when the Banks and/or the Insured's Business are closed) after which the Money must be delivered to the Insured's named Premises or to the Bank
- the indemnification shall be limited to the amount set forth in the Schedule as the Limit of Liability in respect of any one occurrence
- the Company shall not be liable in respect of any loss or damage occurring at the private residence or premises thereof as a consequence of the Burglary or Housebreaking or any attempt thereat.

Any one occurrence shall for the purposes of this Clause mean loss of Money by Burglary or Housebreaking at the private residence of one or more insured persons arising from the same incident that may result in a claim or a series of claims under the provisions of this Clause.

## **9. MONEY- REPLACEMENT OF KEYS & LOCKS, RECODING OF LOCKING DEVICES (INCLUDING REPAIR)**

The insurance by this Policy extends to include the cost to the Insured of:-

1. replacing keys and locks or modifying the locking mechanism to any strongroom, safe or money receptacle in the event of such keys or locks having been stolen
2. repairing any locking mechanism (mechanical or electrical) to any strongroom, safe or money receptacle including any alarm devices relating or attached thereto following upon forceable entry; or any attempt thereat to such strongroom, safe or money receptacle
3. the recoding of locking devices of any safe, strongroom or receptacle following loss or damage as insured

Provided that:-

1. the Company indemnity shall be limited to the cost of replacing any such lock with one of similar quality to that being the subject of the claim
2. the Company indemnity shall not exceed fifteen percent (15%) of the claim amount on 'money'
3. the Insured shall bear twenty percent (20%) of the cost of each and every claim as insured in terms of the provisions of this clause
4. the insurance in terms of the provisions of this clause shall relate to the premises occupied by the Insured only

## **10. MONEY- TEMPORARY SAFE RENTAL (AND THE INSURANCE THEREOF)**

The insurance by this Policy extends to include the cost to the insured of:-

1. hiring a safe of similar size and quality whilst the safe being the subject of a claim is being repaired provided the time required to remove, repair and return such safe to the premises of the Insured exceeds seven (7) consecutive days
2. the delivery; and installation of the hired safe on the premises of the Insured and return of such hired safe provided such cost is not included in the cost of the hire agreement as detailed in (a) herein
3. the insurance by this clause extends to include the cost of replacing or repairing the hired safe in the event of theft or damage to such safe whilst on hire to the Insured provided there be no other insurance in effect providing insurance following such occurrence
4. the indemnity shall not exceed fifteen percent (15%) of the claim amount on 'money'

## **11. MONEY- THEFT BY USE OF DUPLICATE KEYS**

The insurance by this Policy extends to include theft of Money as defined following upon the use of duplicate keys to any safe or strong room provided that in such event the Insured shall give categorical proof to the Company that such duplicate key or keys were utilised.

In the event of such loss the Insured shall as soon as possible thereafter have the locking mechanism of such safe or strong room modified or replaced in order to accommodate the use of the replaced keys. In the time period between the theft and the replacement of the locking mechanism or the accommodation of alternative keys the insurance by this Policy shall be suspended insofar as such safe or strong room is utilised.

In the event of loss in terms of the provision of this clause the Company limit of indemnity shall be limited to twenty five percent (25%) of any claim quantified as an amount of loss agreed by the Company.

## **12. MONEY- WORLD WIDE TRAVEL**

The insurance by this Policy extends to include the World

Wide territorial business activities of the Insured or any Director, Partner or Employee of the Insured for the loss of money following upon:-

1. theft following forceable entry to any accommodation or office premises which are being utilised by the Insured or any Director, Partner or Employee of the Insured whilst acting in the interests of the Insured
2. hold-up or mugging
3. being victim of any hi-jack activity or being taken hostage by any party

In the event of the above occurrences having taken place the Insured or such Director, Partner or Employee of the Insured shall report such event to the Police authorities of the country involved and a reference certificate to such event shall be made available to the Company if so requested.

The Company liability in the event of loss as insured in terms of the provisions of this clause shall be limited to five percent (5%) of the sum insured as stated in the Schedule to the Policy or as endorsed thereon.

#### 15. MONEY- AGREED BANK CLAUSE

It is hereby declared and agreed:-

1. That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. That the receipts of the Bank shall be complete discharge of the Company thereof and shall be binding on all the parties insured hereunder.

N.B.: The Bank shall mean named in the policy.

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such mortgagor or owner or any other party or

parties insured hereunder or from any securities or funds available.

