

BUSINESS SURAKSHA PLUS

Whereas the Insured named in the Schedule and carrying on the business as described in the Schedule of this policy has applied to HDFC ERGO General Insurance Company Limited (hereinafter called "The Company") by a written proposal and declaration which shall be the basis of this contract and be deemed to be incorporated herein for the insurance hereinafter contained and has paid the premium for the sections stated in the Schedule.

The Company hereby agrees subject to the terms and conditions contained herein or endorsed or otherwise expressed hereon that if the Insured shall sustain LOSS of or DAMAGE to property or incur liability at any time during the period of insurance stated herein or any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the Company to provide coverage to the Insured during the period of this policy or for the renewal thereof the Company will pay to the Insured the value at the time of happening of such loss of the property so lost or the amount of such damage or the amount of liability incurred as the case may be and in respect of which coverage is provided under this policy but not exceeding in any one period of insurance in respect of each of the several items/sections specified herein the sum set opposite thereof respectively.

SECTION I – FIRE & ALLIED PERILS

THE COMPANY AGREES that if the Property insured described in the said Schedule or any part of such Property be destroyed or damaged by any of the perils specified hereunder, the Company shall pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof

1. Fire

Excluding destruction or damage caused to the Property insured by

- a) i) its own fermentation ,natural heating or spontaneous combustion.
- ii) its undergoing any heating or drying process.

- b) burning of Property insured by order of any Public Authority.

2. Lightning

3. Explosion/Implosion

Excluding loss, destruction of or damage

- a) to boilers (other than domestic boilers), economizers or other vessels, machinery or apparatus (in which steam is generated) or their contents resulting from their own explosion/implosion,
- b) caused by centrifugal forces.

4. Aircraft Damage

Loss, Destruction or damage caused by aircraft, other aerial or space devices and articles dropped therefrom excluding loss, destruction or damage caused by pressure waves.

5. Riot, Strike and Malicious Damage

Loss of or visible physical damage or destruction by external violent means directly caused to the Property insured but excluding those caused by

- a) total or partial cessation of work or the retardation or interruption or cessation of any process or

operations or omissions of any kind.

- b) permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.
- c) permanent or temporary dispossession of any building or plant or unit or machinery resulting from the unlawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.
- d) burglary, housebreaking, 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 malicious act.

Terrorism Damage Exclusion Warranty

This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, 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 organisation(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 exclusion also includes 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.

6. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation

Loss, destruction or damage directly caused by storm, cyclone, typhoon, tempest, hurricane, tornado, flood or inundation excluding those resulting from earthquake, volcanic eruption or other convulsions of nature. Wherever earthquake cover is given as an "Supplementary clauses and conditions cover" the words "excluding those resulting from earthquake volcanic eruption or other convulsions of nature" shall stand deleted.

7. Impact Damage

Loss of or visible physical damage or destruction caused to the Property insured due to impact by any rail/ road vehicle or animal by direct contact not belonging to or owned by

- a) the Insured or any occupier of the Property insured or
- b) the Insured's employees while acting in the course of their employment.

8. Subsidence and Landslide including Rock slide

Loss, destruction or damage directly caused by subsidence of part of the site on which the Insured property stands or land slide/rock slide excluding:

- a) the normal cracking, settlement or bedding down of new structures

- b) the settlement or movement of made up ground
- c) coastal or river erosion
- d) defective design or workmanship or use of defective materials
- e) demolition, construction, structural alterations or repair of any property or ground works or excavations.

9. Bursting and/or Overflowing of Water Tanks, Apparatus and Pipes

10. Missile Testing operations

11. Leakage from Automatic Sprinkler Installations

Excluding loss, destruction or damage caused by

- a) repairs or alterations to the buildings or premises in which the Property insured is situated
- b) repairs, removal or extension of the Sprinkler Installation
- c) defects in construction known to the Insured.

12. Bush Fire

Excluding loss, destruction or damage caused by forest fire.

PROVIDED that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total Sum Insured hereby or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

Exclusions under Section I

1. This section does not cover (not applicable to policies covering dwellings) Excess/ Deductible as mentioned in the schedule.
2. 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.
3. 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. Loss, destruction or damage caused to the Property insured 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. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an

amount exceeding Rs. 10000/-, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer systems records, explosives unless otherwise expressly stated in the section.

6. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
7. Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self heating or leakage of electricity from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so set up.
8. 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.
9. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
10. Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the perils covered.
11. Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike, Malicious and Terrorism Damage cover.
12. Any loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature.
13. Loss or damage to Property insured if removed to 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 APPLICABLE TO SECTION I

1. All insurances under this section shall cease on expiry of seven days from the date of fall or displacement of any –building in which the Property insured is situated 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.

Provided such a fall or displacement is not caused by insured perils, loss or damage which is covered by this section or would be covered if such building, range of buildings or structure were insured under this section.

Notwithstanding the above, the Company subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

2. If the Company at its option, reinstates or replaces the Property insured which is damaged or

destroyed, or any part thereof, instead of paying the amount of the loss or damage, or joins 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 insured 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 insured which is damaged or destroyed, 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 insured which is damaged or destroyed, 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 insured if the same could lawfully be reinstated to its former condition.

3. At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective Sum Insured in consideration of which upon the settlement of any loss under this policy, pro-rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the Insured to the Company.

The additional premium referred above shall be deducted from the net claim amount payable under the section. This continuous cover to the full extent will be available notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to the Insured subject only to the right of the Company for deduction from the claim amount, when settled, of pro-rata premium to be calculated from the date of loss till expiry of the policy.

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case the Insured immediately on occurrence of the loss exercises his option not to reinstate the Sum Insured as above.

FIRE & ALLIED PERILS – SUPPLEMENTARY CLAUSES & CONDITION

1. Accidental Damage

In consideration of the payment of additional premium, it is hereby declared and agreed that the insurance under this policy shall, subject to terms, conditions and exclusions of this Policy and also subject to terms, conditions and exclusions hereinafter contained,

Extend to cover the property described in the Schedule of this Policy, destroyed or damaged by Accidental External Damage, however the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total Sum Insured hereby.

EXCLUSIONS APPLICABLE TO THIS EXTENSION

The company shall not be liable for

1. Damage caused by

- (a) any of the perils mentioned in Standard Fire and Special Perils policy, Terrorism cover clause and Business Interruption including any of the causes expressly excluded from the perils mentioned in Standard Fire and special Perils policy (whether or not insured) ,Forest Fire, Impact Damage due to Insured's own Rail/Road Vehicles, Fork lifts, Cranes,Stackers and the like and articles dropped there from, Spontaneous Combustion, Leakage and Contamination, Spoilage Material Damage, Deterioration of Stocks due to any cause, Breakage Of Fixed Glass And Outdoor Signs, Broad Water Damage
- (b) to any property caused by its own faulty design or material, inherent vice, latent defect gradual deterioration, wear and tear, faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees but this shall not exclude subsequent damage which itself from a cause not otherwise excluded
- (c) caused by corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or Insects, mechanical or electrical Breakdown or derangement in respect of the particular machine apparatus or equipment in which the Breakdown or derangement originates, change in temperature, color, flavor, texture or finish, joint leakage , failure of welds ,cracking, fracturing, collapse or overheating of boilers , economizers, super heaters, pressure vessels or any range of steam and feed piping in connection therewith, breakage, cracking or scratching of crockery, glass, cameras, binoculars, lenses, sculptures, curios, pictures, musical instruments, sports gear or similar articles of a brittle or fragile nature unless caused by fire or accident to the means of conveyance.
- (d) caused by pollution or contamination , acts of fraud or dishonesty, unexplained disappearance or inventory shortage misfiling or misplacing of information process defects or rejections
- (e) to a building or structure caused by its own collapse or cracking ,moveable property in the open fences and gates by wind rain hail sleet snow flood or dust , property resulting from its undergoing any process of production testing commissioning servicing or repair and property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
- (f) property in transit outside the insured premises
- (g) Money and securities of any description

2. The Excess mentioned in the policy

3. Loss, destruction or damage to the stocks in Cold Storage premises caused by change in temperature

4. Loss, destruction or damage to any electrical and / or electronic machine, apparatus, fixture or fitting (excluding fans and electrical wiring in dwellings) arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self – heating, or leakage of electricity,from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixture, or fittings which may be destroyed or damaged by fire so set up.

5. Loss or damage by spoilage resulting from the retardation or interruption or cessation of any

process or operation.

6. Loss by theft and burglary
7. Loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, Volcanic eruption or other convulsions of nature.
8. Damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved or impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalysts, refrigerants etc.) felts, endless conveyor belts or wires, sieves, fabrics, heat resisting and anti-corrosive linings and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts.

Definition : 'Breakdown' means the actual failure or breaking, distortion or burning out of any part of the Machinery, Equipment and Plant whilst in use arising out of mechanical or electrical defects in the item.

Limit of Indemnity: The Indemnity provided under this extension, is limited to the amount specified in the schedule.

2. Impact Damage Due To Insured's Own Rail/Road Vehicles, Fork Lifts, Cranes, Stakers And The Like And Articles Dropped There From

In consideration of an additional premium it is hereby agreed and declared that the policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicle, Forklifts, cranes, stackers and the like and articles dropped there from.

3. Minor Work

It is understood and agreed that these Sections of the Policy automatically include minor alterations and/or construction and/or re-construction and/or additions and/or maintenance and/or testing and commissioning and/or modifications and/or work carried out on any of the property insured under this policy, subject to a maximum contract value specified in the schedule any one Project (as specified in the schedule) being the value of the said Project at the commencement thereof.

Notwithstanding other terms and conditions herein, this Extension of the Policy shall only pay in excess of more specific insurance, if any, arranged in respect of minor works. The deductibles applicable to this Policy shall not apply where the amount payable under such other insurance exceeds the deductible herein but in no case shall any loss be payable below the deductible amount herein.

Any Consequential Loss, following a loss covered hereunder, is excluded.

4. Margin Clause

No adjustment in Premium for Sections I and II shall be made unless the values reported represent an increase of more than 10% from the initial values reported.

This is to include fluctuations, which may occur in the values of property under Sections I and II, which are automatically held covered.

The Premium shall be proportionately increased for the unexpired term of the policy for the increase in values when such an adjustment becomes applicable.

5. Brands & Trademarks Clause/ Brands & Labels Clause (Also Loss Of Damaged Goods)

For properties bearing a brand or label associating said property with the insured &/or their suppliers/customers the sale of which carries a guarantee of the above parties, the salvage value of such damaged property shall be determined after removing the brands/trademarks (which might be taken to indicate that the standards of quality or guarantees of the manufacturer/insured attach to the said property). The insured may at their own expense stamp "salvage" on the merchandise or its containers.

6. Civil Authorities Clause

This insurance is extended to cover direct loss or damage to the described property caused by acts of destruction executed by order of any Public Authority at the time of and only during a conflagration to retard the spread thereof, provided however, that such conflagration was caused by the perils insured under this policy and subject to all other terms and conditions of this policy. This Company shall not be liable, however, for more than the amount for which it would have been liable had the loss been caused by a peril insured against under this contract.

7. Expense for loss minimization

It is understood and agreed that this Policy includes expenses for loss minimization necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving / shifting of property if this contributes to loss minimization and charges raised by any local authority for the provision of fire fighting appliances called upon for the purpose of protecting the premises shall be recoverable.

In case of actual or imminent loss or damage it shall be lawful and necessary for the Insured, their factors, Servants or assigns to sue, labour and travel for, in or about the Defence, safeguard and recovery of the property Insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Insurer in recovering, saving and preserving the property Insured in case of loss or damage be considered a waiver or an acceptance of abandonment.

Coverage also includes the cost of replenishment of fire fighting appliances or damage to fire fighting materials.

Limit: Upto 10% of claim amount per event subject to company's overall liability not to exceed policy sum insured.

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

8. Floater Clause

In consideration of Floater Extra charged over and above the policy rate the S. I. in aggregate under the policy is available for any one, more or all locations as specified in respect of moveable property.

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

The changes in the address of locations specifically declared at inception should be communicated

9. Floater Declaration Clause

In consideration of Floater Extra charged over and above the policy rate the S.I. in aggregate under the policy is available for any one, more, or all locations as specified in respect of movable property.

HDFC ERGO General Insurance



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

The changes in the address of locations specifically declared at inception should be communicated
Also :

1. In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance.

The Insured agrees to declare to HDFC ERGO General Insurance Company Limited in writing the value of his stocks (other than retail) less any amount insured by Policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorized to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

In the event of a declaration not being made latest by the last day of the succeeding month then the insured shall be deemed to have declared the Sum Insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated at the rate applicable (provisional) per mille on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured but such repayment shall not exceed 20% of the provisional premium.

Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the currency of the policy.

2. The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the Market Value immediately anterior to the loss.

3. If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured here, bears to the total value of the stocks.

4. If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

5. Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the currency of the policy and the Insured therefore undertakes to pay extra premium on the

amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in and shall be distinct from, the final adjustment of premium.

