

BUSINESS SURAKSHA PLUS

PROSPECTUS

INTRODUCTION

Business Suraksha Plus by HDFC ERGO is designed adapting a modular approach wherein different variants are available and Insured has the flexibility of choosing any variant depending on their insurance requirements. Every variant has its own clauses and conditions along with the flexibility of adding other miscellaneous/engineering/ loss of profit sections e.g: Portable Electronic Equipment, Money, Baggage, Infidelity / Dishonesty of employees etc as per requirements. Currently we have developed 3 variants and their basic coverage's are as appended below:

Comparison Snapshot of Various Variants

Sr. No.	Description	Variant 4	Variant 5	Variant 6
1	Coverage	Property section is on 'All Risk' Basis including machinery breakdown without selection of machineries. Policy wording is adapted from international Market wording. Time Element, Other miscellaneous/ engineering sections can be opted for as per requirement.	Property section is on 'All Risk' Basis including machinery breakdown without selection of machineries. Policy wording is adapted from international Market wording. Business Interruption, Other miscellaneous/ engineering sections can be opted for as per requirement.	Property section is on 'All Risk' Basis including machinery breakdown without selection of machineries. Policy wording is adapted from international Market wording. Time Element, Other miscellaneous/ engineering sections can be opted for as per requirement.
2.	Compulsory section	Section I (Property Damage)	Section I (Property Damage)	Section I (Property Damage)
3	Optional Sections which can be attached to variants on payment of additional premium	II. Time Element III. Portable Electronic Equipment IV. Money V. Baggage VI. Infidelity/ Dishonesty of Employee	II. Business Interruption III. Portable Electronic Equipment IV. Money V. Baggage VI. Infidelity/ Dishonesty of Employee	II. Time Element III. Portable Electronic Equipment IV. Money V. Baggage VI. Infidelity/ Dishonesty of Employee
4	Unique Feature of the Variants	<ul style="list-style-type: none"> Coverage of all machinery is compulsory. Works on basis of limit of liability. Condition of average is not 	<ul style="list-style-type: none"> Coverage of all machinery is compulsory. Works on basis of limit of liability. Condition of average is 	<ul style="list-style-type: none"> Coverage of all machinery is compulsory. Works on basis of limit of liability. Condition of average is not

		applicable for this variant. • Claims paid under this Variant will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.	applicable for this variant. • Claims paid under this Variant will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.	applicable for this variant. • Claims paid under this Variant will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.
5	Target Customer	Selective corporate customers.	Selective corporate customers.	Selective corporate customers.
6	Deductible	Prevailing Fire, IAR and Mega Risk Deductible as is applicable in the Market basis Sum Insured per location. Other Miscellaneous / Engineering sections deductible as per Company guidelines.	Prevailing Fire, IAR and Mega Risk Deductible as is applicable in the Market basis Sum Insured per location. Other Miscellaneous / Engineering sections deductible as per Company guidelines.	Prevailing Fire, IAR and Mega Risk Deductible as is applicable in the Market basis Sum Insured per location. Other Miscellaneous / Engineering sections deductible as per Company guidelines.

BUSINESS SURAKSHA PLUS – VARIANT 4

This Variant is a simple manuscript format which includes common extensions / coverage and is designed to be flexible enough so that a single policy can be provided with all the coverage's for your business requirement.

This Variant has various built-in features, such as alternatives to scheduling of locations, standard replacement valuations, and a streamlined process to broaden coverage limits, help reduce the number of changes required during the policy term.

Appended below are Key features of this variant:-

- Very elaborate coverage with wide range of extensions.
- The variant works on limit of liability instead of sum insured.
- Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.
- This variant is not subject to condition of average.

SCOPE OF COVER

Coverage is divided into two sections:-

Section I Property Damage (Compulsory)

Section II Time Element (Optional)

Section I - Property Damage

This Variant covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.

Property Insured

This Variant insures the following property, unless otherwise excluded elsewhere in this Policy, located at an Insured Location or within 1000 feet/ 300 metres thereof, to the extent of the interest of the Insured in such property.