#### BAGGAGE (ADD-ON COVERS)

##### 1. BAGGAGE- WORLDWIDE GEOGRAPHICAL EXTENSION

#### INFIDELITY/DISHONESTY OF EMPLOYEES ENDORSEMENTS

##### 1. FG- EXTENDED COVER FOR PAST EMPLOYEES

The indemnity provided by this insurance extends to include any claim as Insured which may arise after any employee has terminated their services to the Insured or whose services have been terminated by the Insured and for which loss (as insured) may be directly associated with such employee and provided that the period of time for the determination of such loss shall be within 12 (twelve) months after the termination of service to the Insured by such employee.

##### 2. FG- ACCOUNTANTS & AUDITORS

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company for the purpose of investigating or verifying any claim may be produced and certified by the Insured's Auditors or professional Accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

##### 3. FG- ALTERATION OF SYSTEMS

It is a condition precedent to the Company's liability that the precautions and checks for securing the accuracy of accounts and stock records may be changed by the Insured provided such alternative method or system for securing accuracy of accounts and stock control has been approved by the Insured's financial director or a senior person acting in similar capacity or by the Insured's appointed Auditors and Accountants.

##### 4. FG- AUTOMATIC REINSTATEMENT

Notwithstanding the occurrence of a loss this insurance will remain in force for the full amount insured against each item of the Schedule to the Policy (where applicable) or as may be adjusted by endorsement thereto; the Insured agreeing to pay additional premium on the amount of such loss pro rata from the date of damage to the expiry or renewal of the period of insurance.

##### 5. FG- CLAIMS PREPARATION COSTS & AUDIT FEES (INCLUDING COMPUTER SYSTEM CERTIFICATION)

The insurance by this Policy extends to include the costs incurred by the Insured in producing and certifying any



particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy.

Should it be required to conduct an independent audit together with the certification of computer systems and records following the intervention of such by the person or persons responsible for the loss then the insurance by the provision of this clause shall provide an indemnity to the Insured for such cost provided that such cost shall not exceed ten percent (10%) of the claim paid or payable by the Company.

#### **6. FG- COSTS OF RECOVERY FOLLOWING SUBROGATION TO THE COMPANY (BY THE COMPANY)**

In the event of the Insured subrogating their rights to the Company following the payment of a claim as determined by the provisions of the Policy and upon the Company proceeding against the person or persons responsible for the loss as paid by the Company; then the Company agrees to proceed in the full amount of the Insured's loss even if such loss shall be in excess of the amount of the indemnity paid by the Company and upon the recovery of such amount the Company will make payment to the Insured of the difference between the amount recovered and the amount which the Company paid to the Insured as indemnity for the loss; less the pro rata amount of the cost of such recovery by the Company as the amount paid by the Company to the Insured in settlement of the claim bears to the total amount recovered by the Company after due consideration for the recovery of legal costs and expenses.

#### **7. FG- COSTS OF RECOVERY (BY THE INSURED FOR LOSS IN EXCESS OF THE SUM INSURED)**

In the event of the Insured proceeding against the person or persons responsible for a loss in excess of the indemnity made by the Company or the sum insured; then the Insured by written agreement of the Company may proceed for the recovery of the difference in the amount of loss or sum insured and the indemnity made by the Company; at the expense of the Company provided such expenditure is limited to ten percent (10%) of the amount of the claim paid to the Insured by the Company as indemnity for such loss.

Provided that in the event of the Insured being successful in the recovery or partial recovery of such amount then the Company shall indemnify the Insured for such additional cost as the additional costs of recovery shall bear to the indemnity made by the Company for the loss as such bears to the total amount of recovery within the 10% limitation as determined herein. (explanation: the additional costs for recovery divided by the total amount of indemnity made by the Company multiplied by the additional amount of recovery made by the Insured).

#### **8. COST OF RECTIFYING ACCOUNTING & COMPUTER RECORDS & PROGRAMMES**

Following upon any event for which the Company have agreed to make payment of a claim in terms of the provisions of the Policy the insurance by the provisions of this clause extends to indemnify the Insured for the cost of rectifying accounting and computer records following upon the falsification or manipulation of data or accounting entries; provided the Company's indemnity is limited to fifteen percent (15%) of the claim paid by the Company in the first instance.

#### **9. CREDIT / DEBIT CARD (FRAUDULENT USE OF)**

The insurance by this Policy extends to indemnify the Insured in the event of any permanent employee of the Insured fraudulently making use of any credit or petrol card

Provided that:-

1. upon the loss or mislocation of such card by the person or persons authorised to make use of such card the credit facility granted by the use of such card shall be cancelled immediately
2. the Company's liability shall be limited to the amount by which the Insured has been defrauded which corresponds to a thirty (30) day time period commencing with the date on which the card was first fraudulently utilised
3. the Insured shall bear twenty percent (20%) of each and every loss as insured by the provisions of this clause

The limit of indemnity by the provision of this clause is ten percent (10%) of the sum insured as shown in the Schedule to the Policy or as endorsed thereon within any period of insurance.