6. In event of the policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 80% of the provisional premium whichever is greater. Notwithstanding the above, if the policy is cancelled by the insured after a loss has occurred, the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured up to the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or 80% of the provisional premium whichever is greater.

7. The maximum liability of the company shall not exceed the sum Insured hereby and premium shall not be receivable on value in excess thereof. The sum Insured may, however, be increased by prior agreement with the Company in which event the new sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the sum Insured being agreed to, the company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the currency of the policy, the rate for the class of risk to which the insurance applied is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.

8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.

9. It is hereby warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.

10. This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions.

10. Immediate Repair Clause

It is understood and agreed that in case of loss, the Insured, if they so elect, may immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the Insurer and in case of dispute as to the cost of repair and/or reconstruction, the loss shall be settled in accordance with the terms of this Policy, the sole object of this Condition being not to deprive the Insured from the use of operating properties which may be necessary to their Business.

11. Insurance of additional expenses of rent for an alternative accommodation (Tenant Or Owner Occupant)

It is hereby declared that in the event of the premises described in the Policy and occupied by the Insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any insured peril as to become unfit for occupation and the Insured in consequence taking up alternative accommodation, the Company shall subject to Special Conditions set out herein, indemnify the Insured against the Additional Rent (as explained herein) which the Insured is called upon to bear for the period beginning from the date of operation of any of the insured perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation or the maximum indemnity period (stated in the Schedule in respect of this Clause) whichever is earlier.

Provided that the liability of the Company shall not exceed the sum insured (stated in the Schedule in respect of this Clause) hereby.

Provided further that if the sum produced by applying the monthly Additional Rent, borne by the Insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced.

Special Conditions

1. This insurance shall apply subject to the condition that the PREMISES occupied by the Insured, whether as owner or tenant, forms part of a building not being "Kutchha" Construction.
2. If the area of alternative accommodation taken by the Insured is more than the area of the PREMISES occupied by the Insured, the Additional Rent borne by the Insured for the purpose of this insurance shall be deemed to be that proportion of the Additional Rent actually borne by the Insured as the area of the PREMISES which was in the Insured's occupation bears to the area of the alternative accommodation taken by the Insured. The Insured shall be at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

EXPLANATION

Additional Rent : If the Insured is the Owner-Occupant, the Additional Rent borne by him is arrived at after deducting the standard rent of the premises from the actual rent paid for the alternative accommodation. The standard rent shall be based on the ratable values fixed by the Municipal/Revenue authorities for tax purposes.

If the Insured is a tenant only and for safeguarding his legal tenancy rights is obliged to pay rent for the premises even during the period when it is not fit for occupation, the Additional Rent borne by him is the actual rent for the alternative accommodation.

If the Insured is a tenant and is not obliged to pay rent for the premises during the period when it is not fit for occupation, the Additional Rent borne by him is the actual rent paid for alternative accommodation taken less the rent which he was paying for the premises immediately prior to the same being damaged or destroyed by insured perils and rendered unfit for occupation

12. Leakage & Contamination Cover

SCOPE



Policy may be extended to include the risks of (a) accidental leakage and contamination or (b) accidental leakage.

The extension will apply to oils and chemicals only. It will not apply to any other commodity.

ENDORSEMENTS

It shall be obligatory to use one of the following endorsement wordings:

(A) Where Leakage and Contamination Cover is Granted:

“In consideration of the payment of an additional premium of Rs..... it is hereby agreed and declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this **policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of oil/chemical by leakage from its container by accidental means and all accidental contaminations by contact with foreign matter.**”

PROVIDED always that this policy does not cover:

- a) Loss by Contamination through Improper Handling or Controls by Insured’s own Employees;
- b) Loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- c) Loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory shortage, mysterious disappearance or unexplained loss;
- d) Loss by burglary or theft or any attempt thereat;
- e) Loss resulting from processing or faulty workmanship;
- f) Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- g) Any legal and/or contractual liability arising from any cause whatsoever; and Consequential Loss of any nature.

(B) Where Leakage cover alone is Granted:

“In consideration of the payment of an additional premium of Rs..... it is hereby agreed an declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this Policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of oil/chemical by leakage from its container by accidental means.

PROVIDED always that this policy does not cover:

- a) Loss resulting from loss of use, loss of earning, delay or loss of ;markets or other consequential or /indirect loss or damage of any kind or description whatsoever;
- b) Loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory storage, mysterious disappearance or unexplained loss;
- c) Loss by burglary or theft or any attempt thereat;

- d) Loss resulting from processing or faulty workmanship;

- e) Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- f) any legal and/or contractual liability arising from any cause whatsoever; and
- g) Consequential Loss of any nature

Special Conditions: (Applicable to A and B)

- i. The cover under this endorsement shall attach only on or after the receipt of the insured subject matter in land tanks as described in the policy and subject to lodgment with the company by Insured of a certificate obtained by them at their own expense from a competent approved and independent agency/surveyor as to the purity and quality of the subject matter herein insured.
- ii. Before the commencement of pumping and/or decanting operations, the Insured shall arrange at their own expense sampling and quality/purity certification by competent, approved and independent agency/surveyor for such distinct lot, batch or tank load ex/ocean vessel of insured subject matter and shall pump/decant only such material as is pure and without contaminants.
- iii. The insured shall at their own expense arrange inspection and certification from competent approved and independent agency/surveyor as to the cleanliness and fitness of the pipe lines, pumping equipment and the receiving land tanks to carry and/or receive the insured subject matter, prior to the commencement of pumping, decanting, receiving and/or storage operations. Such certification as mentioned above should, inter alia, confirm that the pumping, carrying and storage equipment facilities and tanks are free from impurities, contaminants and/or residue or left-overs from previous use of equipment, facilities or storage tanks. As concerning the receiving land tanks and initial certificate of fitness to receive and store the insured material shall be deemed to satisfy the above condition in so far as such tanks are concerned. However, a fresh certification as mentioned above would be required in the event of the said tanks being empty and fresh stocks are subsequently pumped/decanted in during the currency of this insurance.
- iv. In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- v. It is understood and agreed that all loss or damage to property occurring during any one period of seventy-two consecutive hours during the currency of this policy directly caused by earthquake shock shall be deemed to have been caused by single earthquake and therefore to constitute one loss for the purpose of this policy, the Insured shall select a time from which any such period shall commence but no two such selected periods shall overlap.
- vi. All salvage recoveries and payments recovered on received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustment shall be made by the parties hereto.
- vii. If any breach of a clause or condition in this contract or policy of insurance shall occur prior to a loss under this Policy, such breach shall not void the policy nor avail the company to avoid the liability unless such breach shall exist at the time of such a loss under this contract or policy, it being understood that such breach of a clause or condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.
- viii. Each claim for loss or damage shall be adjusted separately and each claim is subject to an excess of 1% on each tank with a minimum of Rs. 60,000/- each loss.

- ix. If the property here by insured shall at the time of the operation of a peril insured hereunder, be collectively of greater value than the sum insured thereof, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

NOTE: SPECIAL CONDITIONS (i), (ii) AND (iii) ARE NOT APPLICABLE WHERE LEAKAGE COVER ALONE IS GRANTED

1.1 Leakage And Overflow

It is hereby agreed that notwithstanding anything contained herein to the contrary, that this Policy extends to cover the loss of stock caused by leakage and/or overflowing from any storage tank or vessel

13. Local Authorities Clause

The insurance by this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with the Building or other Regulations under or framed in pursuance of any act of Parliament or with Bye-laws of any Municipal or Local authority provided that

1. The amount recoverable under this extension shall not include :

- a) The cost incurred in complying with any of the aforesaid Regulations or Bye-laws,
- i) in respect of destruction or damage occurring prior to the granting of this extension,
 - ii) in respect of destruction or damage not insured by the Policy,
 - iii) under which notice has been served upon the Insured prior to the happening of the destruction of damage,
 - iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged,
- b) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations of Bye-laws not arisen,
- c) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

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

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

4. The total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.
5. All the Conditions of the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

14. Loss Of Rent Clause

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage by the perils insured against and then the amount payable shall not exceed such portion of the sum insured on Rent as the period necessary for reinstatement bears to the term of the Rent Insured.

15. Modification Cost/ Incompatibility Expenses

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

16. Non-Vitiation Clause

Notwithstanding anything herein contained to the contrary, it is hereby agreed and declared that:

It is noted and agreed that if the insured described in the schedule comprises more than one insured party each operating as a separate and distinct entity **then (save as provided in this multiple insured's clause)** cover hereunder shall apply in the same manner and to the same extent as if the individual policies had been issued to each such insured party provided that the total liability of the insurers to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity including and inner **set by memorandum or endorsement** stated in the policy.

It is understood and agreed that any payment or payments by Insurers to any one or more such insured parties shall reduce to the extent of that payment insurers liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.

It is further understood that the insured parties will at all times preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss or damage.

It is further understood and agreed that insurers shall be entitled to avoid liability to or (as maybe appropriate) claim damages from any of the insured parties in circumstances of fraud, material misrepresentation, material non-disclosure or breach of nay warranty or condition of this policy each referred to in this clause as vitiating act.

It is however agreed that **(save as provided in this multiple insured's clause)** a vitiating act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a vitiating act.

Insurers hereby agree to waive all rights of subrogation which they may have or acquire against any insured party except where the rights of subrogation or recourse are acquired in consequence of or otherwise following a vitiating act in which circumstances insurers may enforce such rights notwithstanding the continuing or former status of the vitiation party as insured.

The lenders to the project shall not be entitled to any indemnity under this policy for or arising from loss or damage in respect of which insurers are by reason of vitiating act no longer liable to indemnity any one or more other insured party.

17. Obsolete Parts Clause

It is noted and agreed that in the event of spare parts currently insured under this policy becoming obsolete following an indemnifiable loss to the operating unit and/or units to which they belong, such spare parts shall also be deemed a constructive total loss, provided that such parts cannot be used as spares for any other units within the premises of the insured. The company retains the salvage rights over such parts.

18. Omission To Insure Additions Or Extensions

The insurance by this Policy extends to cover Buildings and/or Machinery, Plant and other Contents as defined in the Schedule hereof which the Insured may erect or acquire or for which they may become responsible:-

1. at the within described premises
 2. for use as factories
- a) The liability under this Extension shall not exceed in respect of (1) above, 5% of the Sum Insured by items of the Schedule, in respect of (2) above, 5% of the Sum Insured by items of the Schedule.
 - b) The Insured shall notify the Company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.
 - c) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
 - d) No liability shall attach to the Company in respect of any Building, Machinery Plant or other contents while such property is otherwise insured.

All new additions to Buildings and/or Machinery and Plant not specifically insured/included during the currency of the Policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of completion of construction/erection of additions may be suitably adjusted.

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

“Other contents” in the above Clause shall mean “Furniture and Fittings” and does not include ‘stocks’

19. Reinstatement Value Clause

It is hereby declared and agreed that in the event of the property insured under the stated items 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.

2. 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.
3. 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.
4. 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.

20. Removal of Debris (in excess of 1% of the claim amount)

It is hereby declared and understood that the insurance extends to cover costs and expenses necessarily incurred by the Insured in the removal of debris from the premises of the Insured; dismantling or demolishing; shoring up or propping; of the portion or portions of the property insured (specified as being insured by this Endorsement in the Schedule of) this Policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate the amount (limited to 10% of the total sum insured) stated in the Schedule in respect of this Endorsement.

21. Shut Down-Start Up clause

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of the actual shut down and start up costs for power and other utilities namely water, electricity, steam, gas and necessarily as well as fuels and combustibles to re establish the plant it was at the time of the damage subject to limit specified. Start up cost due to normal and/or emergency shut down not recoverable.

22. Spoilage Material Damage Cover

Policy may be extended to include spoilage risk subject to the following conditions:-

This cover shall extend to material damage, i.e.

- (i) Loss of stock in process; and
- (ii) Damage to machinery, containers and equipment (including cost of removal of debris and cleaning) and shall be provided by a separate item of the SFSP Policy subject to the Conditions that the perils causing the spoilage should be the same as those covered under the Policy.

The following endorsement wording shall be used.

“In consideration of the payment of the an additional premium as specified in the schedule is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under Item No. as specified in the schedule of this policy shall extend to cover loss or damage by Spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils covered under this Policy, provided that liability for destruction of or damage to the property insured described in the schedule ;to this policy, or any part of such property, is first admitted by the company.

PROVIDED ALWAYS THAT all the conditions (except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein and that any reference therein to the loss or damage caused by insured perils shall be deemed to apply also to loss or damage caused by Spoilage which peril this insurance extends to include by virtue of this Endorsement.”

SPECIAL CONDITIONS

For the purpose of this Endorsement but no otherwise, the following special conditions shall apply:

Average: If the property hereby insured against spoilage shall, at the time of occurrence of any loss or damage, be collectively of greater value than the sum insured on machinery, containers, equipment and stocks in the specified blocks, then the Insured shall be considered as being his own insurer for the difference and shall bear rateable proportion of the loss accordingly. Every time, if more than one, of the Policy shall be separately subject to this condition.