Property Excluded

This Policy excludes:

- A. currency, money, notes or securities.
- B. precious metal in bullion form.
- C. land and any substance in or on land. However, this exclusion does not apply to:
 - 1) landscape gardening.
 - 2) car parks, parking lots, pavement, roadways, railways, transformer enclosures or walkways.
 - 3) fill beneath car parks, parking lots, pavement, roadways, railways, transformer enclosures, walkways, or buildings and structures.
- D. water. However, this exclusion does not apply to:
 - 1) water that is contained within any enclosed tank, piping system or any other processing equipment.
- E. animals, standing timber or growing crops.
- F. watercraft or aircraft, except when unfuelled and manufactured by the Insured.
- G. vehicles of officers or employees of the Insured or vehicles otherwise insured for physical loss or damage.
- H. underground mines or mine shafts or any property within such mine or shaft.
- I. dams or dikes.
- J. property in transit, except as otherwise provided by this Policy.
- K. property sold by the Insured under conditional sale, trust agreement, instalment plan or other deferred payment plan after delivery to customers, except as provided by the INSTALLMENT OR DEFERRED PAYMENTS coverage of this Policy.
- L. electronic data, programs or software, except when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured, or as otherwise provided by the DATA, PROGRAMS OR SOFTWARE coverage of this Policy.

Exclusions applicable are divided into four sections A, B, C and D as follows:-

- A. This Policy excludes:
 - 1) indirect or remote loss or damage.
 - 2) interruption of business, except to the extent provided by this Policy.
 - 3) loss of market or loss of use.
 - 4) loss or damage or deterioration arising from any delay.
 - 5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
 - 6) loss from enforcement of any law or ordinance:

- a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b) requiring the demolition of any property, including the cost in removing its debris; except as provided by the DECONTAMINATION COSTS and DEMOLITION AND INCREASED COST OF CONSTRUCTION coverages of this Policy.
- 7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.
- B. This Policy excludes:
 - 1) nuclear reaction or nuclear radiation or radioactive contamination.
 - 2) War Perils
 - 3) Terrorism
 - 4) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured.
 - 5) lack of the services such as incoming electricity, fuel, water, gas, steam, refrigerant; outgoing sewerage; incoming or outgoing voice, data or video,
 - 6) Earth movement
- C. This Policy excludes:
 - 1) faulty workmanship, material, construction or design from any cause
 - 2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
 - 3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect
 - 4) settling, cracking, shrinking, bulging, or expansion of: foundation, floor, pavement, walls, ceilings, roofs.
 - 5) changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage, all whether atmospheric or not.
 - 6) insect, animal or vermin damage.
 - 7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls and windows of such buildings has not been completed.
- D. This Policy excludes:
 - 1) Contamination
 - 2) Shrinkage
 - 3) changes in colour, flavour, texture or finish.

Extensions available under this section are as follows:-

- 1. Accidental Interruption Of Services
- 2. Accounts Receivable
- 3. Automatic Coverage
- 4. Brands And Labels
- 5. Claims Preparation Costs
- 6. Coinsurance Deficiency And Currency Devaluation
- 7. Consequential Reduction In Value
- 8. Control Of Damaged Property

9. Data, Programs Or Software
10. Debris Removal
11. Decontamination Costs
12. Demolition And Increased Cost Of Construction
13. Errors And Omissions
14. Expediting Costs
15. Fine Arts And Valuable Papers And Records
16. Installment Or Deferred Payments
17. Land And Water Contaminant Cleanup, Removal And Disposal
18. Loss Payment Increased Tax Liability
19. Machinery Or Equipment Startup Option
20. Miscellaneous Personal Property
21. Neighbour's recourse and tenant's liability
22. Off Premises Storage For Property Under Construction
23. Operational Testing
24. Personal Property Not At A Location
25. Protection And Preservation Of Property
26. Service Interruption Property Damage
27. Temporary Removal Of Property
28. Transportation

Section II Time Element

This Variant insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured by this Policy. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:

- 1) the use of any property or service owned or controlled by the Insured;
- 2) the use of any property or service obtainable from other sources;
- 3) working extra time or overtime; or
- 4) the use of inventory,

Time Element Exclusions

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
 - 1) physical loss or damage not insured by this Policy on or off of the insured location.
 - 2) planned or rescheduled shutdown.
 - 3) strikes or other work stoppage.
 - 4) any other reason other than physical loss or damage insured under this Policy.
- B. Any increase in loss due to:
 - 1) suspension, cancellation or lapse of any lease, contract, license or orders.

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- 2) damages for breach of contract or for late or noncompletion of orders.
 - 3) fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.
 - 4) any other consequential or remote loss.
- C. Any loss resulting from physical loss or damage to finished goods manufactured by the Insured, or the time required for their reproduction.
- D. Any loss resulting from the actual cash value portion of direct physical loss or damage by fire caused by or resulting from terrorism.

