

Policy Wording

Home Shield Insurance

Whereas the Insured named in the Schedule hereto (hereinafter called the “Insured”), has made a Proposal to HDFC ERGO General Insurance Company Limited (hereinafter called “the Company”), which shall be the basis of this contract and is deemed to be incorporated herein for the insurance hereinafter contained and has paid the premium as consideration for such Insurance.

Scope of cover

The Company hereby agrees subject to the Terms, Conditions and Exclusions herein contained or endorsed or otherwise expressed herein, that, if during the policy period stated in the Schedule, the “Building and/or Contents and Jewellery & Valuables, Works of Art, Curios and Paintings, Portable Electronic Equipments if specifically Insured “ belonging to the Insured as described in the Schedule be lost, destroyed or damaged by any fortuitous cause other than those specifically excluded, the Company will pay the Insured, the amount of compensation as is reasonably and necessarily incurred thereof, by or on behalf of such insured, but not exceeding the sum insured as mentioned in the Schedule hereto, to the extent and the manner hereinafter provided.

Definitions

The following words or terms shall have the meaning ascribed to them wherever they appear in this Policy, and references to the singular or to the masculine shall include references to the plural and to the female wherever the context so permits:

1. “Accident and Accidental” means a sudden, unforeseen, and unexpected physical event beyond the control of the Insured caused by external, visible and violent means.
2. “Market Value” means the cost of replacement less any depreciation, which would be determined by considering the condition immediately before the loss or damage, the resale value and the normal life expectancy.
3. “Building” shall mean a flat or an apartment which is legally constructed and is owned and used by the Insured for residential purposes and is located in a multi storied Building and is built of brick, stone or concrete, roofed with incombustible material (unless otherwise stated in the Schedule), which is not of Kutcha Construction, including any domestic garages and outbuildings, swimming pools, terraces, patios, drives, footpath, gates, and any other permanent fixtures and fittings situated as stated in the Schedule but excluding plinth & foundations and is not more than 40 years old for agreed value and 30 years old in other cases.

A Building may also mean an Independent Building owned and used by the Insured for residential purpose which is legally constructed and is built of brick, stone or concrete, roofed with incombustible material (unless otherwise stated in the Schedule), which is not of Kutcha Construction, including any domestic garages and outbuildings, swimming pools, terraces, patios, drives, footpath, gates, and

any other permanent fixtures and fittings situated as stated in the [Schedule](#) but excluding plinth & and is not more 30 years old.

Provided that the "Building" shall possess a valid Occupancy Certificate/Building Completion Certificate issued by the competent Government authority and all the other legal documents which establishes the title of the Insured with respect to the Building insured and the use thereof by the Insured.

4. "Business or Business Purposes" means any full or part time, permanent or temporary, activity undertaken in the dwelling with a view to profit or gain
5. "Burglary" means an act involving the unauthorized entry to or exit from the Insured's Home or an attempt, threat by unexpected, forcible, visible and violent means, with the intent to commit an act of Theft.
6. Contents shall include:
Furniture, Fixtures, Fittings, Cupboards Including Inbuilt Cupboards, Electrical Fittings, Sanitary Fittings, Electrical and Electronic Appliances, Crockery, Cutlery, Steel Utensils, Clothing & Personal Effects, Drapery, Pedal Cycles, other Household Articles not older than 10 years whilst stored or lying in the Insured's "Building" but excludes Portable Equipments, Jewellery and Valuables, Works of Art, Paintings, Curios, Bonds, Cheques, Documents, Cash and Currency Notes and Coins, Credit and Debit Cards.
7. "Co-operative Housing Society" means a society registered under legislation or an Act of the Central, State or the local Government or body, or an association of people by whatever name called, **hereinafter called** the "Society".
8. "Damage" means actual and/or physical damage to tangible property;
9. "Excess": The amount stated in the Schedule, which shall be borne first by the Insured in respect of each and every claim made under this Policy.
10. "Home and/or Dwelling and/or Premises" means insured's private residence as stated in the Schedule, which is used or occupied mainly for domestic purposes by the insured and/or insured's family and/or insured's domestic staff whether owned by the insured or insured's family or otherwise.
11. Kutcha Construction: means "Buildings" having walls and/ or roofs of wooden planks/thatched leaves and/or grass/hay of any kind/bamboo/plastic cloth/asphalt cloth/ canvas/ tarpaulin and the like and are treated as "Kutcha" construction.
12. Jewellery and Valuables means articles of personal adornment containing made of Gold or Silver or any Precious Metals including Diamonds or articles made from any Precious Metals, Bullions, stamp, coin or medal collections, sculptures and watches
13. "Period of Insurance or Policy Period" means the period of time stated in the Schedule for which the policy is valid and operative.
14. "Policy" means insured's proposal, the schedule, Company's covering letter to the insured, insuring clauses, definitions, exclusions, conditions and other terms contained herein and any endorsement attaching to or forming part hereof, either at inception or during the period of insurance.
15. "Proposal" means the application form that the Insured signs for this insurance and which contains information provided by the Insured regarding the risk or which is given to the Company on behalf of the Insured and which shall form part of the Policy.