#### **10. DISCRETION IN REPORTING TO POLICE (PERIOD OF GRACE AND SUCCESSFUL RECOVERY)**

In the event of the discovery by the Insured of any insured loss in terms of the Policy for which the Insured intends claiming indemnity from the Company the Insured; notwithstanding anything contained to the contrary in the Policy conditions or any other clause to this Policy and with the consent of the Company; may refrain from reporting such matter to the police or any other authority as may be required by the law to which the territorial requirements of this insurance are applicable; however upon the insistence of the Company to have such matter reported to the police or any other authority then in order to qualify a potential claim the Insured shall comply with such requirement immediately.

In the event of the Company making allowance for the discretion of the Insured in reporting a potential claim to the police (or similar authority) the Company may make payment of a claim subject to the successful establishment of their subrogation rights and attachment and sale of the property of the guilty persons or persons in the recovery (or part recovery) of the loss.

#### 11. SUBROGATION WAIVER (CONTRACTING PARTIES)

The insurance by this Policy shall not be prejudiced in the event of the Insured signing any agreement with any contracting party which conducts a permanent service in the interests of the Insured whereby the subrogation rights of the Company is limited or invalidated as a result of the Insured signing such an agreement; however the Company subrogation rights shall remain in effect insofar as the Company may proceed against the person or persons in the employment of such contracting parties being responsible for any loss as insured and for which the Company have indemnified the Insured in the total amount of the loss or otherwise.

#### 12. UNIDENTIFIABLE EMPLOYEES (LOSS AS A RESULT OF)

In the event of a loss as insured by this Policy and consequent upon the requirements giving rise to the definition of 'loss' it being found that the identification of an employee or employees for such loss are not identifiable then subject to the following provisions the Company shall indemnify the Insured for the resulting loss:-

1. the Insured shall give adequate proof which shall be confirmed by their auditors or any other auditor appointed by the Company that the loss as insured could not have been caused by anyone other than a person or persons in the Insured's permanent employment or such person or persons who may have left their employment within three (3) months prior to the identification of the loss
2. the Insured shall immediately upon the detection of such loss change any accounting or administrative procedure relative to such loss in order to prevent further loss or possibility of loss following the events of similar occurrence
3. irrespective of any clause or provision of cover to the insurance by this Policy the Insured shall notify the Police authorities of the respective area of jurisdiction to which this insurance is applicable; of the loss being the subject matter of the claim.
4. In the possible event of the detection of such employee or employees and whether at the time of detection they shall be employed by the Insured or not; the Insured shall immediately prosecute such employee or employees irrespective of their position of employment or past employment and shall notify the Company of their identity and locality (if possible)

Should the Company have made payment of a claim as Insured in terms of the provisions of this clause and should the Insured not have complied with the aforesaid conditions which are a condition precedent and subsequent to the payment of a claim then the Company shall upon demand on the Insured be entitled to repayment of the amount paid to the Insured inclusive

of interest on such amount for the time period for which the Insured had use of the money paid by the Company at an interest rate equivalent to the overdraft rate afforded to the Company by their bank at such time

#### 13. FG- CONTRACTUAL/OFF ROLL EMPLOYEE COVER

In consideration of the payment of additional premium, this policy extends to cover any person engaged in the service of insured in the ordinary course of the insured's business and whom the insured compensates by wages and/or commission and has the right to govern and direct in the performance of such services.

It also includes i) part time or temporary employee ii) any individual / individuals assigned to perform employee duties for the insured by any agency furnishing temporary personnel on a contingent part time basis provided however, that this policy does not cover any loss caused by such individual if such loss is covered by an insurance or surety ship held by the agency furnishing such temporary personnel to the insured.

##### Add On

#### FG- CONTRACTUAL/OFF ROLL EMPLOYEE COVER

In consideration of the payment of additional premium, this policy extends to cover any person engaged in the service of insured in the ordinary course of the insured's business and whom the insured compensates by wages and/or commission and has the right to govern and direct in the performance of such services.

It also includes i) part time or temporary employee ii) any individual / individuals assigned to perform employee duties for the insured by any agency furnishing temporary personnel on a contingent part time basis provided however, that this policy does not cover any loss caused by such individual if such loss is covered by an insurance or surety ship held by the agency furnishing such temporary personnel to the insured.