PROVIDED THAT it is hereby further expressly agreed and declared that the liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured item Nos. specified in the schedule of this Policy.

Sum to be insured:

The cover must be for all stocks and machinery, container and equipment in specified blocks, specified sums being declared for each block and must be made subject to ‘Average’

23. Spontaneous Combustion

“In consideration of the payment by the Insured to the Company of additional premium as specified in the schedule the Company agrees notwithstanding what is stated in the printed exclusions of the policy to the contrary that the insurance by item specified in the schedule of this policy shall extended to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion.”

N.B.: The expression ‘by fire only’ in the endorsement above must not be omitted under any circumstances.

24. Start Up Expenses

It is hereby agreed and declared that this policy extends to cover start-up costs necessarily and reasonably incurred by the insured consequent upon a loss or damage covered by this policy.

25. Temporary Removal Of Stocks Clause

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This extension does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy.

26. Tenants Liability (Insured To Landlord And Other Tenants)

The indemnity provided by this insurance extends to include all sums for which the Insured having insurable interest derived out of the terms of the lease agreement shall become legally liable to pay following upon damage to property occupied by the Insured, consequent upon the Insured's occupation of any premises or building as a tenant Provided that:-

1. such liability arises out of the normal occupational activity of the Insured at the premises described in the Schedule to the Policy or as otherwise confirmed by the Company or endorsed thereon
2. there shall be no liability on behalf of the Company following any property or portion of property or premises being sub-let by the Insured insofar as such property is concerned
3. the Insured shall not breach any contractual agreement or obligation between any landlord or any other tenant of the premises or property as such breach may have any bearing on the interests of the Company

In the event of any act of intent or any negligence or omission on behalf of any employee of the Insured to comply with the provisions of the Policy or the conditions of this clause; then the Company shall consider the consequences of such act of intent, negligence or omission as an indemnifiable event in terms of the provisions of the Policy and this clause provided the Insured can reasonably prove that they had no knowledge of such employee breaching the provisions of the Policy or this clause.

In the event of any Landlord to the Insured having effected insurance on behalf of the Insured as tenant; or the Insured as tenant being entitled to indemnity or compensation from any other source then the provision of such compensation shall be combined with such insurance and shall be considered to be the 'initial indemnity' and any amount having been paid for by such combined 'initial indemnity' shall be deducted from the indemnity provided for by this Policy. If such an amount of 'initial indemnity' shall exceed the limit of indemnity as provided by this Policy then there shall be no payment of indemnity in terms of this clause.

27. Computer Records Clause

It is hereby declared and noted that the policy provides cover against loss of data, data media and records, as well as its regeneration up to *the amount as specified in the schedule* subject to:

- 1) the loss of data, data media and records having been caused by a damage covered under section I
- 2) data / software back-up being kept in fireproof safe
- 3) The following special exclusions shall apply:
 - a. loss or damage for which the repair company or maintenance company is contractually liable.
 - b. any costs for standard adjustment, rectifying functional failures and maintenance of insured object unless necessary in connection with the repair of an insured loss
 - c. normal wear and tear of media.

- d. erroneous programming, perforating, loading or printing.
- e. any consequential loss or damage

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

28. Tenant's Improvements Clause / Tenants Clause

It is hereby agreed and declared that the coverage under this policy is inclusive of tenant's improvements, alterations and decorations up to *the amount as specified in the schedule*.

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

29. Unpacking Expense Clause

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of costs and expenses incurred by the Insured in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any property physically lost, destroyed or damaged by any peril insured against by this Section including examination of property not belonging to but in the care, custody or control of the Insured.

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

30. Expediting Costs Clause

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property Insured.

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

31. Protection And Preservation Of Property Clause

This Policy covers:

- (i) Reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property; provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.
- (ii) Reasonable and necessary:
 - Fire department fire fighting charges imposed as a result of responding to fire in , on or exposing the insured property.
 - Costs incurred on restoring and recharging fire protection systems following an insured loss.
 - Costs incurred for the water used for fighting a fire in, on or exposing the insured property.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

Indemnity limited upto the amount specified in the schedule per event and in aggregate

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

32. Valuable Papers & records Clause / Cost of Re writing records clause

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of physical loss or damage to documents, business books, registered mortgages, bill of lading, and any other document all of which must be of value to the Insured but only for the value of the materials as stationary together with the cost of clerical labour expended in writing up or restoring said documents but not for the value to the Insured of the information contained therein.
Subject otherwise to the terms, exceptions and conditions of the Policy.

33. Loss of Rent due to Damage of Tank, Godowns, Gas Holders, Bullets etc

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of the loss of actual monthly rent for the un-occupied period due to operation of insured perils on the insured tanks/ godowns/ gas holders/ bullets etc. that results in rendering the insured property unfit for use/ intended purpose up to a *maximum limit* of period selected by insured in the schedule subject to a maximum period of 12 months. However the company's liability will be reduced if the sum total of actual monthly rent to the maximum reinstatement period chosen exceeds the sum insured declared. Coverage shall not provide any indemnity in case the reinstatement of property is delayed or prevented by Government regulations & authority, unjustifiable delays & also due to insured's financial limitations.

34. Leak Search and Finding Cost

In addition to indemnifiable costs of repair or replacement the company will indemnify the assured for the cost and expenses necessarily and reasonably incurred in locating and obtaining access to any part or parts of the Insured property in order to locate and repair leaks or other damages subject to limit of indemnity as specified in the schedule for each and every occurrence.

35. Inhibition Cost

It is hereby agreed and declared that insurer will indemnify the loss or damage to undamaged property of insured damaged in order to extinguish or inhibit the spread of fire or other catastrophe insured herein up to a limit of 10% of the Sum Insured.

36. Workmen's Clause

Workmen are allowed in and about any of the aforementioned premises for the purposes of carrying out minor alterations, decorations, repairs and general maintenance and the like without prejudice to the terms of this insurance.

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

37. Hire Purchase Or Lease Agreements / Interest of Other Parties

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of the Insured shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insurer(s) and on demand pay such reasonable additional premium as the Insurer(s) may require.

Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any 'Concessions Agreement', which it may have entered into with the Insurer(s), the said 'Concessions Agreement' will take precedence over the foregoing paragraph.

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

38. Expiration Clause

If this Policy should expire or be cancelled while an insured event is in progress, it is understood and agreed that Insurers, subject to all other terms, exceptions and conditions of this Policy, are responsible as if the entire loss had occurred prior to the expiration of this insurance.

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

39. Master Key Coverage

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of the cost of replacement of lock and key when the master key is lost or stolen caused by a damage covered under section I.

Coverage excludes any consequential loss or damage arising due to lost or stolen master key.

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

40. Deterioration of Stocks in cold Storage premises due to accidental power failure consequent to damage at the premises of Power Station due to an insured peril

"In consideration of the payment of additional premium as specified in the schedule it is hereby agreed and declared that notwithstanding anything to the contrary in the policy or in any of its conditions, this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply at the terminal ends of electric service feeders from which the Insured obtains electric supply directly due to damage caused by any peril insured against under this policy to property at insured premises or any Electric Station or Sub-Station of Public Electric Supply undertaking from which the Insured obtains electric supply.

Provided that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, municipal or Local authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's systems or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the Supply Undertaking's generating or supply equipment by an insured peril.

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

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

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

41. Deterioration of stocks in cold storage premises due to change in temperature arising out of loss or damage to the cold storage machinery (ies) in the Insured’s premises due to operation of insured peril.

“In consideration of the payment of additional premium as specified in the schedule it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply following damage to Insured’s property due to insured peril(s).

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, extensions, conditions and limitations of this Policy”

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

42. Agreed Bank Clause

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

43. Architects, Surveyors and Consulting Engineers Fee (in excess of 3% of the claims amount)

"It is hereby declared and understood that the expenses incurred towards Architects, Surveyors and Consulting Engineers fees for plans, specification tenders, quantities and services in connection with the superintendence of the reinstatement for the Building, machinery, Accessories and equipment insured under this policy up to 7.5 % of the adjusted loss is covered, but is understood that this does not include any cost in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils".

Architects', Surveyors' & Consulting Engineers' Fees

The insurance by the Policy shall include an amount in respect of Architects', Surveyors, Consulting Engineers' and Legal and other Fees necessarily incurred in the reinstatement of the Property Insured consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such Fees shall not exceed those authorized under the scales of the various Institutions and/or Bodies regulating such charges. This extension shall also include reasonable costs incurred by the Insured of a like nature.

Limit as specified in the schedule each and every loss.

44. Designation Of Property Clause

For the purpose of determining, where necessary, the item under which any property is insured, the Company agrees to accept the designation under which the property has been entered in the Insured's books

45.1. Earthquake (Fire & Shock) When Strom, Tempest, Flood, Innudation Perils Are Not Covered

In consideration of the payment by the Insured to the Company of the additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed Exclusions of this Policy to the contrary, this insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property insured by this Policy occasioned by Earthquake including Landslide / Rockslide resulting therefrom but excluding flood or overflow of the sea, lakes, reservoirs and rivers caused by Earthquake.

Provided always that all the conditions of this Policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this Endorsement.

Special conditions

1. Excess
Excess/ Deductible as appearing in the schedule shall be applicable.
2. This extension cover applies only if the entire property in one complex / compound / location covered under this Policy is extended to cover this risk and the Sum Insured for this extension is identical to the Sum Insured against the risk covered under Policy except for the value of the plinth and foundations of the building(s).
3. Onus of proof
In the event of the Insured making any claim for loss or damage under this Policy he must (if so required by the Company) prove that the loss or damage was occasioned by our through or in consequence of Earthquake.

45.2 Earthquake (Fire & Shock) When Storm, Tempest, Flood, Inundation Perils Are Covered

In consideration of the payment by the Insured to the Company of the additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed Exclusions of this Policy to the contrary, this insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property insured by this Policy occasioned by or through or in consequence of Earthquake including Flood or Overflow of the sea, lakes, reservoirs and rivers and/or Landslide / Rockslide resulting therefrom. Provided always that all the conditions of this Policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this Endorsement.

Special conditions

1. Excess
Excess/ Deductible as appearing in the schedule shall be applicable.
2. This extension cover applies only if the entire property in one complex / compound / location covered under this Policy is extended to cover this risk and the Sum Insured for this extension is identical to the Sum Insured against the risk covered under Policy except for the value of the plinth and foundations of the building(s).
3. Onus of proof
In the event of the Insured making any claim for loss or damage under this Policy he must (if so required by the Company) prove that the loss or damage was occasioned by our through or in consequence of Earthquake

46. Escalation Clause

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the under noted

items(s) the Sum(s) Insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increased per annum.

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

At each renewal date the insured shall notify the Insurers:-

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

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

47. Temporary Removal Of Stocks Clause

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This extension does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy

48. Catalysts and Consumable Interests In Process

Catalysts and consumable materials in the course of process are covered to a maximum limit as specified in the schedule each and every loss

49. Capital Additions

The insurance by this policy shall, subject to its terms and conditions extend to cover:

- any newly acquired buildings, machinery and plant in so far as the same are not otherwise insured, and;
- alterations, additions and improvements to buildings, machinery and plant
- during the current period of insurance at any of the premises hereby insured, provided that:
 - at any one situation this cover shall not exceed 5 pct. of the total sums insured on such property;
 - the Insured undertake to give particulars of any such capital additions forthwith and pay such additional premiums as the Insurers may require.

50. Appraisalment Clause

If the aggregate claim for any one loss does not exceeds the amount (as specified in schedule) per location or % (as specified in schedule) of sum insured, whichever is higher, no special inventory/appraisalment of the undamaged property shall be required.

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

51. Contract Price Clause

It is hereby declared and agreed that in respect of Goods sold but not delivered for which the Insured is responsible and with regard to which under conditions of the sale, the sale contract is, by reason of an insured peril, cancelled either wholly or to the extent of the loss or damage, the liability of the Company shall be based on the Contract Price, and for the purpose of Average, the value of all goods to which this clause would be applicable shall be ascertained on the same basis.

Insured is required to maintain electronic records or such other authenticated records of all such transactions which can be produced for verification on demand at any point of time and/or in substantiation of the claim.

This clause is subject otherwise to the terms, exceptions and conditions of the Policy.

52. Contracting Purchaser's Interest

It is hereby agreed and declared that company will Indemnify the insured If at the time of the Damage the Insured have contracted to sell their interest in any Building insured by this Section and the purchase has not been but shall afterwards be completed, the purchasers on completion of the purchase (if and so far as the property is not otherwise insured against such Damage by them or on their behalf) shall be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Insurer until completion

53. Cost of Clearing Drains Clause

It is hereby declared and agreed that this Policy extends to cover any expense necessarily incurred by the Insured in the clearing of drains within the surrounding premises as a consequence of property insured by this policy being destroyed or damaged by fire or by any other perils hereby insured against, it being understood that the total liability for such clearing shall not exceed any one loss.