16. "Public Authority" means any governmental, quasi-governmental organization or any statutory body or duly authorized organization with the power to enforce laws, exact obedience, and command, determine or judge.
17. "Replacement/Reinstatement Cost" means the cost, on the date of the loss or damage, of the lower of: 1) repairing the property with materials of similar kind and quality; or 2) replacing the property with new articles of similar kind, quality and usefulness; without any deduction for depreciation.
18. "Resident Employee"/"Domestic staff" means a person employed by the insured to perform duties in connection with the maintenance or use of the insured premises. This includes persons who perform household or domestic services or duties of a similar nature for the insured. A Resident Employee /Domestic staff does not include persons while performing duties in connection with the insured's business.
19. "Schedule" means the schedule issued by the Company, and any annexure, attached to and forming part of this Policy.
20. "Sum insured or SI" means the monetary amount shown against each item under the Schedule at inception of the policy.
21. "Eligible Sum Insured" means the increased/ reduced Sum Insured at the time of loss after applying escalation, if any.
22. Terrorism: An act of terrorism means an act or series of acts, 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), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, 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 for such purposes
23. "Theft" means the misappropriation of contents by any person with the intention of illegally and permanently depriving the insured and/or insured's family of such contents and does not include larceny, pilferage and the like.
24. "Total Loss" is where the Insured Building is so destroyed or so damaged by any fortuitous cause except for causes that are specifically excluded in the Policy, so as to render the Building completely uninhabitable. It shall mean the cost of replacement, repair, reinstatement, renewal, or refurbishment of any item which is equal to or exceeds the value of the lost or damaged item immediately before the occurrence of the loss or Damage, subject to the eligible Sum Insured
25. "Works of Art" means and includes all those items which are listed under this head in the Schedule and excludes easily breakable items like porcelain, pottery and the like.

General Exclusions

1. This Policy does not cover the excess of Rs. 5000/- for each and every claim irrespective of claim amount

2. Any consequential loss or loss, destruction or Damage caused by war, invasion, act of foreign enemy 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, rebellion, revolution, insurrection, or military or usurped power or seizure, capture, arrests, restraints and detentions of all kings, princess and people of whatever nation, condition or quality what so ever;
3. Any consequential loss or loss, destruction or Damage directly or indirectly caused to the property insured by a) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
4. Any consequential loss or loss, destruction or Damage caused to the insured property by pollution or contamination excluding a) pollution or contamination which itself results from a peril hereby insured against. b) any peril hereby insured against which itself results from pollution or contamination
5. Expenses necessarily incurred on (i) Architects, Surveyors and Consulting Engineer's Fees and (ii) Debris Removal by the Insured following a loss, destruction or Damage to the property insured by an insured peril in excess of 3% and 1% of the claim amount respectively.
6. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or Damage of any kind or description whatsoever
7. Loss or Damage or collapse of "Building" due to structural defects, latent defects, poor maintenance, defective workmanship, termites, natural ageing or any other gradually operating cause.
8. Loss or Damage to Contents due to defective workmanship, material or design, latent defect, wear and tear, depreciation, moth, vermin, termites, Fungi, insects or mildew, process of cleaning, dyeing or bleaching, restoring, repairing, retouching or renovation, inherent vice, warping or shrinkage, the action of light or atmospheric conditions, natural ageing or any other gradually operating cause.
9. Loss or Damage due to manufacturing defects in Electrical, Mechanical and Electronic Items for which the manufacturer is responsible.
10. Loss of or Damage to the Property Insured under this Policy falling under the terms of the maintenance agreement.
11. Loss or Damage due to improper handling, dismantling, fitting adjustment, repair alteration or modification not approved by the makers/manufacturers and/or the agents of makers/manufacturers or use of such property contrary to the directives of the makers/manufacturers and/or his agents.
12. Loss, destruction or Damage due to breakage, cracking or scratching of Crockery, Glass, Cameras, Binoculars, Lenses, Musical Instruments, Sports Gear and similar articles of brittle or fragile nature, unless caused by fire or accidental external means.
13. Loss, destruction or Damage arising from or occasioned by overloading or Strain, Overrunning Excessive Pressure, or test requiring imposition of abnormal conditions in case of Electrical, Mechanical and Electronic Items.
14. Loss or Damage to Money, Securities, Manuscript, Deeds, Bonds, Bills of Exchange, Promissory Notes, Stock or Share Certificate, Stamp and Travel Ticket or Traveler cheques, Business Books or Documents, Plans, Designs, Blueprints, Credit/ Debit/ ATM cards , Club Membership Cards
15. Any Portable Equipments unless specifically covered by separate add-on cover
16. Loss of insured property from a safe inside insured "Building" / "Premises", following the use of the key or any duplicate thereof or access code to the safe belonging to the Insured, unless this has been obtained by threat or by violence