#### **BUSINESS INTERRUPTION/CONSEQUENTIAL LOSS (FIRE) EXTENSION RIDER (ADD-ON COVERS)**

##### **Specifications**

##### **Specification A – Insurance on Gross Profit on Turnover Basis**

The insurance under this policy is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) increase in Cost of Working and the amount payable as indemnity thereunder shall be:-

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.

- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

Less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage:

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Gross Profit to (where the Indemnity Period exceeds 12 months insert 'times' as may be appropriate e.g. for 18 months insert one and a half times) the Annual Turnover, the amount payable shall be proportionately reduced

#### Departmental Clause:

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 shall apply separately to each department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit for each department of the business (whether affected by the damage or not) to the relative Annual Turnover thereof, the amount payable shall be proportionately reduced.

#### Definitions

**GROSS PROFIT** – The sum produced by adding to the Net Profit the amount of the insured Standing Charges, or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

**NET PROFIT** – The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**INSURED STANDING CHARGES** – (Appropriate list to be inserted)

**TURNOVER** – The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

**INDEMNITY PERIOD** – The period beginning with the occurrence of the damage and ending not later than period which is mentioned on the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

<b>RATE OF GROSS PROFIT</b> – The rate of Gross Profit earned on the turnover during the financial year immediately before the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
<b>ANNUAL TURNOVER</b> – The Turnover during the twelve months immediately before the date of the damage.	
<b>STANDARD TURNOVER</b> – The Turnover during that Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	

Memo 1: If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Memo 2: If any Standing Charges of the business be not insured by this policy then in computing the amount recoverable hereunder as increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the Standing Charges.

Memo 3: If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Profit earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference. Where, however, the declaration is not received by the Company within twelve months after the expiry of the period of insurance, no refund shall be admissible.

If any damage has occurred giving rise to a claim under this policy, such return shall be made in respect only of said difference as is not due to the damage.

#### Specification B – Insurance on Gross Profit on Output Basis

The insurance under this policy is limited to loss of Gross Profit due to (a) Reduction in Output and (b) increase in Cost of Working and the amount payable as indemnity thereunder shall be: -

- (a) IN RESPECT OF REDUCTION IN OUTPUT: the sum produced by applying the Rate of Gross Profit to the amount by which the Output during the Indemnity Period

- shall, in consequence of the Damage, fall short of the Standard Output.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Output which but for that expenditure would have taken place during the Indemnity
- (c) period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.
- Less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage;
- Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Gross Profit to \* the Annual Output, the amount payable shall be proportionately reduced.
- Insert that appropriate multiple if the indemnity period exceeds 12 months.

#### Departmental Clause:

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 shall apply separately to each department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit for each department of the business (whether affected by the damage or not) to the relative Annual Output thereof, the amount payable shall be proportionately reduced.

#### Definitions

**GROSS PROFIT** – The sum produced by adding to the Net Profit the amount of the insured Standing Charges, or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

**NET PROFIT** – The net trading profit (exclusive of all capital receipt and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**INSURED STANDING CHARGES** – (Appropriate list to be inserted).

**OUT PUT** - The quantity of + produced at the premises measured in units of ++

**INDEMNITY PERIOD** – The period beginning with the occurrence of the damage and ending not later than period which is mentioned on the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

- + Insert description of commodity produced by the insured  
++ Insert unit of weight used

<b>RATE OF GROSS PROFIT</b> – The rate of Gross Profit per unit earned on the output during the financial year immediately before the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
<b>ANNUAL OUTPUT</b> – The output during the twelve months immediately before the date of the damage.	
<b>STANDARD OUTPUT</b> – The output during that Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	

**Memo 1:** If during the Indemnity Period goods shall produce elsewhere than at the premises for the benefit of the business either by the Insured or by others on the insured's behalf the quantity so produced shall be brought into account in arriving at the Output during the Indemnity Period.

**Memo 2:** If any Standing Charges of the business be not insured by this policy then in computing the amount recoverable hereunder as increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the Standing Charges.

**Memo 3:** If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Profit earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference. Where, however, the declaration is not received by the Company within twelve months after the expiry of the period of insurance, no refund shall be admissible.

If any damage has occurred giving rise to a claim under this policy, such return shall be made in respect only of said difference as is not due to the damage.

#### Specification C - "Difference" Basis

The insurance under this policy is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) increase in Cost of Working and the amount payable as indemnity thereunder shall be: -

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum

produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.

- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of the Gross Profit as may cease or be reduced in consequence of the Damage;

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Gross Profit to \* the Annual Turnover, the amount payable shall be proportionately reduced.

\* Insert the appropriate multiple if the Indemnity Period exceeds 12 months.

#### Departmental Clause:

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 shall apply separately to each department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit for each department of the business (whether affected by the damage or not) to the relative Annual Turnover thereof, the amount payable shall be proportionately reduced.

#### Definitions

GROSS PROFIT – The amount by which

- (1) the sum of the Turnover and the amount of the Closing Stock shall exceed.
- (2) The sum of the amount of the Opening Stock and the amount of the Specified Working Expenses

Note 1- The amount of the Opening and Closing Stocks shall be arrived at in accordance with Insured's normal accountancy methods, due provisions being made for depreciation.

Specified Workings Expenses:-

1. All Purchases (less Discounts Received);
2. % Of the Annual Wage Roll (including Holiday and Insurance contributions);
3. Power;
4. Consumable Stores;
5. Carriage;
6. Packing Materials;

7. Bad Debts;
8. Discounts Allowed;
9. Any other expenses to be specified.

Note 2 – The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured.

TURNOVER – The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

INDEMNITY PERIOD – The period beginning with the occurrence of the damage and ending not later than period which is mentioned on the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

<b>RATE OF GROSS PROFIT –</b> The rate of Gross Profit earned on the turnover during the financial year immediately before the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
<b>ANNUAL TURNOVER –</b> The Turnover during the twelve months immediately before the date of the damage.	
<b>STANDARD TURNOVER –</b> The Turnover during that Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	

Memo 1: If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Memo 2: If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Profit earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference. Where, however, the declaration is not received by the Company within twelve months after the expiry of the period of insurance, no refund shall be admissible.

If any damage has occurred giving rise to a claim under this policy, such return shall be made in respect only of said difference as is not due to the damage.

Specification I – Revenue Basis

The insurance under this policy is limited to (a) loss of Gross Revenue and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be :-

- (a) IN RESPECT OF LOSS OF GROSS REVENUE: the amount by which the Gross Revenue earned during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Gross revenue.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross revenue which but for that expenditure would have taken place during the indemnity period in consequence of the Damage but not exceeding the amount of the reduction in gross revenue thereby avoided.

less any sum saved during the Indemnity Period in respect of such of the working expenses and standing charges of the business as may cease or be reduced in consequence of the damages,

Provided that if the Sum Insured by this Item be less than \* the Annual Gross Revenue, the amount payable under this shall be proportionately reduced.

Definitions

GROSS REVENUE – The money paid or payable to the insured for \*\* in course of the business at the premises.

INDEMNITY PERIOD – The period beginning with the occurrence of the damage and ending not later than period which is mentioned on the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

STANDARD GROSS REVENUE – The gross Revenue during the period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
ANNUAL GROSS REVENUE – The Gross Revenue earned during the period in the twelve months immediately before the date of the damage.	

\* Here is inserted the appropriate multiple if the Indemnity period exceeds 12 months

\*\* Here is inserted an agreed description such as “work done and service rendered” or “entertainment provided” and, if

necessary, a qualifying exclusion such as “excluding the cost of drink and food supplied.”

Memo 1: If during the Indemnity Period work shall be done or services rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on insured’s behalf the money paid or payable in respect of such work or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Memo 2: In the event of \* the Gross Revenue earned during the accounting period of twelve months most nearly concurrent with any period of Insurance, as certified by the Insured’s Auditors, less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance will be made in respect of the difference provided the Insured’s declarations is received within twelve months of the expiry of the policy if any damage shall have occurred, giving rise to A claim under the policy, such return shall be made in respect only of so much of the said difference as is not due to such damage.

Note: The words “Gross Revenue” wherever they occur, may be altered to Revenue, Gross Income, Commission, Gross Fees, Royalties or similar term to suit the nature of the income of an insured’s business.

\* Here is inserted the appropriate multiple if the Indemnity Period exceeds 12 months.

Specification D – Wages

(i) DUAL BASIS

The insurance under this policy is limited to loss in respect of “Wages” and the amount payable as indemnity thereunder shall be

(a) In Respect of Reduction in Turnover

- i.) During the portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than no of Weeks mentioned on schedule thereafter the sum produced by applying the Rate of Wages to the Shortage in Turnover/Output during the said portion in the Indemnity Period.

less any saving during the said portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid

- ii.) During the remaining portion of the Indemnity Period the sum produced by applying the Rate of Wages to the Shortage in Turnover/ Output during the said remaining portion of the Indemnity Period.

less any saving during the said remaining portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying prescribed percent of



the Rate of Wages to the Shortage in Turnover/ Output during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for saving under the terms of Clause (i) (OPTION TO CONSOLIDATE – at the option of the insured, the number of weeks referred to in clause (a) (i) above may be increased to.. X... provided that the amount arrived at under the provisions of clause (a)(ii) shall not exceed such amount as is deducted under clause (a) (i) for saving effected during the said increased number of weeks.