54. Automatic Extension Clause

Notwithstanding anything herein to the contrary, the Insurer hereby agrees to automatically extend the period of insurance under the policy by a further period of months as specified in schedule at pre-agreed rates.

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

55. Declaration Clause

1. In consideration of the premium by this Policy being provisional in that it is subject to adjustment on expiry of each Period of Insurance.

"The Insured agrees to declare to the Company in writing the value of his stocks (other than retail) less any amount insured by policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorised to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

HDFC ERGO General Insurance



In the event of a declaration not being made latest by the last day of the succeeding month, then the Insured shall be deemed to have declared the Sum Insured hereby as the value at risk.

On the expiry of each Period of Insurance the premium shall be calculated at the rate stated in the Schedule on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured but such repayment shall not exceed 50% of the provisional premium.

Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the currency of the Policy

2. The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.
3. If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this Policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the stocks.
4. If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.
5. Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the currency of the Policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the Period of Insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
6. In event of this Policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured upto the date of cancellation, or 50% of the provisional premium whichever is greater. Notwithstanding the above, if the Policy is cancelled by the Insured after a loss has occurred, the premium to be retained by the Company shall be the PRO RATA proportion of the premium calculated on the average amount insured upto the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the Period of Insurance on the amount of loss paid, or 50% of the provisional premium whichever is greater.
7. The maximum liability of the Company shall not exceed the Sum Insured hereby and premium shall not be receivable on value in excess thereof. The Sum Insured may, however, be increased by prior agreement with the Company in which event the new Sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the Sum Insured being agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each Period of Insurance the total

provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the currency of the Policy, the rate for the class of risk to which the insurance applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of Policy, at the rate at which the insurance was originally effected and upon expiry of each Period of Insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.

8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this Condition.
9. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
10. This insurance is subject in all respects to the printed Conditions of the Policy except in so far As they may be varied by the above Conditions.

56. Electrical Clause/ Electrical Installation Clause

Loss or damage by fire to the electrical appliance and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuit, arcing, self-heating or leakage of electricity, from whatever cause (lightning included) is covered subject to the terms and conditions of this Policy, but it is expressly understood that no liability exists under this Policy for loss or damage to any electrical machine, apparatus, fixture or fittings or to any portion of the electrical installation, unless caused by fire or lightning

57. Forest Fire

In consideration of the payment of additional premium the insurance under the policy shall extend to include loss of or damage to the property insured directly caused by burning, whether accidental or otherwise, of forest, bush and jungles and the clearing of lands by Fire.

58. On Account Payment Clause

It is hereby declared and agreed that progress payment on account of any loss recoverable under this Policy will be made to the Insured at such stages as may be mutually agreed upon if desired by the Insured and on production of an interim report and recommended payment on account amount by the loss adjuster (if appointed) that such payments are deducted from the final agreed claim settlement figures.

59. Sue And Labor Clause

This policy extends to cover any reasonable expenses being incurred by the Insured in their efforts to recover safeguard or preserve the Property Insured to minimise any imminent or actual loss as insured under the Policy or to prosecute in its own name any claim for indemnity or damages or otherwise against any persons in respect of such loss the Insurer shall pay such expenses.

60. Claim Preparation Cost (Excluding appointment of experts)

On costs and expenses necessarily and reasonably incurred by the insured following loss or damage to the property insured.

- I. to reconstruct and recompile records (but not for the value to the insured of the insured information contained therein)

II. to extract and compile information required by the Company from the insured's own records for the purpose of preparing a claim under the Policy but excluding legal, investigation fees/expenses incurred for the purpose of contesting any issue over the Company's Liability under the Policy.

Provided always that no amount shall be recoverable under this endorsement if subsequent to the incurrence of any expenses, the Company shall deny liability for any claim in respect of which the expenses have been incurred (with or without the consent of the Company)

61. Pairs And Sets Clause

In the event of insured loss or damage to the personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets, lots or in ranges.

At the Insured's option, the Insured may collect the full value of the pair or set provided the Insured tenders the remaining article or articles of the pair or set to the Insurer.

62. Deferred Payment clause

It is hereby agreed and declared that insurer will cover loss or physical damage to personal property of the type insured sold by insured under conditional sale or trust agreement or installment or deferred payments scheme to the buyer, indemnity is limited to the unpaid balance payment after the buyer stops payments subject to limit of indemnity as specified in the schedule.

Following such event the insured is expected to use all reasonable efforts including legal action if required to collect collection due or regain possession of property. Coverage is not applicable to product recall or any loss related to advertising of such recall by insured.

63. Mis-description Clause / Errors & Omissions Clause

It is hereby understood and agreed that the coverage afforded by this Policy shall not be invalidated or affected by any unintentional errors omissions or improper description in the Policy provided that the error omission and/or corrected description is reported as soon as practicable after discovery.

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

64. Control of Damaged Property Clause

This Policy gives control of physically damaged property consisting of as specified in schedule as follows:

- 1) The Insured will have full rights to the possession and control of damaged property in the event of Insured physical damage to such property provided proper testing is done to show which property is physically damaged.
- 2) The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- 3) Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- 4) Any salvage proceeds received will go to the :
 - a. Company at the time of loss settlement; or
 - b. Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

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

65. Terrorism Damage Cover Endorsement - Material Damage and Loss Of Profit

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:-

(i) 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 hereinafter contained,

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 acting alone or on behalf of or in connection with any organisation(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.

(ii) 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.

(iii) Loss resulting from necessary interruption of business caused by direct physical loss or damage in respect of which liability has been admitted by the Company under (i) and/or (ii) above. In the event of such direct physical loss or damage, this Policy shall be liable for the actual loss sustained by the insured resulting directly from such necessary interruption of business, but not exceeding the loss of gross profits, as defined in the Policy, less charges and expenses which are not necessary during the interruption of business, for such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged, commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

LOSSES EXCLUDED

(A) For Materials Damage

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.

(B) For Loss of Profit

This cover shall not indemnify:-

1. Increase in loss resulting from interference at the insured premises, by terrorists or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, license, contract, or order, unless such results directly from the insured interruption of business, and then the Company shall be liable for only such loss as affects the Insured's earnings during, and limited to, the period of indemnity covered under this Policy;

3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. the Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged;
5. loss resulting from :
 - a) deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software;
 - b) other erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software unless caused by damage to the machine or apparatus in which the records are mounted;
6. loss resulting from alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the physical ;
7. loss of market or any other consequential loss.
8. loss as a result of physical or mental or bodily injury to any person.
9. Loss arising from contingent Business Interruption Extension of the Business Interruption\loss of profit Section under this policy, comprising of Customers and Suppliers premises, Prevention of Access and Public Utilities.

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured for Material Damage and Loss of Profits given in the Policy Schedule or INR 15,000,000,000 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 15,000,000,000 for Material Damage and Loss of Profits. If the actual aggregate loss suffered at one compound/location is more than INR 15,000,000,000 for Material damage and Loss of Profits, the amounts payable under individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS

A. For material damage

Shops & Residential Risks - 1% of the claim amount for each and every claim subject to minimum of INR 10,000 and a maximum of INR 5,00,000/-.

Non-Industrial Risks - 1% of the claim amount for each and every claim subject to minimum of INR 25,000 and a maximum of INR 10,00,000/-.

Industrial Risks - 5% of the claim amount for each and every claim subject to minimum of INR 1,00,000 and a maximum of INR 2,50,00,000

B. For Loss of Profit

In any one occurrence of loss or damage, the Company shall not be liable for the amount obtained by multiplying seven (7) days standard turnover with rate of gross profit.

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 the Policy save as modified or endorsed herein shall apply

SECTION II - BURGLARY/ HOUSE BREAKING

The Company will indemnify the Insured to the extent of the intrinsic value of -

1. any loss of or damage to property belonging to the Insured or held in trust or on commission for which he is responsible or any part thereof whilst contained in the premises described in the Schedule hereto due to burglary or house-breaking (theft following upon an actual forcible and violent entry of and/or exit from the premises) or hold-up;
2. damage caused to the premises resulting from burglary and/or housebreaking or any attempt thereat, any time during the period of insurance up to 5% of the Sum Insured for all contents.

Provided always that the liability of the Company shall in no case exceed the Sum Insured stated against each item or total Sum Insured stated in the Schedule.

EXCLUSIONS UNDER SECTION II

The Company shall not be liable in respect of -

1. a) Gold, silver or articles made of precious metals, watches or jewellery or precious stones or models or coins or curios, sculptures, manuscripts, rare books, plans, medals, moulds, designs, deeds, bonds, bills of exchange, bank, treasury or promissory notes, cheque, money, securities, stamps, collection of stamps, business books or papers, motor vehicle unless specifically insured.

b) Any goods lying outside such portion of the Premises insured as is enclosed, unless specifically insured.
2. Loss or damage where any inmate or member of the Insured's household or his business staff or any other person lawfully in the premises in the business is concerned in the actual theft or damage to any of the articles or premises or where such loss or damage has been expedited or in any way assisted or brought about by any such person or persons.

3. Loss or damage which is recoverable under any other section of this policy.
4. Loss of money and/or other property abstracted from a safe following the use of the key to the said safe or any duplicate thereof belonging to the Insured, unless such key has been obtained by assault or violence or any threat thereof.

Loss or damage if the premises shall have been left uninhabited by day and night for seven or more consecutive days and nights unless, in every case, the consent of the Company to the continuance of the insurance thereon is obtained and signified on the policy

SUM INSURED – BASIS OF VALUATION (AS APPLICABLE)

A. Sum Insured must represent market value of the property insured which means current replacement value of the item as new at the time of loss or damage less due allowance for betterment, wear & tear and obsolescence.

B. Reinstatement Value basis.

SPECIAL CONDITION/COVER UNDER THIS SECTION

MAINTENANCE OF BOOKS AND KEYS: The Insured shall keep a daily record of the amount of cash contained in the safe or strong room and such record shall be deposited in a secure place other than the safe or strong room and produced as evidence in support of a claim under this policy. The keys of the safe or strong room shall not be left on the premises out of business hours, unless the premises are occupied by the Insured or any other permanent employee of the Insured in which case such keys if left on the premises shall be deposited in a secure place not in the vicinity of the safe or strong room.

BURGLARY/ HOUSE BREAKING - SUPPLEMENTARY CLAUSES & CONDITIONS

1. BURGLARY- AGREED BANK CLAUSE

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to

impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

2. BURGLARY- FIRST LOSS ENDORSEMENT

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

It is further declared and agreed that if the event of the total value of stocks at the time of loss be greater than the total value declared for purposes of this insurance and incorporated in the Schedule, the Insured shall be considered as being his own insurer, for the difference, and shall bear a rateable share of the loss accordingly.

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

Subject otherwise to the terms and conditions of the policy.

3. BURGLARY- FLOATER CLAUSE

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

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

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

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

4. BURGLARY- RIOT & STRIKE DAMAGE CLAUSE

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

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

This insurance however does not cover:

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

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

5. BURGLARY- THEFT EXTENSION CLAUSE

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

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

- discovered during any process of stock taking or inventory reconciliation
- due to non-return of the insured property by the agent/custodian/hirer or any other third party to whom the insured property was given in custody by the Insured or his representative.
- following removal of the insured property from location it is stated as situated
- during or after the occurrence of any fire, riot, strike, earthquake or other convulsion of nature affecting the location where the insured property is situated.
- is in excess of the stated limit of indemnity for each and every loss and nor in excess of the stated aggregate limit of indemnity.

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

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

6. BURGLARY- DESIGNATION OF PROPERTY CLAUSE

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

7. BURGLARY- COST OF DEBRIS REMOVAL

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

8. BURGLARY- COST OF RESTORING DOCUMENTS

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

9. BURGLARY- EMPLOYEE PERSONAL PROPERTY COVER

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

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

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

1. the Company indemnity shall be limited to the cost of replacing any such lock with one of similar quality to that being the subject of the claim

2. the Company indemnity shall not exceed 10% of the total sum insured.

11. BURGLARY- OMISSION TO INSURE ADDITIONS OR EXTENSIONS

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

- i) The liability under this extension shall not exceed 5% of the sum insured by items of the schedule.
- ii) The insured shall notify the company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.
- iii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
- iv) No liability shall attach to the company in respect of any property while such property is otherwise insured.

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

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

12. BURGLARY - THEFT BY USE OF DUPLICATE KEYS

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

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

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

13. BURGLARY- REINSTATEMENT VALUE CLAUSE

“It is hereby declared and agreed that in the event of the property insured under 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.

2. 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.
 3. 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.
1. This Memorandum shall be without force or effect if :
 - a. 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.
 - b. The Insured is unable to unwilling to replace or reinstate the property destroyed or damaged on the same or another site

SECTION III –GLASS AND SANITARY FITTINGS

Notwithstanding anything contained in the policy or any of its endorsements or SECTIONS hereto, it is agreed and declared that in consideration of the agreed premium being paid by the insured to the company the following coverage section is included under the policy effective the date stated herein. Subject to the terms and provisions including the general conditions and general exclusions of the policy and all endorsements thereon.