17. Loss or Damage liable to be repaired or made good by a third party under any contract of agreement
18. Loss, destruction of or Damage to articles of Consumable Nature
19. Loss, destruction or damage directly occasioned by pressure wave caused by aircraft and other aerial devices travelling at sonic or supersonic speed
20. Loss Damage or consequential loss directly or indirectly caused by, consisting of, or arising from:
 - 20.1. Any functioning or malfunctioning of the internet or similar facility or of any intranet or private network or similar facility,
 - 20.2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software or any kind of programming or instruction set.
 - 20.3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability.
21. Loss or Damage or attempted burglary or theft caused by or arising out of willful act or willful gross negligence of the insured and/or an employee or Domestic staff of the insured.
22. Mysterious disappearance and Unexplained Losses
23. Any loss or Damage to the insured property or to the general public and/ or legal liability arising out of immoral or unethical use of insured property
24. Damage to property not belonging to or held in trust by or in the custody or control of the Insured
25. Any loss or Damage to, or on account of loss of, livestock, motor vehicles, pedal cycles (unless covered by add on for Pedal Cycles)
26. Loss or Damage howsoever caused to Electronic and Electrical Equipments, Domestic Appliances older than 10 Years
27. Loss, destruction or Damage to the Contents or items in Refrigerator/Fridge or similar type of Cold Storage caused by change of temperature.
28. Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority
29. Any loss, Damage, [Accident](#), occurring before the cover commences under the [Policy](#).
30. Loss or Damage by Theft after the occurrence of any insured peril
31. Loss or Damage to Property insured if removed from any [Building](#) or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

Special Conditions

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured whether as an owner or a tenant, forms part of a Building not being "Kutcha" Construction.
2. In the event of any change in the sanctioned area of the insured property or any circumstances which changes such area or if any notice or requisition is received by the Insured which affects or impacts the area of the insured property, the Insured shall give immediate notice to the Insurer of such change, circumstance, notice or requisition and the Insurer in such event reserves the right whether to continue with the coverage offered hereby or to cancel this insurance.

3. All insurances under this policy shall cease on expiry of seven days from the date of fall or displacement of any "Building" or part thereof or of the whole or any part of any range of "Buildings" or of any Structure of which such "Building" forms part.
4. Mid-Term increase of Sum Insured- The premium shall be calculated on Pro-rata basis on the amount by which the SI is increased. Mid-Term reduction in Sum Insured is not allowed.
5. Terrorism Cover shall be subject to terms and conditions of Terrorism damage insuring clause forming part of the Policy Document.
6. There is a provision of Automatic Reinstatement of Sum Insured for contents after settlement of a particular claim without an additional premium.
7. If the Company at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or Damage, or join with any other Company or Insurer(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon. If the Company so elects to reinstate or replace any property the insured shall at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

8. In event of loss of or Damage to the property or any components thereon necessitating the supply of components not obtainable from the stocks held in this country or in the event of [the Company](#) exercising the option to pay in cash the amount of the loss or Damage, [the Company's](#) liability in respect of any such component shall be limited to:
 - a) The price quoted in the latest catalogue or price list issued by makers or their agents in this country, Or
 - b) If no such catalogue or price list exists, the price list obtained at the makers works PLUS the reasonable cost of transport otherwise than by air to this country and the amount of the relative import duty PLUS the reasonable cost of fitting such parts.
9. Under any of the following circumstances the insurance ceases to attach as regards the Property insured unless the Insured, before the occurrence of any loss or Damage, obtains the sanction of the Company signified by endorsement upon the [Policy](#) by or on behalf of the Company:-
 - 9.1. If the nature of the occupation of or other circumstances affecting the [Building](#) insured or containing the insured property be changed in such a way as to increase the risk of loss or Damage by Insured Perils.
 - 9.2. If the interest in the property passes from the Insured otherwise than by will or operation of law.

Registered & Corporate Office: HDFC House, 1st Floor, 165 - 166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.
Customer Service address: 6th Floor, Leela Business Park, Andheri Kurla Road, Andheri East. Mumbai – 4000059. Toll-free: 1800 2 700 700
(Accessible from India only) Fax: 91 22 66383699 | care@hdfcergo.com | www.hdfcergo.com CIN : U66010MH2002PLC134869 IRDAI Reg No.125.

10. The Insured and any claimant under this Policy shall at the expense of the Company do or concur in doing or permit to be done all such acts and things that may be necessary or reasonably required by the Company for the purpose of enforcing any civil or criminal rights and remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon the Company paying for or making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.
11. The Condition of Average will not be applicable where the insured has opted for policy on Agreed Value Basis for Flat/Apartment. However, Condition of Average will be applicable where the Insured has opted the property on Reinstatement Value Basis or on Indemnity Basis as per the Average Clause mentioned below:
 "If the value of the Insured Property shall at the time of loss be collectively of greater value than the Sum Insured thereon then the Insured shall be considered his own insurer of the difference and shall bear a rateable proportion of the loss or damage. Every item, if more than one, shall be separately subject to this Condition."
12. The Condition of Average is waived off for "Contents" (except for Jewellery and Valuables) which shall be on Sum Insured basis and there would not be any specific declaration from the insured with regard to the Value at Risk of the respective "Contents" to be insured.
 It is further declared and agreed that in the event of a Total Loss the company's liability shall be limited to the Sum insured stated in the schedule and the insured shall be considered as being his own insurer, for the difference in case the loss amount exceeds the Sum insured.
13. For Jewellery and valuables, Antique, Curios, Works of art and paintings item wise sum insured shall be required.
14. This individual policy may be issued upto a maximum 5 years for independent Building/ Flat/Apartment and/ or for Contents including Jewellery, portable electronics, Painting, Curios and work of Art if opted specifically at one go and suitable discounting as provided below may be allowed for the increased tenure.