(X) here insert the equivalent numbers of weeks ascertained from the conversion Table provided in Section II –Rule 3 (a).

- (b) In Respect of Increase in Cost of Working so much of the additional expenditure described in Clause (b) of Item 1 as exceeds the amount payable thereunder but not more than the additional amount which would have been payable in respect of Reduction in Turnover/Output under the Provisions of Clauses (a) (i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Sum Insured by this item be less than the sum produced by applying the Rate of Wages to (insert the appropriate multiple if the Indemnity Period exceeds 12 months. e.g. where the indemnity period is eighteen months insert one and a half times) the Annual Turnover/output, the amount payable under this shall be proportionately reduced.

## Definitions

WAGES – Total Wages of all employees other than those whose wages are insured as a standing charge.

Note: - The above definition may be altered to suit the requirements of individual clients.

RATE OF WAGES – The Rate of Wages to Turnover/Output during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

SHORTAGE IN TURNOVER/OUTPUT - The amount by which the Turnover/Output during a period shall in consequence of the damage fall short of the part of the Standard Turnover/ Output which relates to that period.

## Specification D – Wages

### (ii) Pro Rata Basis

The insurance under this policy for weeks as mentioned

on schedule Wages on sum insured as mentioned on schedule is limited to the loss incurred by the Insured by the payment of Wages for a period beginning with occurrence of the damage and ending not later than weeks as mentioned in schedule thereafter.

The amount payable as indemnity under this item shall be the actual amount which the Insured shall pay as Wages for such period to employees whose services cannot in consequence of the damage be utilised by the Insured at all and an equitable part + (based upon shortage of production) of the Wages paid for such period to employees whose service cannot in consequence of the damage be utilised by the Insured in full;

Provided that if the sum insured by this item shall be less than the aggregate amount of the Wages that would have been paid during the weeks as mentioned on schedule immediately following the damage, had the damage not occurred, the amount payable shall be proportionately reduced.

For the purpose of this item the term Wages shall mean \* ...+. It is permissible to omit the words in brackets or to substitute for 'production' some other indeed of activity.

\* Here insert a precise definition of the scope to which the insurance of Wages (which may, if desired, expressly include Bonuses, Holiday Pay and the like) is to apply e.g.

the Wages of all Employees the Wages of a specified category or categories of Employees the wages of all Employees who are normally paid on a weekly basis	(Add, if any wages are insured as a standing charge other than whose Wages are insured as a Standing Charge under Item No.....)
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## Specification E – Lay-off and/or retrenchment Compensation with or without Notice Wages Liability

The insurance under Item No.3 is limited to the amount which the Insured shall become legally liable to pay and shall pay to employees .... \* ... Under the provisions of the Industrial Disputes Act, 1947 and all subsequent amendments thereto.

Provided that the amount payable as indemnity under this item shall not exceed the amount which would otherwise have been payable as Wages to the said employees during the period of indemnity, had no damage occurred.

Provided also that if the sum insured by this policy shall be less than the aggregate amount on schedule to the said employees the amount payable shall be proportionately reduced.

“For the purpose of this item “Employee” shall mean “Workman” as defined under the Industrial Disputes Act, 1947 and subsequent amendments thereto but excluding those employees whose remuneration is insured as a standing charge under Item 1 of the Policy.

\* insert here the appropriate cover opted by the insured , viz.

- Lay-off and/or Retrenchment Compensation or
- Lay-off and/or Retrenchment Compensation with or without Notice Wages Liability or



- (iii) Lay-off Compensation, or
- (iv) Retrenchment Compensation or
- (v) Retrenchment Compensation with or without notice Wages Liability as the case may be.

#### Specification F – Additional Cover Clauses

##### Auditors' Clause

##### (Modifying the Company's liability under condition 3)

The Insurance under this policy is limited to the reasonable charges payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of Condition 3 of this Policy. Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under Condition 3 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's Auditors, and their certificate shall be prima facie evidence of the particulars and details to which such certificates relate.