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

GLASS AND SANITARY FITTINGS

If there shall be an accidental breakage (which for the purpose of this Policy shall not include damage by scratches) of any of the Glass or Sanitary fittings mentioned in the Schedule, the Company shall pay or make good to the Insured the intrinsic value of such glass up to the Sum Insured specified in the Schedule against each item.

SUM INSURED : Sum Insured shall be on Reinstatement Value basis.

BASIS OF INDEMNITY: Basis of indemnity shall be on Reinstatement Value. If the Sum Insured is less than the replacement value of property then the Insured shall be considered his own insurer for the difference between Sum Insured and cost of replacement and accordingly shall bear a rateable proportion of the damage. Each insured item if more than one, shall be separately subject to this condition.

PROVIDED that the Company will not be liable for any misdescription of the glass insured and that unless expressly stated in the Schedule all glass shall be considered plain and of ordinary glazing quality and without Embossing, Silvering, Lettering, Bending or Ornamental work of any kind. Further that the

Company shall not be responsible for breakage of any lettering mentioned in the Schedule unless such breakage be caused by or consequent upon the breakage of the glass to which it is affixed.

DEFINITION:

Glass: Glass means fixed plain glass and mirrors in or on the insured premises excluding painting, tinting, embossing or ornamental works on the glass unless expressly stated and value included in the Sum Insured

Sanitary Fittings: Sanitary fittings means fixed wash basins, pedestals, sinks, lavatory pans and cistern contained in the insured premises.

Accidental: Accidental means a circumstance that is sudden, unexpected and unintentional damage not excluded under the policy and which is not a result of Fire & Special Perils, Heat or any loss that could be covered under Section I of this Policy.

SPECIAL CONDITIONS UNDER THIS SECTION

1. This section does not cover:-
 - a) Excess stated in the schedule
 - b) Breakage or damage during removal, alterations and/or repairs in or about the premises
 - c) Disfiguration or scratching or damage of glass sanitary fittings other than the fracture extending through the entire thickness of glass, sanitary fittings.
 - d) Breakage of glass, sanitary fittings which are not completely and securely fixed
 - e) Cracked or imperfect glass.
 - f) The removal or replacement of any fittings or fixtures in order to replace glass
 - g) Any loss or damage arising from the interruption of or delay in the Insured's business during the time intervening between occurrence of any breakage and of reglazing.
 - h) Terrorism Damage
2. All the glass described by this Policy is insured only so long as it is fixed. If there be any alteration of the premises, or in the tenancy sub-tenancy occupancy of, or business carried on in the buildings containing the Glass described in this policy, or if the premises should become uninhabitable or disused, then and in every such case the same must be immediately notified to the Company and if the risk is increased the Company shall have the option of charging a suitable extra premium or of refusing to continue the Insurance.
3. The Company will indemnify the Insured in respect of loss or damage to fixed plate glass in the Insured premises by accidental breakage provided that the liability of the Company in respect of any one loss or all losses in any one period of insurance is limited to the Sum Insured set against the items stated in the Schedule.

SECTION IV - NEON SIGN/GLOW SIGN/HOARDING

The Company will indemnify the Insured in respect of loss of or damage to NEON SIGN/GLOW SIGN/HOARDING belonging to the Insured by

1. Accidental external means
2. Theft/burglary
3. Fire, lightning, external explosion/Implosion
4. Aircraft or articles dropped therefrom

5. Riot, strike or malicious act
6. Earthquake (fire and/or shock) subsidence and land slide including rockslide damage
7. Flood, inundation, storm, tempest, typhoon, hurricane, tornado or cyclone.
8. Impact damage by rail/ road vehicle or animal.

Special Exception:

The Company shall not be liable in respect of

1. Excess as stated in Schedule.
2. The fusing or burning out of any Bulbs and/or Tubes arising from short circuiting or arcing or any other mechanical/electrical breakdown or faults.
3. The action of sun (resulting in wear and tear)
4. Mechanical or electrical breakdown failures or breakages and/ or over-running and/ or heating and/ or overloading or strains.

Sum Insured: Sum Insured shall be on Reinstatement Value basis

Basis Of Indemnity: Basis of indemnity shall be on Reinstatement Value. If the sum insured is less than the replacement value of property then the Insured shall be considered his own insurer for the difference between Sum Insured and cost of replacement and accordingly shall bear a rateable proportion of the damage. Each insured item if more than one, shall be separately subject to this condition.

SECTION V - BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE (Machinery Breakdown)

Subject to the terms, exceptions, exclusions, provisions and conditions contained herein or endorsed hereon, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against unforeseen and sudden physical damage by any cause not hereinafter excluded to any Property insured specified in the attached Schedule(s) whilst in the premises therein mentioned necessitating its immediate repair or replacement. This section shall apply to the Property insured after successful completion of their performance/acceptance tests, whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the aforesaid premises, or during subsequent re-erection. The liability of the Company for any one item of the Property insured shall not exceed in the aggregate in any one period of insurance the Sum Insured set against such Property insured in the attached Schedule(s), unless the Sum Insured under such item is reinstated after occurrence of a claim for the balance period.

EXPENSE FOR LOSS MINIMIZATION

The following provision is applicable if the Insured has opted for this extension.

This Policy also includes expenses for loss minimization necessarily incurred by The Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in The Schedule, including moving / shifting of property if this contributes to loss minimization, subject to a limit per loss as per schedule. Limit: Upto Per event and in aggregate as agreed and specified in Schedule

EXCEPTIONS UNDER SECTION V

The company shall not be liable under this section in respect of -

1. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly of fire including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke,

soot, aggressive substance, lightning, explosion of any kind (other than bursting or disruption of turbines, compressors, cylinders of steam engines, hydraulic cylinders or fly wheels or other apparatus subject to centrifugal force, internal pressure) theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne or waterborne or airborne craft or other aerial devices and/or articles dropped therefrom.

Any loss or damage by fire within the electrical appliances and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures fittings or portions of the electrical installation which may be destroyed or damaged by fire so set up.

2. Accident, loss, damage/and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
3. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or renewal of the parts affected may be necessary.
4. Deterioration of or wearing away or wearing out of any part of any machine caused by or naturally resulting from normal use or exposure.
5. Loss, damage and/or liability caused by or arising out of the willful act, willful neglect or gross negligence of the Insured or his responsible representatives.
6. Liability assumed by the Insured by agreement unless such liability would have attached to the ; Insured notwithstanding such agreement.
7. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the Insured or his responsible representative but not disclosed to the company.
8. Loss of use of the Insured's plant or property of any other consequential loss incurred by the Insured.
9. Loss, damage/and/or liability due to explosions in chemical recovery boilers, other than pressure explosions e.g. smelt, chemical, ignition, explosions etc.

SPECIAL EXCLUSIONS –

The Company shall not be liable for -

1. The Excess, as stated in the Schedule, to be first borne by the Insured out of each and every claim; where more than one item is damaged in one and the same occurrence, the Insured shall not, however, be called upon to bear more than the highest Excess applicable to any one such item;
2. Loss of or damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved or impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerant, dowtherm), felts, endless conveyor belts or wires, sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts.

3. Loss or damage for which the manufacturer or supplier or repairer of the Property insured is responsible either by law or contract.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of the exceptions or exclusions above, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PROVISIONS -

1. SUM INSURED –

It is the requirement of this Insurance that the Sum Insured shall be equal to the cost of replacement of the Property insured by new property of the same kind and same capacity which shall mean its replacement cost including freight and customs duties, if any, and erection costs.

2. BASIS OF INDEMNITY –

- a) In cases where damage to the Property insured can be repaired, the Company will pay expense necessarily incurred to restore the damaged Property insured to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties if any to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced except for

- (i) wear and tear parts and
- (ii) parts for which manufacturers have specified a fixed life for use and the like but the value of any salvage will be taken into account.

If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) below.

- b) In cases where the Property insured is destroyed, the Company will pay the actual value of the Property insured immediately before the occurrence of the loss including costs for ordinary freight erection and customs duties if any provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the said Property insured. The Company will also pay any normal charges for the dismantling of the Property insured destroyed but the salvage will be taken into account.

BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE – SUPPLEMENTARY CLAUSES & CONDITIONS

1. MBD- ESCALATION CLAUSE

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

HDFC ERGO General Insurance



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

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

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

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

2. MBD- EXPRESS FREIGHT

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

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

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

3. MBD- AIR FREIGHT

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

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

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

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

4. MBD- OWNERS SURROUNDING PROPERTY

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

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

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

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

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

5. MBD- THIRD PARTY LIABILITY

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

6. MBD- ADDITIONAL CUSTOMS DUTY

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

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

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

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

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

7. MBD- UN REPAIRED DAMAGES

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

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

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

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

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

9. MBD-AGREED BANK CLAUSE

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

10. MBD- UN REPAIRABLE EQUIPMENT CLAUSE

The following provision is applicable if the Insured has opted for this extension.

For unrepairable electrical or mechanical equipment, including computer equipment under this Policy the adjustment of the physical damage loss amount will be not exceeding the cost to replace with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement. Limit: Upto Per event and in aggregate as agreed and specified in Schedule.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight are covered by this insurance only if specifically agreed to in writing.

In the event of the makers' drawings, patterns and core boxes necessary for the execution of a repair not being available the Company shall not be liable for cost of making any such drawing patterns or core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

If the Sum Insured is less than the amount required to be insured as per Provision 1 hereinabove, the Company will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item of Property insured if more than one shall be subject to this condition separately.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

11. MBD - ALTERNATE WORKING

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

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

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

12. MBD - STAND-BY MACHINERY

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

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

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

13. MBD - INSURANCE OF ROPES IN LIFTS, CRANES AND ROPEWAYS

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

Provided that the amount indemnifiable in respect of items thus affected is depreciated at an annual rate to be determined at the time of loss, this rate being not less than 15 % per annum subject to a maximum of 75 %.

14. MBD - REDUCTION GEAR BOX

It is hereby declared and agreed that all claims pertaining to reduction Gear Box will be subject to depreciation at the rate of 15 % per year or part thereof subject to a maximum depreciation of 75 %.

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

15. MBD - PATTERNS AND CORE-BOXES

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

16. MBD - DG SET ENDORSEMENT FOR 'LOSS MINIMISATION'

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

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

17. MBD- FURNACE ENDORSEMENT

1. INDUCTION FURNACE -

The Induction Furnace should be covered subject to the following endorsement, which should be compulsorily used in case of all Induction Furnaces -

'It is hereby declared and agreed that the damage to the refractory lining due to any cause is specifically excluded'.

2. ELECTRICAL FURNACES -

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

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

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

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

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

18. MBD- OVERHAUL OF PLATEN PRESSES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the following shall apply to this Insurance in respect of item(s) No(s) contained in the specification of the policy.

The Insured shall arrange at his own expense an overhaul (the Insured shall inform the Insurer of such an overhaul in good time so that the Insurers' representatives may be present during the overhaul at the Insurers' expense) of all highly stressed parts of platen presses as well as an inspection by an expert in non-destructive testing and shall supply the insurers with reports on this overhaul and inspection. The expert shall determine the date of the next overhaul. Such overhauls/inspections shall take place at intervals of at least 12 months.

These provisions shall apply regardless of the commencement date of the insurance cover.

The Insured may apply for an extension of the period between overhauls. Such extension shall be granted if in the opinion of the Insurers the risk is not aggravated thereby.

If the Insured fails to comply with the requirements of this Endorsement, the Insurers shall be free from all liability for loss or damage caused by any circumstance which could have been detected had an overhaul taken place

19. MBD- REFRACTORY MATERIALS IN BOILERS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurer shall indemnify the Insured for loss of or damage to refractory materials in item(s) as specified in the schedule, Nos. in the schedule contained in the schedule of the policy, caused by an indemnifiable accident to the above named items subject to depreciation of the amount indemnifiable in respect of the items thus affected, at the time of loss. This rate being not less than 20 % per annum but not more than 80 % in total

20. MBD- CAPITAL ADDITIONS

The insurer shall indemnify the insured up to the 15% of Policy Sum Insured per event and in aggregate in respect of loss of or damage to any buildings, machinery and other equipment acquired or operated by or held in the care, custody or control of the insured after the inception of this policy of insurance and not included in the schedule. Any additions or extensions to property insured which have been carried out after the inception of this policy of insurance collectively referred to as capital additions. Any increase in the new replacement value as a result of such capital additions shall not exceed limit specified as above. This additional insurance cover is also subject to the insuring party advising the insurer within one month of the particulars of any such capital additions and the payment of any additional premium the insurer may require

21.MBD - BASIS OF INDEMNITY

In consideration of the payment of additional premium, the policy extend to cover items mentioned in Policy Schedule on replacement basis in cases where the Property insured is destroyed the company shall indemnify the Insured for Replacement Value of the insured items by a new property of the same kind and same capacity including freight and customs duties, if any and erection costs, if any provided such expenses have been included in the Sum Insured but without any allowance for wear and tear and /or depreciation for equipment upto 5 years old.