Time Element Coverage Extensions

1. Civil Or Military Authority
2. Contingent Time Element Extended
3. Ingress/Egress
4. Logistics Extra Cost
5. Service Interruption Time Element

Additional Time Element Coverage Extensions

1. Attraction Property
2. Computer Systems Non Physical Damage
3. Crisis Management
4. Delay In Startup
5. Extended Period Of Liability
6. On Premises Services
7. Protection And Preservation Of Property Time Element
8. Related Reported Values
9. Research And Development
10. Soft Costs

BUSINESS SURAKSHA PLUS – VARIANT 5

This product primarily caters to corporate clients with special requirements.

Policy wording is adapted from international market wording which is within terms and conditions of the approval.

This Variant has various built-in features, such as alternatives to scheduling of locations, standard replacement valuations, and a streamlined process to broaden coverage limits, help reduce the number of changes required during the policy term.

Appended below are Key features of this variant:-

- Very elaborate coverage with wide range of extensions.
- The variant works on limit of liability instead of sum insured.
- Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.
- This variant is not subject to condition of average.

SCOPE OF COVER

Coverage is divided into two sections: -

Section I Property Damage (compulsory)**Section II Business Interruption(optional)****Section I - Property Damage**

This Policy covers the following property unless otherwise excluded elsewhere in this Policy located at the Insured Premises or as otherwise provided for in this Policy:

- i. Real and personal property of every kind and description now or hereafter existing in any form owned in whole or in part by the Insured; This shall include Fixtures and Fittings owned by the Insured while at the Insured Premises;
- ii. Property held in trust by the Insured or for which the Insured may be liable or for which prior to loss the Insured may have assumed liability under contract or agreement or which the Insured may have an obligation to insure except as hereafter specifically excluded.

Property Exclude

This Policy does not cover the following property or consequential loss resulting from loss or destruction of or damage to any of the following property, unless specifically insured elsewhere in this Policy:

- i. Money, Digital Currency or Securities and Deeds, jewellery, precious stones, precious metals, bullion, furs, Fine Arts;
- ii. Watercraft and Aircraft;
- iii. Spacecraft, satellites, associated launch vehicles and any property contained therein, railway locomotives and rolling stock;
- iv. Animals, growing crops, trees and other vegetation including lawns and shrubs, water or air;
- v. Dams, reservoirs, canals, bridges, viaducts, rigs, wells, tunnels, excavations, culverts, embankments, docks, piers, jetties, property underground (located below lowest floor level of the insured buildings/premises) and off-shore property;
- vi. Land (including underlying soil), driveways, pavements, roads, airport runways, and railway lines;
- vii. Mines and any property contained therein;
- viii. Vehicles licensed for road use (including accessories thereon), except Vehicles that are manufactured by the Insured or are Merchandise of the Insured
- ix. Overhead transmission and distribution lines and their supporting structure, other than those within 1,500 meters of the Insured Premises;

- x. Property In Transit;
- xi. Contraband or property in the course of illegal transit or trade;
- xii. Property more specifically insured except for any excess value beyond any such more specific insurance and hereafter specifically agreed;
- xiii. Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association;
- xiv. Fences, gates or moveable property in the open when damaged by wind, rain, hail, sleet, snow, sand, Flood, dust, freezing or any action of weather;
- xv. Property or structures in the course of demolition, construction or erection and materials or supplies in connection therewith.
- xvi. Electronic Data, including any amount pertaining to the value of such Electronic Data,

Excluded Perils

The following exclusions apply unless specifically stated elsewhere in the Policy:

- i. This Policy does not cover loss or damage to the Property Insured caused by the following however any subsequent loss or damage resulting from an Insured Peril which is not otherwise excluded is covered:
 - a) Its own faulty or defective design, faulty or defective workmanship or defective materials.
 - b) Its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
 - c) Its materials inherent vice or latent defect.
 - d) The misapplication of tools, operational error or omission by the Insuredor by any employees of the Insured.
 - e) Corrosion, erosion, oxidation, rust, dampness, dryness, frost, wet or dry rot, shrinkage, evaporation, loss of weight, mould, marring, scratching, animals, vermin, pests, insects, gradual deterioration, wear and tear or any gradually operating causes.
 - f) Change in temperature, humidity or other atmospheric conditions, colour, flavour, texture finish or action of light.
 - g) Changes in the water table level.
 - h) Subsidence, ground heave or landslip caused by:
 - i. settlement or movement of made up ground;
 - ii. demolition, construction, structural alteration or repair of any property unless such activity has been specifically agreed by the Insurers in writing to be covered under this Policy;
 - iii. groundwork or excavation at an Insured Premises.

- i) Settling, cracking, shrinking, bulging or expansion of: foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.

Exclusions as mentioned below:

- I. Contamination loss or damage to property of whatsoever nature or consequential loss unless caused by:
- II. Fire, lightning, Explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (however, this shall not include malicious contamination or malicious product tampering), a Special Extension of Coverage or a Defined Peril insured by this Policy, bursting overflowing discharging or leakage of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal happening directly to Property Insured at an Insured Premises
- III. However, the Insurers will not pay for loss, damage, claim, cost, expense or other sum, including, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - a) for a Communicable Disease, or
 - b) any Property Insured hereunder that is affected by such Communicable Disease.
- IV. The Insurers will also not pay for loss or damage, caused by refrigerant, contacting or permeating Property Insured under refrigeration or in process requiring refrigeration, caused by a Machinery and Equipment Breakdown (even when such Machinery and Equipment Breakdown is insured by this Policy), unless specifically provided by the Insurers under this Policy.
- V. Loss or damage to the Property Insured caused by or resulting from the following perils when the Insured Premises are unoccupied for more than 30 consecutive days unless the Insured gives the Insurers notice and the Insurers have specifically agreed in writing to provide Coverage for:
 - a) freezing;
 - b) malicious damage or vandalism (other than by Fire or Explosion);
 - c) escape of water from any tank, apparatus or pipes;

d) theft or attempted theft involving entry into or exit from unoccupied Buildings

e) breakage of fixed glass.

Coverage for these perils only applies to the extent that such Coverage is not otherwise excluded or limited by this Policy or its endorsements.

VI. Theft of Property Insured in or on the Insured Premises,

unless

a) following entry into or exit from Buildings at the Insured Premises by forcible and violent means; or

b) theft following assault or threat to the Insured or any employee of the Insured.

For the purpose of this exclusion, Buildings are

a) permanent structures connected to the ground, which are designed to protect people, animals or property and have a fixed roof; and

b) constructed on a dedicated foundation according to the rules of the local building regulations or code including all inherent apparatus, equipment and fixtures.

VII. Theft of Property Insured (other than Property Insured In Transit where transit is stated as insured by this Policy) while in the open or elsewhere than at the Insured Premises;

but this shall not exclude

a) theft or attempted theft of such property involving entry into or exit from Buildings at the premises of a sub-contractor of the Insured or at an exhibition by forcible and violent means or

b) theft following assault or threat to the Insured or any employee of the Insured or of their sub-contractor;

provided such coverage for property located outside the Insured Premises has been specifically included in this Policy under an Extension of Coverage or by endorsement. Coverage remains subject to the terms and Conditions of such an Extension of Coverage.

For the purpose of this exclusion, Buildings are

I. permanent structures connected to the ground, which are designed to protect people, animals or property and have a fixed roof; and

II. constructed on a dedicated foundation according to the rules of the local building regulations or code including all inherent apparatus, equipment and fixtures.

VIII. Loss or damage to any building or structure or part thereof caused by its own collapse or consequential loss arising therefrom unless resulting from Fire, lightning, Explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, a Defined Peril insured by this Policy, bursting overflowing discharging or leakage of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal not otherwise excluded.

IX. Loss or damage to any building or structure or part thereof caused by its own collapse or consequential loss arising therefrom unless resulting from Fire, lightning, Explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, a Defined Peril insured by this Policy, bursting overflowing discharging or leakage of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal not otherwise excluded.

X. Loss or damage to any machinery, boiler, computer or equipment caused by or resulting from:

- a) The explosion, bursting, cracking, rupture, fracturing, collapse, burning or overheating of gas turbines, steam boilers, hot water boilers, steam turbines, steam engines, steam pipes or other equipment for heating water, pressure vessels or apparatus in which internal pressure is due to steam only including equipment attached to and forming a part thereof and belonging to or under the control of the Insured other than a boiler used for domestic purposes only.

This exclusion shall not apply to explosion of accumulated gases or unconsumed fuel within the firebox or the combustion chamber of any fired vessel, other than gas turbines, or within the flues or passages which conduct the gases of combustion from them;

- b) Mechanical, electrical or electronic breakdown or derangement of the machine apparatus or equipment in which such breakdown or derangement originates including rupture or busting caused by centrifugal force;

- c) The entry of foreign bodies into operating machinery;

- d) Short-circuit, over-voltage or over-current caused by electrical currents artificially generated.

However, this shall not exclude any physical loss or damage arising therefrom, if resulting from a cause, which itself is not otherwise excluded by this Policy, nor subsequent loss or damage resulting from a cause, which itself is not otherwise excluded, except for loss or damage caused by Deterioration of Stock (Spoilage) as a consequence of a Machinery and Equipment Breakdown, where coverage shall only apply to the extent coverage is provided by the Deterioration of Stock (Spoilage) Coverage of this Policy.

XI) Disappearance unexplained or inventory shortage, accounting or billing errors, misfiling or misplacing of information.

XII) Loss or damage to any property of the Insured due to the Insured or any partner, director or employee of the Insured parting with title or possession of such property if induced to do so by any fraudulent scheme, trick or false pretence.

XIII) Freezing and solidification of the contents of molten material holding units, molten material conveyance units and/or appurtenances unless resulting from Fire, lightning, Explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, a Defined Peril insured by this Policy, bursting overflowing discharging or leakage of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal not otherwise excluded.

XIV) The escape of molten material from any furnace, mould, ladle, holding unit, conveyance lines and/or appurtenances.

However, this Policy covers physical loss or damage to Property Insured under this Policy caused by any ensuing Fire or Explosion, which directly results from a molten material breakout.

This Policy does not cover any loss or damage to any property whatsoever arising directly or indirectly from any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any:
 - a) nuclear installation, nuclear reactor or other nuclear assembly or nuclear component thereof; or
 - b) radioactive matter.

3. Any weapon employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority.

This Policy does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of this exclusion any loss is not covered under this Policy, the burden of proving that such loss is covered shall be upon the Insured.

5. Dishonest, fraudulent or criminal acts by the Insured or any of the Insured's associates, proprietors, partners, officers, employees, directors, trustees or authorized representatives.

This exclusion does not apply to wilful acts of destruction caused by the Insured's employees, or others listed above without the Insured's knowledge, and resulting from a cause, which itself is not otherwise excluded.

6. Act of Terrorism. For the purpose of this Policy an Act of Terrorism means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

This Policy does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of this exclusion any loss is not covered under this Policy, the burden of proving that such loss is covered shall be upon the Insured.

7. The interruption of or interference to the supply of water, electricity, fuel, steam, oil, gas, telecommunications (supply of voice, data or video), Cloud Services, waste water services or waste collection and disposal services, when caused by an event off the Insured Premises.

8. services or waste collection and disposal services, when caused by an event off the Insured Premises.

9. Subsidence, ground heave or landslip, which originated prior to the inception of this Policy.

10. Cyber Loss

11. However, this exclusion does not apply to physical loss or damage to Property Insured under this Policy caused by any ensuing Fire or Explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

12. Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

Extensions available under this section are as follows:

1. Accounts Receivable (Book Debts)
2. Brands and Labels
3. Capital Additions at Existing Premises
4. Civil or Military Authority
5. Debris Removal
6. Expediting Costs
7. Fine Arts
8. Fire Brigade Service Charges
9. Land Improvements
10. Money in Locked Safe and/or Strong-Room
11. Money on Insured Premises during Business Hours
12. Personal Property of Officers, Employees and Visitors of the Insured
13. Professional Fees
14. Public Authorities (Increased Cost of Construction)
15. Temporary Removal
16. Tenants and Neighbours Liability<remove if not standard territory requirement
17. Valuable Papers and Records (Reconstruction Costs)

Section II- Business Interruption

f any of the Property Insured or other property (of the type insured in this Policy) used by the Insured at the Insured Premises for the purpose of the Business shall sustain loss or damage by an Insured Peril and the Business is or would have been in consequence thereof interrupted or interfered with the

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Insurers will pay to the Insured the amount of the loss resulting from such interruption or interference in accordance with the provisions contained herein and provided that at the time of such loss or damage there is in force the Coverage provided by this Policy in respect of the interest of the Insured in the Property Insured against such loss and that payment:

- b) has been made or liability admitted therefor,
- b) would have been made or liability admitted therefor but for a proviso excluding liability for losses below a specified amount.

Business Interruption Coverage as mentioned below

- 1. Gross Profit
- 2. Departmental
- 3. Salvage Sales
- 4. Accumulated Stocks
- 5. Additional Increased Cost of Working

Additional Exclusions under this section is as mentioned below:

- 1. This Section does not cover:
- 2. Any loss during any idle period that would have been experienced had the interruption of the **Business** not occurred. This includes but is not limited to when production, operation, services, delivery or receipt of goods or services or any other business activities would have ceased or would not have taken place or would have been prevented due to:
 - 1. Planned or rescheduled shutdown;
 - 2. Strikes or other work stoppage;
 - 3. Any reason other than physical loss or damage insured by this Policy,
- ii. Any increase in Business Interruption loss due to:
 - 1. Fines or damages for breach of contract or for late or non-completion of orders;
 - 2. Penalties of any nature;
 - 3. Any other consequential or remote factors.
- iii. Any Business Interruption loss due to a peril not insured under this Policy on or off from the Insured Premises.

However, in the event that an interruption is due to an Insured Peril and during such interruption a loss that is otherwise excluded occurs the **Insurers** will pay for the Business Interruption loss which is directly caused by the Insured Peril under this Section.

iv. Any Business Interruption loss resulting from damage to property of others however this exclusion does not apply to Business Interruption loss suffered by the **Insured** as a direct result of the damage to property (of the type insured in this Policy) of others used by the **Insured**.

Extensions available under this section are as follows:

1. Civil Authority Business Interruption
2. Contingent Business Interruption
3. Denial of Access (Ingress/Egress)
4. Loss of Rent (Rental Value)
5. Research and Development

Extensions of coverage applicable for both the sections

1. Miscellaneous Unnamed Locations
2. Off Premises Service Interruption Property Damage and Business Interruption Loss (Public Utilities)
3. Protection and Preservation of Property

Special Extension of coverage for both the sections

1. Machinery Breakdown

Supplementary Conditions applicable:

- i. Unoccupied Buildings
- ii. Fire Extinguishing Appliances
- iii. Fire Break Doors and Shutters
- iv. Automatic Fire Alarms
- v. Automatic Sprinkler Installation
- vi. Security Precautions
- vii. Back-up of Data Records

SCOPE OF COVER – VARIANT 6

This Variant is a simple manuscript format which includes common extensions / coverage and is designed to be flexible enough so that a single policy can be provided with all the coverage's for your business requirement.

This Variant has various built-in features, such as alternatives to scheduling of locations, standard replacement valuations, and a streamlined process to broaden coverage limits, help reduce the number of changes required during the policy term.

Appended below are Key features of this variant: -

- Very elaborate coverage with wide range of extensions.
- The variant works on limit of liability instead of sum insured.
- Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any aggregate during any policy year limit.
- This variant is not subject to condition of average.

SCOPE OF COVER

Coverage is divided into two sections: -

Section I Property Damage (compulsory)

Section II Time Element (optional)

Section I - Property Damage

This Variant covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.

Property Insured

This Variant insures the following property, unless otherwise excluded elsewhere in this Policy, located at an Insured Location or within 1,000 feet/300 metres thereof, to the extent of the interest of the Insured in such property.

Property Excluded

- A. currency, money, notes or securities.
- B. precious metal in bullion form.
- C. land and any substance in or on land. However, this exclusion does not apply to:
 - i. landscape gardening
 - ii. car parks, parking lots, pavement, roadways, railways, transformer enclosures or walkways
 - iii. fill beneath car parks, parking lots, pavement, roadways, railways, transformer enclosures, walkways, or buildings and structures.
- D. Water. However, this exclusion does not apply to:
 - i) water that is contained within any enclosed tank, piping system or any other processing equipment.
- E. animals, standing timber or growing crops.
- F. watercraft or aircraft, except when unfueled and manufactured by the Insured.
- G. vehicles of officers or employees of the Insured or vehicles otherwise insured for physical loss or damage.
- H. underground mines or mine shafts or any property within such mine or shaft.
- I. dams or dikes.

- J. property in transit, except as otherwise provided by this Policy.
- K. property sold by the Insured under conditional sale, trust agreement, instalment plan or other deferred payment plan after delivery to customers, except as provided by the INSTALLMENT OR DEFERRED PAYMENTS coverage of this Policy.
- L. electronic data, programs or software, except when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured, or as otherwise provided by the DATA RESTORATION coverage of this Policy.

Exclusions applicable are divided into four sections A, B, C and D as follows:-

A. This Policy excludes:

- 1) indirect or remote loss or damage.
- 2) interruption of business, except to the extent provided by this Policy.
- 3) loss of market or loss of use.
- 4) loss or damage or deterioration arising from any delay.
- 5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
- 6) loss from enforcement of any law or ordinance:
 - a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b) requiring the demolition of any property, including the cost in removing its debris; except as provided by DECONTAMINATION COSTS and LAW AND ORDINANCE coverages of this Policy.
- 7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

B. This Policy excludes:

- 1) nuclear reaction or nuclear radiation or radioactive contamination.
- 2) War Perils
- 3) Terrorism
- 4) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured.
- 5) lack of the services such as incoming electricity, fuel, water, gas, steam, refrigerant; outgoing sewerage; incoming or outgoing voice, data or video,

C. This Policy excludes:

- 1) faulty workmanship, material, construction or design from any cause.
- 2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
- 3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect
- 4) settling, cracking, shrinking, bulging, or expansion of: foundation, floor, pavement, walls, ceilings, roofs.
- 5) changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage, all whether atmospheric or not.
- 6) insect, animal or vermin damage.
- 7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls and windows of such buildings has not been completed.

D. This Policy excludes:

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- 1) Contamination
- 2) Shrinkage
- 3) changes in colour, flavour, texture or finish.

Extensions available under this section are as follows: -

1. Accidental Interruption of Services
2. Accounts Receivable
3. Automatic Coverage
4. Brands And Labels
5. Claims Preparation Costs
6. Consequential Reduction In Value
7. Control Of Damaged Property
8. Data Restoration
9. Debris Removal
10. Decontamination Costs
11. Errors And Omissions
12. Expediting Costs
13. Fine Arts And Valuable Papers And Records
14. Instalment Or Deferred Payments
15. Land And Water Contaminant Cleanup, Removal And Disposal
16. Law And Ordinance
17. Loss Payment Increased Tax Liability
18. Machinery Or Equipment Startup Option
19. Miscellaneous Property
20. Operational Testing
21. Protection And Preservation Of Property
22. Service Interruption Property Damage
23. Temporary Removal of Property
24. Transportation

Section II Time Element

This Variant insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured by this Policy. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:

- 1) the use of any property or service owned or controlled by the Insured;
- 2) the use of any property or service obtainable from other sources;
- 3) working extra time or overtime; or
- 4) the use of inventory,

Time Element Exclusions

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure:

Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

- 1) physical loss or damage not insured by this Policy on or off of the insured location.
- 2) planned or rescheduled shutdown.
- 3) strikes or other work stoppage.
- 4) any other reason other than physical loss or damage insured under this Policy.

Any increase in loss due to:

- 1) suspension, cancellation or lapse of any lease, contract, license or orders.
- 2) damages for breach of contract or for late or noncompletion of orders.
- 3) fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.
- 4) any other consequential or remote loss.

Any loss resulting from physical loss or damage to finished goods manufactured by the Insured, or the time required for their reproduction.

Time Element Coverage Extensions

Supply Chain Time Element Coverage Extensions

1. Civil or Military Authority
2. Contingent Time Element extended
3. Ingress/Egress
4. Logistics Extra Cost
5. Service Interruption Time Element

Additional Time Element Coverage Extensions

1. Attraction property
2. Crisis Management
3. Delay in Start up
4. Extended period of Liability
5. On premises services
6. Owned network interruption
7. Protection and preservation of Property Time element
8. Related reported values
9. Research and Development
10. Soft Costs

OPTIONAL SECTIONS THAT ARE COMMON TO VARIANT 4,5 & 6.

Section III – Portable Electronic Equipments

Section provides cover for Portable Electronic Equipment like Laptops, palm tops, PDAs, Mobile Phones, and the like including the value of Systems Software, Medical, Bio-medical, Microprocessors, Audio-visual, geophysical and other mobile/ portable professional instruments / equipment used for

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survey, measurement and control and other specified equipment including those which are portable in nature.

Section IV – Money

Covers direct physical loss of or damage to the money (cash/ currency) due to accident or misfortune whilst in direct transit in connection with Insured's business between any collection centre, bank & Insured Premises provided such money is in personal custody of an authorized representative

Section V – Baggage

Section covers accompanied personal baggage of the insured or member (s) of his family, so lost, destroyed or damaged by fire, Riot and Strike, Terrorist Activity, Theft or Accident, anytime, Whilst the insured is traveling on tour and/of on holiday.

Section VI – Infidelity/ Dishonesty of Employee

This section covers the risk of infidelity and dishonesty of the salaried employees of the Insured acting alone or in collusion with others.

CANCELLATION BSP VARIANT 4 & 6

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

Note: The definitions, terms and conditions of the Policy save as modified or endorsed herein shall apply.

CANCELLATION BSP VARIANT 4.5 & 6

The Insured can cancel the policy at any time during the policy term, by informing the Company. The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the Insured. The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.

RENEWAL

The Company shall be under no obligation to renew the policy on expiry of the period for which premium has been paid. The Company reserves the right to offer revised rates, terms and conditions at renewal based on claim experience and a fresh assessment of the risk. This policy may be renewed only by mutual consent and subject to payment in advance of the total premium at the rate in force at the time of renewal. The Company, however, shall not be bound to give notice that the policy is due for renewal or to accept any renewal premium. Unless renewed as herein provided, this policy shall automatically terminate at the expiry of the period for which premium has already been paid.

“For more complete description of coverage / extent thereof and exclusions please refer the policy wordings”.