#### Specification G – New Business Clause

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises the terms "Rate of Gross Profit", "Annual Output/Turnover" and "Standard Output/Turnover" shall bear the following meaning and not as within stated:-

<b>RATE OF GROSS PROFIT</b> – The rate of Gross Profit earned on the Output/Turnover during the period between the date of the commencement of the business and the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which, but for the damage, would have been obtained during the relative period after the damage.
<b>ANNUAL OUTPUT/TURNOVER</b> – The proportional equivalent for a period of twelve months or the Output/Turnover realised during the period between the commencement of the business and the date of the damage.	
<b>STANDARD OUTPUT/TURNOVER</b> – The proportional equivalent for a period equal to the Indemnity Period of the Output/Turnover realised during the period between the commencement of the business and the date of the damage.	

#### Specification H – Solicitors' and Professional Mens' Fees

1. On Gross Profit
2. On Additional Expenditure
3. On Legal, Clerical and other charges

The insurance under Item no 1 limited to loss of **Gross Fees** and **Increase in Cost of Working** and the amount payable as indemnity thereunder shall be: -

- (a) IN RESPECT OF LOSS OF GROSS FEES: the amount by which Gross Fees earned during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Gross Fees.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Fees which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the reduction in Gross Fees thereby avoided.

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business as my cease or be reduced in consequence of the damage.

Provided that if the Sum Insured by this Item be less than \* the Gross Fees, the amount payable shall be proportionately reduced.

THE INSURANCE UNDER ITEM 2 is limited to such further additional expenditure beyond that recoverable under Item 1(b) as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the damage in connection with the fitting up of Temporary Offices, increased Rent, Rates, Taxes, Lighting, Heating and Insurance thereof, removal costs and expenses incidental thereto.

THE INSURANCE UNDER ITEM NO 3: is limited to Legal, Clerical and other charges necessarily incurred in the replacement or restoration of deeds and other documents (including stamps thereon) manuscripts, plans, specifications and writings of every description and books (written and printed), books of account, card indexes and other business records, not exceeding in respect of any one document, plan, book or card index set the sum shown on the schedule

#### Definitions

**GROSS FEES** – The money paid or payable to the insured for services rendered in course of the business at the premises.

**INDEMNITY PERIOD** – The period beginning with the occurrence of the damage and ending not later than period as mentioned in the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

ANNUAL GROSS FEES – The Gross Fees earned during the twelve months immediately before the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
STANDARD GROSS FEES – The Gross Fees earned during that Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	

Memo 1: If during the Indemnity Period services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Fees during the Indemnity Period.

Memo 2: The Insurance by item 3 extends to cover property as therein described if and in so far as it is not otherwise insured whilst temporarily removed to any premises not in the insured's occupation and whilst in transit between such places by road, rail or inland waterway, in India to an amount not exceeding 10 percent of the sum insured by the said item.

Memo 3: If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Fees earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference.

If any damage has occurred giving rise to a claim under this policy, such return shall be made in respect only of said difference as is not due to the damage.

Note: As regards the rate for covering Professional Mens' Fees, the standard percentage scale of the basis provided in the Consequential Loss (Fire) Tariff would be applicable to such covers.

#### Specification J – Alternative Basis Clause

It is agreed and declared that, whenever found necessary, the term 'Output' may be substituted for the term 'Turnover' and for the purpose of this policy 'Output' shall mean the sale value of goods manufactured by the 'Insured' in the course of the business at the premises,

Provided that :

- (a) Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined).

- (b) If the meaning set out above be used, memo No.1 shall be altered to read as follows:

Memo 1 : If during the INDEMNITY PERIOD goods shall be manufactured other than at the premises for the benefit of the business either by the Insured or by others on the Insured's behalf, the sale value of the goods so manufactured shall be brought into account in arriving at the OUTPUT during the INDEMNITY PERIOD.

### FIRE & ALLIED PERILS

This is an additional cover that extends the insurance cover that We give under this product. We give these additional covers if You have applied to and paid premium for the covers and We have accepted to give covers to You.

#### 1. Floater Cover

We extend the cover under the Business Suraksha Classik – Laghu Udyam to physical loss or damage to Stocks at more than one location as follows:

- i. You have declared all locations, and these are shown in the Policy Schedule.
- ii. The aggregate Sum Insured is available for cover of Stocks.
- iii. You have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time.
- iv. You must inform Us any change in the address of any location occurring after the Commencement Date.

#### 2. Declaration Policy for Stocks

1. We agree to cover Your Stock on receipt of provisional premium based on Your declaration of the value of Stock, the premium being liable to be adjusted at expiry of the Policy Period, as follows:
2. You will declare to Us in writing signed by You or an authorised person, the value of Your Stock less any amount insured by Policies other than declaration policies. If any Stock is covered by declaration policies, You must apportion to each policy a share of the value of stocks insured by such declaration policies pro-rata to the respective amounts named in those policies.
3. Your declaration shall state
  - i. Average of the value at risk on each day of the month, or
  - ii. Highest value at risk during the month
4. You must give a separate declaration relating to each separate location.
5. You shall give such declaration before the last day of the succeeding month. If You do not make a declaration in time, We will consider the Sum Insured mentioned in the Policy Schedule as the value at risk.

6. At the end of the Policy Period, the actual premium will be calculated at the rate applied under the Policy on the average Sum Insured, i.e.,

The total of values declared or deemed to have been declared ÷ the number of declarations made or deemed to have been made.

7. If the premium calculated on adjustment is less than the provisional premium You have paid, We will repay the amount of the difference not exceeding 50% of the provisional premium.
8. If at the time of loss there is another subsisting insurance policy covering the insured Stock other than on declaration basis, whether You have taken such policy or someone else, We will only pay the amount of difference by which the value of the Stock at the time of loss exceeds the Sum Insured under the other policies, and We will not be liable to contribute more than that proportion which such difference bears to the total value of stocks. In all cases, the maximum We will pay is the relevant Sum Insured.
9. If after loss has occurred, it is found that the amount of last declaration before the loss is less than the amount which ought to be declared, We will pay only that proportion of loss which the amount in the last declaration bears to the amount that ought to have been declared.
10. If You cancel the policy (whether any stock exists or not), We will retain short period premium calculated on the average amount insured until the cancellation, or 50% of the provisional premium, whichever is higher. If You cancel the policy after loss has occurred, We will retain the premium of the higher of the two amounts:
- i. The pro-rata proportion of the premium calculated on the average amount insured until cancellation plus the pro-rata proportion of the premium from the date of loss to the end of the Policy Period, and
  - ii. 50% of the provisional premium.
11. You cannot reduce the Sum Insured during the Policy Period.
12. We will not pay more than the Sum Insured, and You need not pay premium on value in excess of the Sum Insured. You and Us can increase the Sum Insured by agreement, and its effective date will be added by Endorsement on the Policy. You are liable to pay an additional provisional premium on the increased Sum Insured proportionate to the unexpired Policy Period. If the rate for the class of the relevant risk is revised during the Policy Period, You must pay an additional provisional premium on the revised rate for the unexpired period. In both these cases, the premium will be adjusted at the end of the Policy Period.

13. If the Insured Stocks are collectively of greater value than their Sum Insured at the time of loss, You will be Your own insurer for the difference, and must bear a rateable proportion of the loss. Every item of Stock shall be separately subject to this condition.

14. All other terms and conditions of the Policy shall apply to the Declaration Policy.

### **Agreed Bank Clause**

If You have mortgaged, hypothecated or created any security over any Insured Property in favour of a Bank, and the Bank has an interest in the Policy, the name of such Bank will also be shown in the Policy Schedule under the title 'Agreed Bank Clause'. If You choose to add the name of such Bank at any time during the Policy Period, this will be shown as an Endorsement. In this Clause, the word 'Bank' includes any financial institution.

Under this Clause, You agree as follows:

- i. We shall pay to the Bank the entire amount that We are liable to pay under this Policy. Such Bank will receive it for its own demand, and as agent for any other person interested in the amount.
- ii. When We pay the amount to the Bank, Our liability under this Policy will be discharged, and will be binding on all of You and all persons named as the insured.
- iii. Any notice or communication We make to the Bank under the provisions of this Policy shall be sufficient notice or communication to You.
- iv. Any settlement or compromise that We make with the Bank will be binding on You and all persons named as the insured. However such settlement or compromise will not affect the rights of the Bank to recover any amount from You or any other person.
- v. If You make any change in the use of the Insured Property or Your Premises, or sell or transfer the Insured Property, such actions will not prejudice the interest of the Bank under the Policy and this Clause, unless the condition has been broken by the Bank or its employees.
- vi. If You commit any act or omission that will increase the risk, the insurance cover will not be invalidated. However, the Bank shall notify Us of any change or ownership, or alterations and increase in risks as soon they become known to the Bank, and shall pay additional premium from the time of such change.
- vii. When We pay the amount to the Bank, We will become legally and automatically subrogated to all rights of the Bank to the extent of such payment. This will not impair or prejudice the rights of the Bank to recover any amount from You or any other person.

N.B: The Bank shall mean the first named Financial Institution/ Bank named in the policy.