In case the age of the damaged item exceeds 5 years the settlement shall be on 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

22. MBD- Claim Preparation Cost

In consideration of the payment of additional premium, it is hereby agreed and declared that, notwithstanding anything to the contrary in this policy or in any of its conditions, the insurance by this Policy extends to include costs reasonably incurred by the Insured in producing and certifying any particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy.

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

SECTION VI - ELECTRONIC EQUIPMENT

Subject to and/or in consideration of the Insured having paid to the Company the premium mentioned in the Schedule and subject to the terms, exclusions, conditions and provisions contained herein or endorsed hereon the Company will indemnify the Insured in the manner and to the extent hereinafter provided.

This Section shall apply to the insured items (only after successful completion of their ;performance/acceptance test whether they are at work or at rest or being dismantled for the purpose of cleaning or overhauling or in the course of aforesaid operations themselves or when being shifted within the premises mentioned in the Schedule or during subsequent re-erection.

The liability of the Company for any one item of the Property insured shall not exceed in aggregate in any one period of Insurance the Sum Insured set against such items in the attached Schedule(s) unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period.

EQUIPMENTS -

All electronic equipments like computers, medical, biomedical, micro- processors; audio/visual equipments including the value of systems software may be covered under this section. The term equipment shall include the entire computer system consisting of CPU, keyboards, monitors, printers, stabilizers, UPS, system software etc.

Dish antenna is excluded from the scope of cover under this section. Further portable electronic equipments like notebook, lap top computer, sonography machine are also excluded under this section.

SCOPE OF COVER –

The Company hereby agrees that in the event that the Property insured or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than

those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

EXPENSE FOR LOSS MINIMIZATION

The following provision is applicable if the Insured has opted for this extension.

This Policy includes expenses for loss minimization necessarily incurred by The Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in The Schedule, including moving / shifting of property if this contributes to loss minimization, subject to a limit per loss as per schedule. Limit: Upto Per event and in aggregate as agreed and specified in Schedule

Un repairable Equipment Clause

The following provision is applicable if the Insured has opted for this extension.

For unrepairable electrical or mechanical equipment, including computer equipment under this Policy the adjustment of the physical damage loss amount will be not exceeding the cost to replace with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement. Limit: Upto Per event and in aggregate as agreed and specified in Schedule

EXCLUSIONS UNDER SECTION VI

The Company will not indemnify the Insured in respect of loss, damage or liability directly caused by or arising out of or aggravated by -

1. Cessation of work whether total or partial.
2. Cost Incurred/time involved in the movement of machinery and/or any other property and/or personnel outside the territorial limits of India other than the cost of delivery of replacements for machinery lost or damaged.
3. Misalignment of the Property insured not accompanied by damage otherwise covered by this section.
4. Loss of or damage to the Property insured covered under this section falling under the terms of the maintenance agreement.
5. Loss destruction or damage directly occasioned by pressure wave caused by aircraft and other aerial devices traveling at sonic or supersonic speeds.

In any action, suit or other proceedings where the Company alleges that by reason of the provisions of the above exclusions any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

SPECIAL EXCLUSION TO SECTION VI

The Company shall not, however, be liable for -

1. the Excess stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items;

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2. loss or damage caused by any faults or defects existing in the Property insured at the time of commencement of the present insurance within the knowledge of the Insured, or his representatives, whether such faults or defects were known to the company or not;
3. loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitations, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions;
4. any costs incurred in connection with the elimination of functional failures unless such failures were caused by an indemnifiable loss of or damage to the Property insured;
5. any costs incurred in connection with the maintenance of the Property insured, such exclusion also applying to parts exchanged in the course of such maintenance operations;
6. loss or damage for which the manufacturer or supplier of the Property insured is responsible either by law or under contract;
7. loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
8. consequential loss or liability of any kind or description;
9. loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics sieves or fabrics, or any operating media (e.g. lubricating oil, fuel, chemicals);
10. aesthetic defects, such as scratches on painted polished or enamelled surfaces.

In respect of the parts mentioned under 9) and 10) above the Company shall be liable to provide compensation in the event that such parts are effected by an indemnifiable loss or damage to the Property insured.

PROVISIONS APPLYING TO SECTION – VI

SUM INSURED –

It is a requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the Property insured by new property of the same kind and same capacity, which shall mean its replacement cost including freight, dues and customs duties, if any, and erection costs.

The Sum Insured of the Property insured under this section shall include the value of 'System Software' provided by the manufacturer to operate the system

BASIS OF INDEMNITY –

1. In cases where damage to the Property insured can be repaired, the Company will pay expenses necessarily incurred to restore the damaged Property insured to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to be determined by the Company to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the Property insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

2. In cases where the Property insured is destroyed, the Company will pay the actual value of the Property insured immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties if any, provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the Property insured. The Company will also pay any normal charges for the dismantling of the Property insured which has been destroyed, but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight, are covered by this Insurance only if especially agreed to in writing.

In the event of the makers' drawings, patterns and core boxes necessary for the execution of a repair not being available, the Company shall not be liable for the cost of making any such drawings, patterns and core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs, and do not increase the total repair expenses.

3. In cases where the Property insured is subjected to total loss and meanwhile it becomes obsolete, all costs necessary to replace the lost or damaged Property insured with a follow-up model (similar type) of similar structure/ configuration (of similar quality) i.e. low, average or high capacity – will be reimbursed.

If the Sum Insured is less than the amount required to be insured as per provision –titled “Sum Insured” hereinabove, the Company will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

The Company will make payments only after being satisfied, with necessary bills and documents, that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged Property insured for reasons beyond their control. In such cases claims can be settled on ‘Indemnity Basis’.

WARRANTY –

It is warranted that the Maintenance Agreement in force at the inception of this policy is maintained during the currency of this policy and no variation in the terms of the Agreement shall be made without the written consent of the Company being obtained.

For the purpose of this warranty the word ‘Maintenance’ shall mean the following -

- i) Safety checks,
- ii) Preventive maintenance
- iii) Rectification of loss or damage or faults arising from normal operation as well as from ageing.

ELECTRONIC EQUIPMENT – SUPPLEMENTARY CLAUSES & CONDITIONS

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

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

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

2. EEI - ESCALATION CLAUSE

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

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

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

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

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

3. EEI - EXPRESS FREIGHT

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

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

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

4. EEI - AIR FREIGHT

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

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

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

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

5. EEI - OWNERS SURROUNDING PROPERTY

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

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

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

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

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

6. EEI - ADDITIONAL CUSTOMS DUTY

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

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

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

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

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

7. EEI - THIRD PARTY LIABILITY

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

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

EXCLUSIONS UNDER THE TPL EXTENSION –

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

- a. The first amount of policy excess of each claim for any one occurrence related to property damage.
- b. Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.
- c. Liability consequent upon -
 - i. bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/ premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.
 - ii. loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/site/ premises/ location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
 - iii. any accident caused by vehicles licensed for general road use or by waterborne vessels or by aircraft.
 - iv. any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

CONDITIONS APPLYING TO TPL EXTENSION -

- a. No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute for their own

benefit in the name of the insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

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

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

8. EEI- FLOATER CLAUSE

In consideration of the payment of additional premium, the equipments covered under the policy will enjoy coverage at all locations as specified in the list of locations mentioned in the policy.

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

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

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

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

9. EEI- MODIFICATION COST/INCOMPATIBILITY EXPENSES

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

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

10. EEI- AGREED BANK CLAUSE

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

11. BASIS OF INDEMNITY -- ELECTRONIC EQUIPMENT

In consideration of the payment of additional premium, the policy extend to cover items mentioned in Policy Schedule on replacement basis in cases where the Property insured is destroyed the company shall indemnify the Insured for Replacement Value of the insured items by a new property of the same kind and same capacity including freight and customs duties, if any and erection costs, if any provided such expenses have been included in the Sum Insured but without any allowance for wear and tear and /or depreciation for equipment upto 5 years old.

In case the age of the damaged item exceeds 5 years the settlement shall be on 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

12. EEI - Medical Equipment using X-ray tubes

As regards depreciation for Medical Equipment using X-ray tubes , it has been decided to adopt the following 'Endorsement's wordings' for which are given in the "annexure"

- i) Cover of x-ray valves & tubes
- ii) Special condition Concerning Computer Tecnographs
- iii) Warranty for Lightning and over-voltage Protection Divices
- iv) Warranty concerning Air-conditioning Plant

Cover of Valves and Tubes

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

1. Actual values of

- 1.1. stationary anode X-ray tubes in single-tank setup and rotating anode X-ray tubes without exposure counters for diagnostic equipment
- 1.2. surface and close-range radio-therapy X-ray tubes and valves
- 1.3. video amplifier tubes

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

2. Actual values of valves for diagnostic equipment

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

3. Actual value of rotating anode X-ray tubes with lead-sealed exposure counters for diagnostic equipment

Number of exposures	Actual value in % of new replacement value
Less than 10,000	100
Less than 12,000	90
Less than 14,000	80
Less than 16,000	70

Less than 19,000	60
Less than 22,000	50
Less than 26,000	40
Less than 30,000	30
Less than 35,000	20
Less than 40,000	10
More than 40,000	0

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

Period of operation (hours)OR Age (months) (whichever results in the lower actual value)		Actual value in % of new replacement value
Period of operation (hours)	Age (months)	
Less than 400	Less than 18	100
Less than 500	Less than 22	90
Less than 600	Less than 26	80
Less than 700	Less than 30	70
Less than 800	Less than 35	60
Less than 900	Less than 40	50
Less than 1000	Less than 45	40
Less than 1100	Less than 50	30
Less than 1200	Less than 55	20
Less than 1300	Less than 60	10
More than 1300	More than 60	0

5. Actual values of X-ray tubes and valves for material testing equipment

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

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

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

7. Actual values of other types of tubes and valves

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

Special condition concerning Computer Tomographs

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

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

1. X-ray tubes

with high-voltage time meter (stationary-anode tubes): (operating hours up to)	with exposure counter (rotating-anode tubes): (No. of exposures up to)	indemnity: (%)
400	10,000	100
440	11,000	90
480	12,000	80
520	13,000	70
600	15,000	60
720	18,000	50
840	21,000	40
960	24,000	30
1,080	27,000	20
1,200	30,000	10

2. Tubes for voltage stabilization and regulation

Period of use (months)	Indemnity %
36	100
39	90
41	80
44	70
47	60
49	50
52	40
55	30
57	20
60	10

Warranty for Lightning and Overvoltage Protection Devices

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

This means that the lightning and overvoltage protection devices and alarm system

--- are regularly serviced by qualified personnel of the manufacturer or supplier,

--- are kept under supervision by trained personnel,

--- are provided with an automatic switch-off device complying with the latest requirements for electronic equipment and the manufacturer's recommendations.

Warranty Concerning Air-Conditioning Plant

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

This means that the insured air-conditioning plant

---- and the alarm and switch-off devices are maintained by qualified personnel of the manufacturer or supplier at least every six months;

---- is equipped with independent sensors to monitor temperature and humidity, to detect smoke and to release visual and acoustical alarms;

---- is kept under supervision by trained personnel who are able to take all loss prevention measures necessary in the event of an alarm;

---- is provided with an automatic emergency switch-off device complying with the requirements stipulated by the manufacturers of the electronic equipment.

13. EEI - SOFTWARE ENDORSEMENT

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

14. EEI - CAPITAL ADDITIONS

The insurer shall indemnify the insured up to the 15% of Policy Sum Insured per event and in aggregate in respect of loss of or damage to any equipment acquired or operated by or held in the care, custody or control of the insured after the inception of this policy of insurance and not included in the schedule. Any additions or extensions to property insured which have been carried out after the inception of this policy of insurance collectively referred to as capital additions. Any increase in the new replacement value as a result of such capital additions shall not exceed limit specified as above. This additional insurance cover is

also subject to the insuring party advising the insurer within one month of the particulars of any such capital additions and the payment of any additional premium the insurer may require

15. EEI- Omission to Insure additions and Extensions Clause

In consideration of the payment of additional premium, this policy extends to cover equipments as defined in the schedule hereof which the insured may acquire or for which they may become responsible.

i) The liability under this extension shall not to exceed 5% of the sum insured for equipments mentioned in the schedule.

ii) The insured shall notify the company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium their on from the date of inception.

lii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.

iv) No liability shall attach to the company in respect any equipment while such equipment is otherwise insured.

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

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

Limit : 5% of the Sum Insured as mentioned in schedule

16. EEI- Removal of Debris Clause

In consideration of the payment of additional premium, this policy extends to cover cost of removal of debris necessary to undertake the repair or replacement of any loss or damage covered hereby and further extends to include the cost and expenses necessarily and reasonably incurred by the insured in demolition, removal and/or satisfactory disposal of debris following loss of or damage to the insured property.