Claim Intimation

In the event of loss of an insured event the insurance company must be informed through anyone of below means immediately-

1. Relationship officer / channel partner
2. Contact us- 022 6158 2020/ 022 6234 6234
3. E-mail at care@hdfcergo.com
4. Our contact details are as follows:

HDFC ERGO General Insurance Co. Ltd.

Corporate Claims Department

6th Floor, Leela Business Park,

Andheri Kurla Road, Andheri(E), Mumbai – 400059

While Intimation of claim, Insured has to provide relevant information which includes Policy details and Loss details (viz. Loss Location, Contact Details, Details of Loss / Accident)

Based on the details provided Claim will be registered and Claim No. will be provided to the Insured. After registration, Claims officer will appoint the Surveyor within 24 hrs.

In general, primarily, the following basic documentations are required for taking the claim forward:

- Claim Intimation letter by the insured with respect to the claim or made against them by the third party or circumstances which would give rise to the claim (against the insured) as per the policy.
- Detailed description of the acts in chronological order which has resulted in the loss (details of the quantum of loss to be mentioned and the basis at which it is arrived) giving rise to a claim.
- First Information Report /charge sheet filed by the police.
- Internal Investigation report, if any, from the Insured giving an Insight into the loss.
- Any other documents which would be construed as material information to the case.

Our Claim process:

- An acknowledgement with respect to the claim intimation is given to the insured, once we are in receipt of any claim intimation from the insured.
- Based on the information submitted in the claim intimation letter, if required, we may procure more information from the insured depending on the facts mentioned therein. Upto the satisfaction of the Company.
- Surveyor / Investigator may be appointed if required

The documents generally required for processing of claims are:

1. Policy/Underwriting documents.
2. Survey Report with Photographs wherever applicable
3. Claim Form, duly completed.
4. Log book / Asset register / Capitalized item list
5. Repair / Replacement invoices with receipt
6. All Applicable valid Certificates
7. Production / Generation / Revenue data

8. Duly certified financial account statements
9. Any other relevant documents required based on type of loss

Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.

Surveyor shall within 7 days of the claim intimation, inform the insured / claimant of the essential documents. Surveyor shall, submit his final report to the Company within 30 days of final submission of documents by insured. On receipt of the final survey report or the additional survey report, Insurer with in a period of 30 days offer a settlement of the claim to the insured/claimant

GRIEVANCE REDRESSAL PROCEDURE

If You have a grievance that You wish Us to redress, You may contact Us with the details of Your grievance through:

- Contact us- 022 6158 2020/ 022 6234 6234
- Emails – grievance@hdfcergo.com
- Contact Details for Senior Citizens: 022 6242 6226 |Email ID : seniorcitizen@hdfcergo.com
- Designated Grievance Officer in each branch
- Company Website – www.hdfcergo.com
- Courier- Any of Our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Redressal Cell at any of Our branches with the details of Your grievance during Our working hours from Monday to Friday.

If You are not satisfied with Our redressal of Your grievance through one of the above methods, You may contact Our Head of Customer Service at:

**The Complaint & Grievance Redressal Cell ,
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg,
Bhandup (West) Mumbai-400078,**

In case You are not satisfied with the response / resolution given / offered by the C&G cell, then You can write to the Chief Grievance Officer of the Company at the following address:

**To the Chief Grievance Officer
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg,
Bhandup (West) Mumbai-400078,
e-mail: cgo@hdfcergo.com**

Grievance may also be lodged at IRDAI Integrated Grievance Management System-
<https://bimabharosa.irdai.gov.in>

You may also approach the nearest Insurance Ombudsman for resolution of Your grievance. The contact details of Ombudsman offices are mentioned below if Your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of Your insurance document

You may also refer Our website www.hdfcergo.com" <https://www.hdfcergo.com/customer-voice/grievances.html> for detailed grievance redressal procedure.

DISCLAIMER: THE ABOVE INFORMATION IS FOR DESCRIPTIVE PURPOSE ONLY. PLEASE REFER YOUR POLICY DOCUMENT OR OUR WEBSITE WWW.HDFCERGO.COM FOR THE ACTUAL TERMS AND CONDITIONS. INSURED'S ARE ADVISED TO READ THE POLICY DOCUMENT COMPLETELY FOR A FULL DESCRIPTION OF THE TERMS AND CONDITIONS OF COVERAGE AND THE EXCLUSIONS RELATING THERETO.

PROHIBITION OF REBATES

Section 41 of the Insurance Act 1938 as amended

No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind or risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer. Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to Rs. Ten lakh rupees.