Policy Period (in Yrs)	Discounts in Premium
2	3%
3	6%
4	9%
5	12%

Basis of Sum Insured:

1) Sum Insured for Flat/Apartment on Agreed Value Basis:

It shall be the value arrived at by multiplying the Total Square Feet Area of the Flat/Apartment as mentioned in the Registered Sale Deed/ Purchase Agreement by the value per Square Feet mentioned in the Ready Reckoner for Property Tax and Stamp Duty purpose issued by the Revenue Department of the State Government for the locality in which the Flat/Apartment is situated as on the

date of the proposal or the rate mentioned the registered sale deed/agreement or the amount mentioned in the Valuation Report of a Government Approved Valuer as accepted by the insurer whichever is higher.

2) Sum Insured for Flat/Apartment/Building on Reinstatement Basis

It shall be the Reconstruction Value for the “Building” of the same kind or type but not superior to or more extensive than the insured “Building” when new as determined by the reconstruction cost, excluding the cost of the land. The reconstruction cost shall be multiplication of the below two parameters;

A. Area of the “Flat/Apartment/Building” (Square Feet) indicated in the Registered Sale Deed/ Purchase Agreement.

B. Present Day Cost of Construction in Area/ Locality where the insured property is situated as per the data available with the Local Government Authority.

Sum Insured = A X B

The afore stated is subject to the Memorandum applicable to Reinstatement Value Policies

3) Sum Insured for Flat/Apartment/Building on Indemnity Basis:

It shall be the Reconstruction Value for the “Building” of the same kind or type but not superior to or more extensive than the insured “Building” when new as determined by the reconstruction cost, excluding the cost of the land less depreciation. The reconstruction cost shall be multiplication of the below two parameters less depreciation

A. Area of the “Building” (Square Feet) indicated in the Registered Sale Deed Agreement

B. Present Day cost of construction in Area/ Locality where the insured property is situated as per the data available with the Local Government Authority.

Sum Insured = A X B X (1- Depreciation at the Rate of 2.5 % per annum X Age of the Flat/Apartment/Building).

4) Sum Insured for Contents (Excluding Valuables and Jewellery and curios, works of art and paintings) :

a) Option I- New for Old/ Replacement Value basis:

Sum Insured shall be equal to the cost of replacement of the insured property by new property of the same kind and same capacity without any allowance for wear and tear and or depreciation.

b) Option II- Indemnity Basis:

Sum Insured shall be equal to the cost of replacement of the insured property by new property of the same kind and same capacity by deducting proper depreciation from the replacement value of the item.

The SI Limit for contents shall be up to 10% of building sum insured where building sum insured is opted on agreed value basis and up to 50% of building sum insured where building sum insured is opted on reinstatement or indemnity basis, subject to the loss limit of Rs. 10 lakhs. In cases of contents only policies the sum insured limit shall remain upto Rs. 10 Lakhs.

Extension: For Contents Sum Insured higher than the above limits can be taken at an additional premium, for which the item wise list with their market value has to be declared by the insured at the inception of the policy. This option if chosen shall be subject to the below clause of condition of average for entire sum insured for contents;

If the value of the contents hereby insured exceeds the Sum Insured thereon by more than 15% at the commencement of any loss, 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. Every item, if more than one, shall be separately subject to this condition.

5) Sum Insured for Valuables and Jewellery:

Sum Insured for Valuables and Jewellery shall be 20% of Contents Sum Insured.

Extension: The Company shall cover Valuables and Jewellery within India. However by paying additional premium, Valuables and Jewellery coverage can be extended worldwide.

6) Sum Insured for curios, works of art and paintings:

The Sum Insured shall be on Agreed Value Basis, based on Valuation Report of the Valuer approved by the Company.

Special warranty: This cover is subject to only when items are stored or kept at the insured premises.

Escalation Options for Building:

This option if chosen shall allow an automatic regular increase in the Sum Insured throughout the Period of the Policy in return for an additional premium to be paid in advance. The terms and conditions for this extension shall be as follows.

- i. The selected percentage increase shall not exceed 25% of the base Sum Insured opted by the insured at the time of inception of the policy
- ii. The increased percentage shall be calculated on the base Sum Insured.
- iii. The Sum(s) Insured shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increase during the period of insurance.
- iv. The additional premium, payable in advance, will be at 50% of the full rate, to be charged on the selected percentage increase.
- v. The Sum Insured at any point of time would be assessed after application of the Escalation Clause.
- vi. The automatic increase operates from the date of inception up to the date of operation of any of the Insured Perils

Claim Settlement Process:

In case of an event occurring resulting in a claim under this policy, the Insured and/or his legal representatives shall,

- send an immediate notice to the Company of the said event and the nature of the loss through fax/email/registered post within a period of seven days from the date of its occurrence. The Insured may call on the number stated hereunder for this purpose;
Toll Free Helpline 1800 2 700 700. within a period of 15 days forward to the Company all the relevant documents in evidence of the event and in support to the claim, unless otherwise agreed to by the Company; wherever, details pertaining to any incident which results in a claim, are conveyed by the insured to the Company after a reasonable period, the insured shall provide the reasons of such delay to the Company and the Company may on analysis of reasons provided by insured, condone the delay in intimation of claim or delay in providing the required information/documents to the Company.
- extend all assistance and cooperation to the Surveyor appointed by the Company for the purpose of survey and assessment of the loss;
- In case the event or circumstance to be notified, involves any form of legal process, **the Insured** must in addition to the above;
 - Immediately send to **the Company** every written notice or information of any verbal notice of a claim and
 - Immediately send to **the Company** any writ, summons, or other legal process issued or commenced against the Insured, and
 - Permit **the Company** to take over the control and conduct of the defense, pursuit and settlement of any claim and provide **the Company** or its representatives with such cooperation and assistance as may be required for that purpose, and
 - Provide **the Company** with the names and addresses of any known persons injured and any available witnesses.
 - Provide **the Company at his cost**, with any legal documents and other documents which will help **the Company** defend any Insured persons and
 - Assist and cooperate with **the Company** in the conduct of the defense by helping **the Company**
 - To make settlement
 - To enforce any right of contribution or indemnity against any person or organization who may be liable to an Insured person
 - To attend hearing and trials
 - To secure and give evidence and obtain the attendance of witnesses.
- not do anything or tamper the affected property which would in any way enhance the extent of the loss or further diminish the value of the affected property;

- not commit for payment of any expenses or liability or otherwise assume any contractual obligation to third parties without first obtaining the written consent of the Company.
- In case of Total loss to the Building the insured shall within 6 months of the occurrence of the loss to the Building or such other time that the Company may allow in writing, intimate to the Company his intention to either reconstruct, reinstate or abandon the damaged Building. In case of Total loss and where the Insured chooses to abandon the damaged Building in favor of the Company and where such a Building is owned by a Co-operative Society or a Building Association, the Insured shall execute in favor of the Company a Deed of Relinquishment whereby the Insured would relinquish in favor of the Company all its rights with respect to the Insured property in consideration of the Company paying to the Insured the claim and for this purpose provide to the Company the following documents:
 - a. An no encumbrance certificate of the insured property which is up to date;
 - b. No Objection Certificate stating that the such a Society or Association does not object to the subrogation and vesting with the Company, the rights transferred by the insured in the favour of the Company ;
 - c. An up to date no- dues certificate issued by such Society or Association;
 - d. A Power of Attorney executed by the Insured in favor of the Company stating that on the happening of an event which would give rise to a claim under the Policy and on the insured choosing to abandon the insured property in favour of the Company and upon the Company paying to the insured the claim under the said Policy, the Company would be subrogated to all rights that the Insured has with respect to the insured property;

Provided that the Company shall be entitled to deduct from the claim amount all the expenses such as registration fee, stamp duty or other incidental expenses incurred or to be incurred by the Company for the purpose of the executing the afore stated Deed of Relinquishment and the registration thereof.

Claims Documents

- a. Claim Form of the Company duly completed and signed by the insured and/or insured's legal representative.
- b. In cases where the Insured is the owner occupant of a Flat/Apartment, the Insured shall produce to the Company one or more of the following documents as may be demanded by the Company for coverage of Building on Agreed Value basis.
 - i. Approved plan of construction/extension & license for construction which is sanctioned by statutory authority
 - ii. The Building Completion Certificate and the Occupancy certificate or letter of Possession from the builder
 - iii. Sales Deed, Title Deeds; or any other like document that establishes the title of the insured with respect to the insured property
 - iv. The receipts of the payments made to the builder of the property
 - v. In cases where the Building insured is a redeveloped Building, the Development Agreement;

- vi. The latest property tax / electricity bill, if issued in the name of the insured by the appropriate municipal authorities;
- c. Independent evidence of the event occurring, nature and extent of the loss and all the documents to substantiate the amount sought from the Company, such as
 - i. First Information Report
 - ii. Investigation Report by the Police
 - iii. Fire Brigade Report
 - iv. Bills and invoices, valuation reports etc required to support and substantiate the claim amount
 - v. Estimate of the repairers
 - vi. Invoice of the suppliers for replacement
 - vii. Final Bill of repairers
 - viii. Court Summons / legal notices, if any
 - ix. Proof of rent in dwelling and dwelling taken up as alternative accommodation
 - x. Rent Agreement
 - xi. KYC documents where settlement amount is over 1 lac
 - xii. Bank account details of the claimant for electronic settlement and Cancelled Cheque
 - xiii. In case of Total loss a certificate from the appropriate municipal authority/ or an Architect that declares and certifies the insured Building as uninhabitable

Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.

Basis of assessment of claims:

1. Total Loss of Flat/Apartment where sum insured is on agreed value basis:

In the event of Total Loss, the Insured may at his option and with the prior written approval of the Company, Reconstruct or Reinstate the damaged Flat/Apartment (and not any premises/ structure/ infrastructure/ support/ access/ supporting walls/ appurtenant thereto or annexed therewith) 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:

- i. The work of replacement or reinstatement of the Flat / Apartment (Which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the Company not being thereby increased) with the prior approval of the Company must be commenced and carried out with reasonable dispatch and in any case must be completed within 24 months after the destruction or Damage or within such further time as the Company may in writing allow, otherwise no payment beyond the amount which would have been payable under the Policy shall be made.
- ii. Until expenditure has been incurred by the Insured in replacing or reinstating the insured property destroyed or damaged the Company shall not be liable for any payment.

- iii. The Company's Liability shall be limited to the Actual Cost of Reconstruction or Reinstatement of the damaged Flat /Apartment of the same kind or type but not superior to or more extensive than the insured Flat / Apartment when new on the Date of Loss
- b. If the Insured opts to retain the damaged Flat / Apartment but does not intend to Reinsure or Reconstruct , the basis of settlement shall be the Cost of Reconstruction of the said Flat /Apartment of the same kind or type but not superior to or more extensive than the insured Flat / Apartment when new as on Date of the Loss.
- c. The Insured may opt not to exercise his right to Reconstruct or Reinsure the damaged Flat/Apartment or retain the damaged Flat / Apartment and instead may opt to abandon the Flat/Apartment to the Insurer including vesting in the Insurer all rights of the Insured appurtenant thereto including the right to Reconstruct the same, in which case the amount payable shall be the Eligible Sum Insured.

2. Total Loss of Flat/ Apartment/ Independent Building where Sum Insured is on reinstatement value basis:

In the event of Total Loss, the basis upon which the amount payable is to be calculated shall be cost of Replacing or Reinsuring 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 and subject to the Company's liability not exceeding the Sum Insured mentioned in the Schedule:

- a. The work of Replacement or Reinstatement (Which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the destruction or damage or within such further time as the Company may in writing allow, otherwise no payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made
- b. Until expenditure has been incurred by the Insured in Replacing or Reinsuring 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.
- c. 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 had been destroyed, exceeds the eligible 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:

- i. If the Insured fails to intimate to the Company within 6 months from the day 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 or
- ii. The Insured is unable to unwilling to replace or reinstate the property destroyed or damaged on the same or another site in which case:
The basis of settlement shall be the cost of construction of 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, less depreciation at the rate of 2.5% per year or part thereof depending upon the age of the "Building" but not exceeding the eligible Sum Insured stated in the Schedule.

3. Total loss of Flat/ Apartment/ Building where Sum Insured is on Indemnity basis:

The cost of construction on the Date of Loss on the same site of the "Building" of the same kind or type but not superior to or more extensive than the insured property when new as on the Date of Loss less depreciation at the rate of 2.5 % per year or part there of depending on the Age of the "Building" but not exceeding the eligible Sum Insured stated in the schedule.

4. Partial Loss of Flat/ Apartment where Sum Insured is on Agreed Value basis:

The Company shall indemnify the Insured the Actual Cost of Repairs provided the repairs are carried within 12 months from the date of loss or Damage or within such further time as the Company may in writing allow provided also that the Company's Liability shall in no case exceed the Eligible Sum Insured

5. Partial Loss of Flat/ Apartment/ Building where Sum Insured is on Reinstatement Value basis:

The Company shall indemnify the Insured the Actual Cost of repairs provided the repairs are carried within 12 months from the date of loss or Damage or within such further time as the Company may in writing allow provided also that the Company's liability shall in no case exceed the Eligible Sum Insured and subject to the provisions of Reinstatement Value Clause.

6. Partial Loss of Flat/ Apartment/ Building where Sum Insured is on Indemnity basis:

The Company shall indemnify the Insured the Actual Cost of Repairs provided the repairs are carried within 12 months from the date of loss or Damage or within such further time as the Company may in writing allow, less depreciation at the rate of 2.5% per year or part thereof depending on the age of the "Building" provided also the company's liability shall in no case exceed the Eligible Sum Insured.

7. Total/Partial Loss of Contents where Sum Insured is on Replacement (New for Old) basis:

In the event of a loss the Company shall indemnify the Insured for Replacement Value of the insured items by a new property of the same kind and same capacity without any allowance for wear and tear and for depreciation.

8. Total/Partial Loss of Contents where sum insured is on Indemnity basis:

In the event of a loss the Company shall indemnify the Insured for the Replacement Value of the insured items as new at the time of damage less due allowance for Betterment, wear and tear and or depreciation or the value which can be realized from the market for such insured item immediately before occurrence of damage whichever is lower.

Age of Item	% of Depreciation
Up to 6 months	10%
Up to 1 Year	20%
Up to 2 Year	40%
Up to 3 Year	50%
Up to 4 Year	60%
Up to 5 year	70%
Above 5 Years	75%

9. Total/Partial Loss of antique, curios, works of art, and paintings on agreed value basis:

- In case of a partial loss or Damage, the Company will indemnify the Insured in respect of the expenses necessarily incurred to restore the Antique, Curios, Works of Art, and Paintings to its state immediately prior to the happening of the insured event subject to the Company's Liability not exceeding the Sum Insured for the item stated in the Schedule.
- In case of Total Loss the Company shall indemnify the Insured the Agreed Value as mentioned in the policy schedule.

10. Total/Partial Loss of Valuables and Jewellery:

- In the case of Total Loss of "Jewellery and Valuables", the Company shall indemnify the Insured for the Market Value of the Item as on Date of loss subject to the Company's Liability not exceeding the Sum Insured stated in the Schedule.
- In case of Partial Loss where loss or damage can reasonably be Repaired or Reinstated at a Cost less than the Replacement Cost then, the Company will indemnify the Insured in respect of the expenses necessarily incurred to restore the "Jewellery and Valuables" to its state immediately prior to the happening of the insured event subject to the Company's Liability not exceeding the Sum Insured for the item stated in the Schedule.

Option of Higher Excess for Building on Agreed Value Basis:

The insured can select an option of higher excess up to 25% of building sum insured in agreed value cases for which he will get discount of upto 25% on the building base premium. This higher excess shall be applicable in each and every claim on building in agreed value cases. The insured has an option to waive this option mid-term at an additional premium on pro-rata period for balance period.

General Conditions:

- Reasonable Care:** The Insured shall take all ordinary and reasonable precautions for the safety of the property insured and maintain it in efficient condition. **The insured** shall exercise reasonable care in employing **Domestic Staff** or other Employees or contractors to work in **the property insured**. The company shall have at all times free and full access to examine the insured property or any part thereof. In event of any accident or breakdown the insured property shall not be left

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(Accessible from India only) Fax: 91 22 66383699 | care@hdfcergo.com | www.hdfcergo.com CIN : U66010MH2002PLC134869 IRDAI Reg No.125.

unattended without proper precautions being taken to prevent further damage or loss and the insured property be used before necessary repairs are effected any extension of the damage or any further damage to the insured property shall be entirely at the insured's own risk.

2. Entire Contract: This Policy constitutes the complete contract of insurance. No change or alteration in this Policy shall be valid or effective unless approved in writing by the Company, which approval shall be evidenced by an endorsement on the Policy.
6. The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with Indian law. The section headings of this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation Notices: Every notice, communication or intimation required or contemplated under this Policy to be given by the person covered under the Policy or anyone on his behalf in respect of any claim or matter arising under or out of this Policy shall be in writing and addressed to the Company's office through which this insurance is effected or the Company's corporate office currently located at;

HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri- Kurla Road, Andheri East,
Mumbai- 400059
Fax: 91 22 66383699
Toll free : 1800 2700 700

Unless otherwise directed by the Company in writing no such notice, communication or intimation shall be valid unless it contains full particulars of the policy, persons covered under the Policy and other details as may be necessary.

7. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the willful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.
8. 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.
9. The Company while granting this Policy to the Insured has relied on the representations made by the Insured in the Proposal form stating that the Insured is the legal owner occupant of the Building insured and that he has obtained / is in possession of all the necessary approvals granted by the appropriate government authorities with respect to the Building insured and that he is in possession of all the documents and approvals which establish the title of the Insured to the Building and the Building is legally constructed. The representations so made by the Insured in

the Proposal form, form the basis of the this Policy and any mis-representations or mis-descriptions of such representations shall render the Policy void ab initio. Further, the Insured shall at the time of making the claim under this Policy be required to furnish to the Company all the documents which support the afore mentioned representations.

10. THIS POLICY shall be voidable in the event of mis-representation, mis-description or nondisclosure of any material particular.
11. If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.
12. Subrogation: The Insured and any claimant under this Policy shall at the expense of the Company do or concur in doing or permit to be done all such acts and things that may be necessary or reasonably required by the Company for the purpose of enforcing any civil or criminal rights and remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon the Company paying for or making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.
13. No Assignment of the Policy: The Company shall not be bound by any assignment of this Insurance without prior consent..
14. Termination of Policy: The Policy terminates on the happening of any of following events whichever is earlier –
 - a. cancellation by the Insured or the Insurer or;
 - b. expiry of the Period of Insurance as per provisions mentioned under 'Period of Insurance' in the Policy
15. Dispute Resolution:
 - i. If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted), such difference shall independently of all other question be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators one to be appointed by each of the parties to the dispute/ difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The law of the arbitration will be Indian law, and the seat of arbitration and venue for all hearings shall be within India.
 - ii. It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided if the Company has disputed or not accepted liability under or in respect of this Policy.
 - iii. It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

- iv. In no case whatsoever shall the Company be liable for any loss or damage after the expiry of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder
- v. In the event that these arbitration provisions shall be held to be invalid then all such disputes or differences shall be referred to the exclusive jurisdiction of the Indian Courts

Section 41 of Insurance Act 1938-

- i. 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 of 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 rebate except such rebate as may be allowed In accordance with the published prospectus or tables of the insurer.
- ii. Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to Ten Lakhs rupees.

16. Cancellation:

The Company may cancel this policy on grounds of misrepresentation, fraud, non disclosure of material facts, non cooperation by the insured or anyone acting on his behalf. Such cancellation of the policy will be from inception date or the renewal date (as the case may be) upon 15 days notice and by sending an ENDORSEMENT in this regard at insured's address shown in the SCHEDULE without refund of any premium

The policy may also be cancelled by the insured at any time by giving at least 15 days written notice to the company. The company will refund premium on a short period basis by reference to the time cover is provided, subject to a minimum retention of premium of Rs. 250/-

Rules for cancellation:

Annual Policies- on Short Period Scale as under:

Period of Risk (Not exceeding)	Premium to be retained (% of the Annual Rate)
15 Days	10%
1 Month	15%
2 Months	30%
3 Months	40%

4 Months	50%
5 Months	60%
6 Months	70%
7 Months	75%
8 Months	80%
9 Months	85%
Exceeding 9 Months	Full Annual Premium

Long Term Policies:

1. No refund shall be allowed if there has been a claim under the policy.
2. If the policy is cancelled within 2 years of inception, the premium to be retained, shall be worked out as per normal rates applicable - that is without allowing any discount
3. If the policy is cancelled after 2 years of inception, the discount slab shall be reworked for the number of years the policy was actually in force. For this purpose fraction of a year shall be rounded to the next higher year. For example if the policy has run for 3 years and 3 months, premium shall be retained for 4 years.

Assistance Services:

The Insured Person may also avail of Wellness & other benefits provided through selected service providers listed on the Company's website. List of these available service providers shall be appended as an annexure to the policy schedule.

TERRORISM DAMAGE COVER ENDORSEMENT– INSURING CLAUSE**INSURING CLAUSE**

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the 'Terrorism Risk Exclusion' of this Policy to the contrary, this Policy is extended to cover physical loss or physical damage occurring during the period of this Policy caused by an act of terrorism, subject to the exclusions, limits and excess described hereinafter.

For the purpose of this cover, an act of terrorism means an act or series of acts, 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

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Home Shield Insurance- -HE/RL/HS/01-127 - UIN: IRDAN125P0001V01201718

acting alone or on behalf of or in connection with any organization(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, 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 for such purposes.

This cover also includes loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of terrorism by the duly empowered government or Military Authority.

Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

LOSSES EXCLUDED

This cover shall not indemnify loss of or damage to property caused by any or all of the following:-

1. loss by seizure or legal or illegal occupation;
2. loss or damage caused by:
 - (i) voluntary abandonment or vacation,
 - (ii) confiscation, commandeering, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority, which deprives the Insured of the use or value of its property;
3. loss or damage arising from acts of contraband or illegal transportation or illegal trade;
4. loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind;
6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind;

7. any fine, levy, duty, interest or penalty or cost or compensation/damages and/or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person;
8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;
9. loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion;
10. loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder;
11. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working;
12. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service;
13. loss or increased cost as a result of threat or hoax;
14. loss or damage caused by or arising out of burglary, house - breaking, looting, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) in any action taken in respect of an act of terrorism;
15. loss or damage caused by mysterious disappearance or unexplained loss;
16. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health;
17. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured given in the Policy Schedule or INR 20,000,000,000 whichever is lower. In respect of several insurance policies within the same compound/location with one or different insurers, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000. If the actual aggregate loss

suffered at one compound/location is more than INR 20,000,000,000 the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS FOR TERRORISM COVER APPLICABLE TO "BUILDINGS", "CONTENTS", "JEWELLERY & VALUABLES", "WORKS OF ART, CURIOS & PAINTINGS"

Residential Risks: 1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000

ADD ON COVERS

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 20,000,000,000 whichever is lower. In respect of several insurance policies with in the same compound /location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000.

MID TERM COVER

In case the coverage under this endorsement is granted during the currency of the policy, no claims will be payable for loss or damage to property caused by an act of terrorism occurring during the first 15 (fifteen) days from the date of granting such cover.

SANCTION, LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

CANCELLATION CLAUSE

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.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates.

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

MEMORANDUM APPLICABLE TO REINSTATEMENT VALUE POLICIES

"It is hereby declared and agreed that in the event of the property insured under (Item Nos.....of) 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 shall be cost of 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. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the destruction or damage or within such further time as the Company may in writing allow, otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.

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 had 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 6 months 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, in which case:

The basis of settlement shall be the cost of construction of 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, less depreciation at the rate of 2.5% per year or part thereof depending upon the age of the "Building" but not exceeding the Sum Insured stated in the Schedule.