The company will not pay any cost or expenses

i) incurred in removing debris except from the site of such property destroyed or damaged

ii) arising from pollution or contamination of property not covered by this policy.

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

17. EEI- Professional Fee

In consideration of the payment of additional premium, the policy extend to include any amount in respect of Architects, Surveyors and Consulting Engineers reimbursable fees or other professional fees necessarily incurred by the Insured in the reinstatement of the Insured property consequent upon its loss destruction or damage but not for preparing any claim.

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

18. EEI - De contamination and Clean Up Cost

In consideration of the payment of additional premium, it is hereby agreed and declared that, notwithstanding anything to the contrary in this policy or in any of its conditions, the policy extends to cover the cost of decontamination and/or clean up cost of insured property contaminated including but not limited to presence of pollution or hazardous materials as a result of physical damage to the insured property due to insured perils.

This coverage is applicable to only that part of insured property contaminated as a direct result of insured physical damage. Company is not liable for the costs involved in removal of neither contaminated uninsured property nor the contaminant therein, whether or not the contaminant results from an insured event.

Limit : Upto 10% of Policy Sum Insured

19. EEI- Claim Preparation Cost

In consideration of the payment of additional premium, it is hereby agreed and declared that, notwithstanding anything to the contrary in this policy or in any of its conditions, the insurance by this Policy extends to include costs reasonably incurred by the Insured in producing and certifying any particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy.

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

20. EEI - Un repaired Damages

In the event of insured deciding not to replace or repair the damaged item covered under the policy and decides to continue with the damaged item after incurring necessary expenditure for safe working of the damaged item, the insurer shall indemnify amount expended in making the item safe plus reasonable amount equivalent to reduced life of damaged item.

21. EEI - Waiver of Improvement/Betterment clause for replacement of damaged parts or equipments

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

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

SECTION VII - PORTABLE ELECTRONIC EQUIPMENT

This Section shall apply to the Property insured at work or at rest or whilst being used by the authorised employee(s) of the Insured on journey to places by train or road or air anywhere within the territorial limits mentioned in the Schedule for the purpose of business or profession of the Insured

The liability of the Company for any one item of the Property insured shall not exceed in aggregate in any one period of Insurance the Sum Insured set out against such items in the attached Schedule(s) unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period.

Definition

“Portable Electronic Equipment” - Portable Electronic Equipment like Laptops, palm tops, PDAs, Mobile Phones, and the like including the value of Systems Software, Medical, Bio-medical, Micro processors, Audio-visual, geophysical and other mobile/ portable professional instruments / equipment used for survey, measurement and control and other specified equipment including those which are portable in nature.

EXPENSE FOR LOSS MINIMIZATION

The following provision is applicable if the Insured has opted for this extension.

This Policy includes expenses for loss minimization necessarily incurred by The Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in The Schedule, including moving / shifting of property if this contributes to loss minimization, subject to a limit per loss as per schedule. Limit: Upto Per event and in aggregate as agreed and specified in Schedule

This Section is subject to the same terms, conditions, exclusions, warranties and provisions as that of Electronic Equipment Insurance SECTION except to the extent that the same are over ridden by following special exceptions and conditions.

Special Exceptions:

The Company will not indemnify the Insured in respect of loss, damage or liability directly caused by or arising out of or aggravated by -

The Company will not pay for -

1. the Excess stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item of Property insured is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items;
2. loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
3. loss of or damage to hard disk and read-write head whilst in transit except when caused by an insured damage to the whole computer
4. loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (e.g. lubricating oil, fuel, chemicals);
5. aesthetic defects, such as scratches on painted, polished or enamelled surfaces.
6. In respect of the parts mentioned under d) and e) above the Company shall be liable to provide compensation in the event that such parts are affected by an indemnifiable loss or damage to the Property insured.
7. any unexplained disappearance of the Property insured.
8. Loss or damage caused by mechanical or electrical derangement/ breakdown of any article unless caused by accidental external means.
9. Cessation of work whether total or partial.

10. Cost Incurred/time involved in the movement of machinery and/or any other property and/or personnel outside the territorial limits of India other than the cost of delivery of replacements for machinery lost or damaged.
11. Misalignment of the Property insured not accompanied by damage otherwise covered by this section.
12. Loss of or damage to the Property insured covered under this section falling under the terms of the maintenance agreement
13. Loss destruction or damage directly occasioned by pressure wave caused by aircraft and other aerial devices traveling at sonic or supersonic speeds.

In any action, suit or other proceedings where the Company alleges that by reason of the provisions of the above exclusions any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PROVISIONS APPLYING TO PORTABLE ELECTRONIC EQUIPMENT

SUM INSURED –

It is a requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the Property insured by new property of the same kind and same capacity, which shall mean its replacement cost including freight, dues and customs duties, if any, and erection costs.

The Sum Insured of the Property insured under this section shall include the value of 'System Software' provided by the manufacturer to operate the system

BASIS OF INDEMNITY –

In cases where damage to the Property insured can be repaired, the Company will pay expenses necessarily incurred to restore the damaged Property insured to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to be determined by the Company to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the Property insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

In cases where the Property insured is destroyed, the Company will pay the actual value of the Property insured immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties if any, provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the Property insured. The Company will also pay any normal charges for the dismantling of the Property insured which has been destroyed, but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight, are covered by this Insurance only if especially agreed to in writing.

In the event of the makers' drawings, patterns and core boxes necessary for the execution of a repair not being available, the Company shall not be liable for the cost of making any such drawings, patterns and core boxes.

HDFC ERGO General Insurance



The cost of any alterations, improvements or overhauls shall not be recoverable under this policy. The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs, and do not increase the total repair expenses.

In cases where the Property insured is subjected to total loss and meanwhile it becomes obsolete, all costs necessary to replace the lost or damaged Property insured with a follow-up model (similar type) of similar structure/ configuration (of similar quality) i.e. low, average or high capacity – will be reimbursed.

If the Sum Insured is less than the amount required to be insured as per provision –titled “Sum Insured” hereinabove, the Company will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

The Company will make payments only after being satisfied, with necessary bills and documents, that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged Property insured for reasons beyond their control. In such cases claims can be settled on ‘Indemnity Basis’.

WARRANTY –

It is warranted that the Maintenance Agreement in force at the inception of this policy is maintained during the currency of this policy and no variation in the terms of the Agreement shall be made without the written consent of the Company being obtained.

For the purpose of this warranty the word ‘Maintenance’ shall mean the following -

- i. Safety checks,
- ii. Preventive maintenance
- iii. Rectification of loss or damage or faults arising from normal operation as well as from ageing.

Special Conditions–

It is a condition of this policy, that all Property insured being in the nature of portable equipment covered hereby -

- i. shall always be in the custody and control of a designated permanent employee of the Insured and kept in locked cupboards/cabinets/safe deposit vaults if circumstances warrant it to be left unattended.
- ii. shall never be left unattended in a motor vehicle, aircraft or any other type of conveyance
- iii. shall be hand-bagged by the Insured when traveling by aircraft, but if and when not allowed as hand-baggage, should be specifically declared to the airline as "valuable cargo".

Un repairable Equipment Clause

The following provision is applicable if the Insured has opted for this extension.

For unrepairable electrical or mechanical equipment, including computer equipment under this Policy the adjustment of the physical damage loss amount will be not exceeding the cost to replace with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has

technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement. Limit: Upto Per event and in aggregate as agreed and specified in Schedule

PORTABLE ELECTRONIC EQUIPMENT – SUPPLEMENTARY CLAUSES & CONDITIONS

1. PEEI- REINSTATEMENT VALUE CLAUSE FOR PORTABLE ITEMS

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

Special Provisions

- 1) Until expenditure has been incurred by the insured in replacing or reinstating the property destroyed or damaged the company shall not be liable for any payment in excess of the amount which would have been payable under the Policy if this memorandum had not been incorporated therein.
- 2) If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered has been destroyed, exceeds the sum insured thereon or at the commencement of any destruction or damage to such property by any of the perils insured against by the policy, then the insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provision.
- 3) This memorandum shall be without force or effect if
 - a. The insured fails to intimate to the company within 60 days from the date of destruction or damage or such further time as the company may in writing allow his intention to replace or reinstate the property destroyed or damaged.
 - b. The insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

2. PEEI- OMISSION TO INSURE ADDITIONS OR EXTENSIONS

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

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

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

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

3. PEEI- ESCALATION CLAUSE

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

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

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

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

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

4. PEEI - AGREED BANK CLAUSE

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

5. PEEI - CAPITAL ADDITIONS

The insurer shall indemnify the insured up to the 15% of Policy Sum Insured per event and in aggregate in respect of loss of or damage to any equipment acquired or operated by or held in the care, custody or control of the insured after the inception of this policy of insurance and not included in the schedule. Any additions or extensions to property insured which have been carried out after the inception of this policy of insurance collectively referred to as capital additions. Any increase in the new replacement value as a result of such capital additions shall not exceed limit specified as above. This additional insurance cover is also subject to the insuring party advising the insurer within one month of the particulars of any such capital additions and the payment of any additional premium the insurer may require

6. PEEI - BASIS OF INDEMNITY

In consideration of the payment of additional premium, the policy extend to cover items mentioned in Policy Schedule on replacement basis in cases where the Property insured is destroyed the company shall indemnify the Insured for Replacement Value of the insured items by a new property of the same kind and same capacity including freight and customs duties, if any and erection costs, if any provided such expenses have been included in the Sum Insured but without any allowance for wear and tear and /or depreciation for equipment upto 5 years old.

In case the age of the damaged item exceeds 5 years the settlement shall be on 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

7. PEEI- Claim Preparation Cost

In consideration of the payment of additional premium, it is hereby agreed and declared that, notwithstanding anything to the contrary in this policy or in any of its conditions, the insurance by this Policy extends to include costs reasonably incurred by the Insured in producing and certifying any particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy.

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

8. PEEI- Waiver of improvement/Betterment clause for replacement of selected machinery

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

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

9. PEEI- WORLDWIDE GEOGRAPHICAL EXTENSION

10. PEEI- UN REPAIRED DAMAGES

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

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

SECTION VIII - BOILER & PRESSURE PLANT

Subject to the terms exceptions, exclusions, provisions, definitions, warranties and conditions contained herein or endorsed hereon, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against -

1. Accident or Damage (other than by fire) to the Boilers and/or other Pressure Plant described in the Schedule;
2. Damage (other than by fire) to surrounding property of the insured described in the Schedule or to property held by the insured in trust or on commission or for which he is responsible;
3. Liability of the Insured at law on account of -
 - a) death of or bodily injury to any person (other than a person under a contract of service or apprenticeship with the Insured sustaining death or bodily injury which arises out of and in the course of employment with the Insured);

b) damage to property not belonging to the Insured nor held in trust or on commission nor for which he is responsible;
caused by and solely due to Explosion or Collapse as hereinafter defined of any Boiler or other Pressure Plant described in the Schedule occurring in the course of ordinary working

Provided that the liability of the Company for any one item of the insured property and Third Party Liability shall not exceed in the aggregate in any one period of Insurance the Sum Insured set against such item in the attached Schedule(s) unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period

EXCEPTIONS - BOILER & PRESSURE PLANT

THE COMPANY SHALL NOT BE LIABLE UNDER THIS POLICY IN RESPECT OF -

1. Loss damage and/or liability caused by or arising from or in consequences, directly or indirectly of Fire (arising from explosion or collapse or any other cause whatsoever) including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance lightning, theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne, waterborne, or airborne craft or other aerial devices and/or articles dropped therefrom.
2. a) War Invasion, Act of Foreign Enemy, Hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lock out and Malicious Damage, Civil Commotion, Military or Usurped power, Martial law, Conspiracy, Confiscation, Commandeering a group of Malicious Person or persons acting on behalf of or in connection with any Political Organisation. Requisition or Destruction or damage by order of any Government de jure or de facto or by any Public, Municipal or Local Authority.
b) Nuclear reaction, nuclear radiation or radioactive contamination.
3. Accident loss damage and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
4. Gradually developing flows, defects, cracks or partial fractures in any part not necessitating immediate stoppage although at some future time repair or renewal of the parts affected may be necessary.
5. Defects due to the wearing away or the wasting of the materials of a Boiler or a Pressure Plant whether by leakage, corrosion or by the action of the fuel or otherwise the grooving or the fracturing of any of the parts of a Boiler or pressure plant or for deterioration generally or for the development of cracks blisters, lamination and other flaws or fractures, failures of joint within the range of steam or feed pipes, or for bulging and deformation due to overheating of tubes (unless such defects, fracture, failure or bulging result in explosion or collapse) or for the cracking of section of cast-iron heating boilers or other vessels constructed of cast iron.
6. The failure of individual tubes in Boilers of the water tube locomotive or other multitubular types, in Super heaters or in Economizers (unless such defects result in explosion or collapse).
7. Loss or damage to the insured plant or property and/or liability arising during and occasioned by the application of steam hydraulic or any other test of this plant as specified by Inspecting Authority or otherwise.
8. Loss or damage and/or liability caused by or arising out of the wilful act or wilful neglect or gross negligence of the insured or his responsible representatives.
9. Liability assumed by the Insured by agreement unless such Liability would have attached to the Insured not withstanding such agreement.
10. Loss or damage and/or liability due to faults or defects existing at the time of commencement of this Insurance and known to the Insured or his responsible representatives but not disclosed to the Company.
11. Loss of use of the Insured's plant or property or any other consequential loss incurred by the Insured.

12. Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or under contracts.

In any action, suit or other proceeding where the company alleges that by reason of the exceptions or exclusions above any loss destruction, damage or liability is not covered by this insurance, the burden of proving that such loss destruction, damage or liability is covered shall be upon the Insured.

WARRANTIES -

It is hereby warranted that during the currency of the Policy;

- i) The Boiler and Pressure Plants described in the Schedule are annually inspected by Inspectors appointed by the appropriate Government except where there is no statutory requirement for Government Inspection; the inspections are to be carried out by an independent competent person;
- ii) The Boilers and Pressure Plant described in the Schedule shall only be operated by Attendants holding a valid certificate of competency issued under the appropriate Boiler Act;
- iii) The Insured shall be in possession of the unqualified permission in writing of the competent Inspecting Authority to operate the said Boilers and Pressure Plant. If the maximum pressure or load upon safety valve immediately prior to any explosion or collapse was in excess of that stipulated by the said Authority the Insured shall not be entitled to any compensation or indemnity under this policy in respect of such explosion or collapse.

DEFINITIONS

The following terms wherever used in this policy shall have attached to them the under mentioned meanings

1. 'Boiler' shall mean any fired closed vessel or a combined container piping system in which steam is generated under pressure.
2. 'Pressure Plant' shall mean any unfired closed container under steam gas or fluid pressure.
3. 'Explosion' shall mean the sudden and violent rending or tearing apart of the permanent structure of a Boiler or Pressure Plant or any part or parts thereof by force of internal steam gas or fluid pressure causing bodily displacement of the said structure and accompanied by the forcible ejection of its contents.
4. 'Collapse' shall mean the sudden and dangerous distortion of any part of Boiler or Pressure Plant by bending or crushing caused by Steam Gas or Fluid Pressure whether attended by rupture or not. It shall not mean any slowly developing deformation due to any cause.
5. 'Flue Gas Explosion' shall mean an explosion of ignited gases in the furnaces or flues of the boilers, economisers and super heaters.
6. 'Chemical Explosion' shall mean an explosion arising out of chemical reaction in any plant.

CONDITIONS - BOILER & PRESSURE PLANT

1. This extension and the attached Schedule(s) shall be read together as one contract and any words or expressions to which specific meanings have been attached in any part of this policy or of the attached Schedules shall bear the same meanings wherever they may appear.
2. The pressure or load upon the safety valves of any items of plant shall at no time exceed the maximum pressure specified in the Schedule or the permissible working pressure therefore as set out in the report on the last examination whichever is the lowest.
3. If at any time after commencement of this Insurance there is an alteration of fuel used other than for which the Boiler was designed or which is used at the time of effecting the insurance, the Company shall be informed immediately of such alteration and this insurance will continue only on payment of additional premium if necessary to be fixed on the merits of each individual item.
4. If a claim is in any respect fraudulent or if any false declarations 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 this policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or in case of Arbitration taking place as provided herein within three months after the Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
5. No admission, offer promise, payment or indemnity shall be made or given by or on behalf of the insured without the written consent of the Company who shall be entitled if they so desire to take over and conduct in the name of the Insured the defense or settlement of any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
6. The due observance and fulfillment of the terms, provision and condition of and endorsement on this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the said proposals shall be conditions precedent to any liability of the Company to make any payment under this Policy.
7. **SUM INSURED**
If the Boiler Pressure Plant covered under Policy Schedule shall at the time of any loss be of greater value than the Sum, Insured shall be considered as being the own Insurer for the difference and shall bear a rateable share of the loss accordingly.

The terms value shall mean the new replacement value of the Plant which is inclusive of freight dues and custom duties, if any and erection costs. Every item if more than one of this Policy shall be separately subject to this condition.

8. BASIS OF INDEMNITY

- a) In case where damage to an item can be repaired, the Company shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop, customs duties, if any but for the Boiler and Pressure Vessel listed in the Schedule, only to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the insured, the company shall pay the cost of materials and wages incurred for the purpose of the repairs plus the reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into the account if the cost of repairs as detailed herein above equals or exceeds the actual value of the item immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

- b) In case where an insured item is destroyed the Company shall pay the actual value of the item immediately before the occurrence of the loss, including changes for ordinary freight cost of erection and customs duties if any but for the Boiler and Pressure Vessels listed in the Schedule, only provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company shall also pay any normal charges for the dismantling of the item destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime night work, work on public holiday and excess freight shall be covered by this policy only if especially agreed in writing.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

9. OBLIGATIONS OF THE INSURED

- a) The insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The Insured shall fully observe the manufacturers Instructions for operating inspection and overhaul, as well as Government statutory municipal and all other binding regulations including the rules under the Indian Boilers Act in force concerning the operation and maintenance of the insured Boilers and Pressure Plants.
- b) The Company's officials shall at all reasonable times have the right to inspect and examine any Boiler and Pressure Plant or any property insured hereunder and the Insured shall provide the officials of the Company with all details and information necessary for the assessment of the risk. The Company shall provide the Insured with a copy of the Inspecting official's report, which shall however be treated as strictly confidential both by the Insured and the Company.

Whenever arrangements have been made for a 'Thorough Inspection' of Boiler or Pressure Plant the Insured shall cause the Boiler or Pressure Plant to be stopped, emptied and properly cleaned inside and outside rendered accessible in every part, so far as its construction will allow.

- c) In the event of any -
- i) Material change in the original risk.
 - ii) Alteration, modification or addition to an insured item.
 - iii) Departure from prescribed operating conditions whereby the risk of loss or damage increases.
 - iv) Changes in the insured's interest (such as discontinuation of liquidation of the businesses or business or being placed in receivership) taking place, the Policy shall be void unless its continuance be agreed by endorsement signed by the Company.

10. DUTIES FOLLOWING AN ACCIDENT

In the event of any occurrence which might give rise to a claim under this Policy the Insured shall -

- a) Immediately notify the Company by telephone or telegram as well as writing giving an indication as to the nature and extent of loss or damage.
- b) Take all reasonable steps within his power to minimize the extent of the loss or damage or liability

- c) preserve the damage or defective parts and make them available for inspection by an official or surveyor of the Company;
- d) furnish all such information and documentary evidence as the Company may require.

The company shall not be liable for any loss or damage of which notice and completed form have been received by the Company within 15 days of its occurrence.

Upon notification of a claim being given to the company the Insured may proceed with the repair of any minor damage not exceeding Rs. 2,500/- provided that the carrying out of such repair is without prejudice to any question of liability of the Company and any damaged part requiring replacement is kept for inspection by the Company but in all other cases a representative of the Company shall have the opportunity of inspecting the damage before any alterations, repair or replacements are effected. Nothing contained herein shall prevent the insured from taking such steps as are absolutely necessary to maintain the operation of the Plant.

The liability of the Company under the Policy in respect of any item of property sustaining damages, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to the satisfaction of the Company

BOILER & PRESSURE PLANT – SUPPLEMENTARY CLAUSES & CONDITIONS

1. OWNER'S SURROUNDING PROPERTY

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

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

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

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

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

2. THIRD PARTY LIABILITY

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

- a) against legal liability for the accidental loss or damage caused to the property of other persons.

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

EXCLUSIONS UNDER THE TPL EXTENSION -

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

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.
- c) Liability consequent upon -
 - i) bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/premises/ location or of any other firm/contractors connected with any other work at the works/site/premises/location.
 - ii) loss of or damage or property belonging to or held in trust by or under custody of the owner of the works/site/premises/location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
 - iii) any accident cost by vehicles licensed for general road or by waterborne vessels or used aircraft.
 - iv) any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

CONDITIONS APPLYING TO TPL EXTENSION -

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.
- b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

3. EXPRESS FREIGHT

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

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

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

4. AIR FREIGHT

It is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

In consideration thereof an additional premium as specified in schedule is charged hereby.

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

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

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

5. ADDITIONAL CUSTOMS DUTY

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

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

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company. Subject otherwise to the terms, conditions and exceptions of the Policy.

Note-

- i) For computation of indemnity under the Additional Customs Duty extension, exchange rate applicable on date of occurrence shall be considered.
- ii) Under this only Sea Freight charge would be taken into account even though the replacement supplies had been air freighted and the policy has been endorsed for airfreight cover.

SECTION IX – MONEY

In the event of loss of Money relating to Business or Profession of the Insured due to accident or personal mishap happening to the Insured during the currency of the Policy, the Company hereby agrees, subject to the terms, conditions and exclusions herein contained, endorsed or otherwise expressed hereon, to pay to the Insured the amount of loss in the circumstances or situations as set out in the Schedule, provided always that the limit of the Company's liability for any one loss shall in no case exceed the amount specified against the respective item of the Property insured in the said Schedule.

The Company will also pay for cost of replacement or repair of the Insured's safe or strong room at the insured premises in the event of its being damaged by thieves or burglars.

DEFINITIONS:

MONEY: Money: Money shall mean and include Cash, Coins, Bank Draft, Currency Notes(including foreign currency), Cheques, Traveller's Cheque, Postal Order, Money Order, Pay Order, Current Postage Stamp, unused Postage and Revenue Stamps, Stock and Share Certificates or other Certificates of a negotiable nature, Credit Card Vouchers.

Bank shall mean and include Bank of every description, Post Office and Government Treasury.

BUSINESS / WORKING HOURS : That period of time that the Insured or any Director, Partner or Employee of the Insured is on the premises of the business.

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

TRANSIT SECURITY WARRANTY

All transits of Money in excess of Rs.5,00,000 shall be in a locked briefcase conveyed as far a practicable in a motor vehicle accompanied at all times by at least one permanent employee of the Insured.

EXCLUSIONS

The Company shall not be liable in respect of:

1. Shortage of Money due to error or omission.
2. Loss of Money entrusted to any person other than the Insured or a designated permanent employee or directors of the Insured.
3. Loss of Money where the insured or his employee is involved in such loss as a principal or accessory, except loss due to fraud or dishonesty of the cash carrying employee of the insured, occurring whilst in transit and discovered within 72 hours.
4. Loss occurring on the Insured's premises mentioned in the schedule, after business hours, unless the money is in locked safe or strong rooms or properly secured and fixed locker.
5. Money carried under contract of affreightment and theft of Money from unattended vehicle.
6. Loss of or Damage to Money in transit by post.
7. Loss of money collected by authorised employee/s and or directors of the Insured whilst they are in transit if such Money has remained in their personal custody for more than 72 hours.
8. Loss of Money from safe or strong room following use of the key to the safe or strong room or any duplicate thereof belonging to the Insured, unless this has been obtained by threat or by violence.
9. Loss or damage due to or contributed to by the Insured having caused or suffered anything to be done whereby the risk hereby insured against is unnecessarily increased.

SPECIAL CONDITIONS

1. **MAINTENANCE OF BOOKS AND KEYS:** The Insured shall keep a daily record of the amount of cash contained in the safe or strong room and such record shall be deposited in a secure place other than the said safe or strong room, and produced as evidence in support of a claim under this policy. The keys of the safe or strong room shall not be left on the Insureds' premises out of business hours unless the Insureds' premises are occupied by the Insured or any other permanent designated employee of the Insured in which case such keys if left on the Insureds' premises shall be deposited in a secure place not in the vicinity of the safe or the strong room.

2. **ADJUSTMENT OF PREMIUM:** This extension provision is applicable only if it is opted by the Insured. The premium in so far as it relates to cash-in-transit is to be regulated by the amount of such Money in transit during each period of insurance and for this purpose a proper record shall be kept in the books of the Insured which the Insured shall at all reasonable times allow the Company to inspect. Within one month from expiry of each period of insurance the Insured shall furnish the Company with a correct account of all such Money in transit during the period and if the ascertained amount shall differ from the estimated amount on which premium has been paid, the difference in premium shall be met by the further proportionate payment to the Company or by a refund to the Insured as the case may be, but in no case shall the refund be more than fifty percent (50%) of the premium stated in the Schedule and retention of premium shall not be less than the minimum of Rs. 250/-.

MONEY SECTION - SUPPLEMENTARY CLAUSES & CONDITIONS

1. MONEY- AUTOMATIC REINSTATEMENT

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

2. MONEY- BUSINESS / WORKING HOURS EXTENDED

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

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

3. MONEY- CLAIM PREPARATION COSTS

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

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

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

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

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

5. MONEY- DEFINITION OF MONEY

Notwithstanding anything contained in the Policy to the contrary the insurance by this Policy extends to include the following definition of the term 'