

**PUBLIC LIABILITY INSURANCE POLICY**  
**(Under Public Liability Insurance Act, 1991)**

**1. OPERATIVE CLAUSE**

WHEREAS the Insured named in the Schedule hereto and carrying on the business described in the said schedule has applied to HDFC ERGO GENERAL INSURANCE COMPANY LIMITED (hereinafter called 'the Company') for the indemnity hereinafter contained and has made a written proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein and has paid the premium and statutory contribution towards the Environment Relief Fund as consideration for or on account of such indemnity in accordance with the manner prescribed under Section 64VB of the Insurance Act, 1938 and as per the provisions of the Public Liability Insurance Act and the rules framed there under.

NOW THIS POLICY WITNESSETH that subject to the terms, conditions and exclusions herein contained or endorsed or otherwise expressed herein, to indemnify the Insured or Owner against the statutory liability arising out of accidents occurring during the currency of the policy due to handling of hazardous substances as provided for in the said Act and the Rules framed thereunder.

**2. DEFINITIONS**

For the purpose of this policy, the following terms shall have the meaning as set forth hereunder:

- (i) "Act" unless otherwise specifically mentioned shall mean the Public Liability Insurance Act 1991 as amended from time to time;
- (ii) "Accident" means an accident involving a fortuitous, sudden or unintentional occurrence while handling any hazardous substance resulting in continuous, intermittent or repeated exposure to death of, or injury to any person or damage to any property but does not include an accident by reason only of war or radioactivity;
- (iii) "Handling" in relation to any hazardous substance means the manufacture, processing, treatment, package, storage, transportation by vehicle, use, collection, destruction, conversion, offering for sale, transfer or the like of such hazardous substance;
- (iv) "Hazardous Substance" and group means any substance or preparation which is defined as hazardous substance under the Public Liability Insurance Act, 1991 and the Rules framed thereunder;
- (v) "Owner" or "Insured" means a person who owns, or has control over handling of any hazardous substance at the time of accident and includes:
  - (a) in the case of a firm, any of its partners
  - (b) in the case of an association, any of its members, and
  - (c) in the case of a company, any of its directors, managers, secretaries or other officers who is/are directly in charge of, and is/are responsible to the company for the conduct of the business of the company;
- (vi) "Turnover" shall mean
  - (a) In case of Manufacturing Units - Entire annual gross sales turnover including all levies and taxes of manufacturing units handling hazardous substance as defined in the Public Liability Insurance Act, 1991. For the purpose of this insurance, the term "Units" shall mean all operations being carried out in the manufacturing complex in one location.
  - (b) In case of Godowns/ Warehouse Owners - Total annual rental receipts of premises handling hazardous substance as defined in the Public Liability Insurance Act, 1991.
  - (c) In case of Transport Operators - Total annual freight receipts
  - (d) In all other cases - Total annual gross receipts

**3. EXCLUSIONS**

The Company shall not be liable:

- (i) for any willful or intentional non-compliance of any statutory requirements;
- (ii) in respect of fines, penalties, punitive and/or exemplary damages;
- (iii) under any law or legislation except in so far as provided for in Section 8 (1) & 8 (2) of the Act;
- (iv) in respect of damage to property owned, leased or hired or under hire purchase or on loan to the Insured or otherwise in the Insured or Owner's control, care or custody;

- (v) for any liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power;
- (vi) for any liability directly or indirectly caused by or contributed to by:
  - (a) ionising radiation 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;
- (vii) for matter outside the scope of Public Liability Insurance Act, 1991.
- (viii) in respect of losses/liability arising outside India.

**4. CONDITIONS**

- 1) The Insured Owner shall give written notice to the Company as soon as reasonable practicable of any claim made against the Insured Owner or of any specific event or circumstance that may give rise to a claim. The Insured Owner shall immediately give to the Company copies of notice of application forwarded by the Collector and all such additional information and/or assistance that the company may require.
- 2) No admission, offer, promise or payment shall be made or given by or on behalf of the Insured owner under this policy without the written consent of the Company.
- 3) The Company shall not be liable for any claim for relief made after five years from the date of occurrence of the accident.
- 4) The Insured Owner shall keep record of annual turnover, and at the time of renewal of insurance declare such turnover and all other details as may be required by the Company. The Company shall at all reasonable times have full rights to call for and examine such records.
- 5) If at the time of happening of any accident resulting in a claim under the policy there be any other insurance covering the same liability, then the Company shall not be liable to pay or contribute more than its rateable proportion of such liability.
- 6) The Company may cancel this policy by giving thirty day's notice in writing of such cancellation to the Insured's last known address and in such an event the Company will return a pro-rata portion of the premium (subject to a minimum retention of 25 per cent of the annual premium) for the unexpired part of the insurance.

The policy may also be cancelled by the Insured by giving thirty days' notice in writing to the Company, in which event the Company will retain premium at short period scale as set forth in the table below, provided there is no claim under the policy during the Policy Period.

In case of any claim under the policy no refund of premium shall be allowed.

The Company shall have no obligation to give notice that the policy is due for renewal or renew this policy upon expiration or termination.

Table of Short Period Scales	
Period of Risks (Not exceeding)	Premium to be retained by the Company (% of the Annual Rate)
1 Week	10%
1 month	25%
2 months	35%
3 months	50%
4 months	60%
6 months	75%
8 months	85%
Exceeding 8 months	Total Annual Premium

- 7) If the Company shall disclaim by the Insured Owner for any claim hereunder and such claim shall not within 12 calendar months from the date of such disclaimer have been made the subject matter of a suit in a competent Court of Law. Then the claim for all practical purpose shall be deemed to have been abandoned and shall not thereafter be recoverable hereunder or be made the subject matter of any suit.
- 8) The Company shall not be liable to make any payment in respect of any claim if such be in any manner fraudulent or support by any person on behalf of the insured Owner and/or if the insurance has been continued in consequence of any material misstatement or non-disclosure of any material information by or on behalf of the Insured Owner. In such a case if the Company pays any

## Policy Wording

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amount to the claimant due to any statutory provision such amount shall be recoverable from the Insured Owner.

- 9) The policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been assigned in the Act and the Rules framed there under or this policy shall bear such as specific meaning.
- 10) Any dispute regarding interpretation of the terms, conditions and exceptions of the Policy shall be determined in accordance with the law and practice of a court of competent jurisdiction within India.
- 11) Any person who has a grievance against the Company, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998 (Ombudsman Rules). Proviso to Rule 16(2) of the Ombudsman Rules however, limits compensation that may be awarded by the Ombudsman, to the lower of compensation necessary to cover the loss suffered by the insured as a direct consequence of the insured peril or Rs. 20 lakhs Rupees Twenty Lakhs Only) inclusive of ex-gratia and other expenses. A copy of the said Rules shall be made available by the Company upon prior written request by the Insured.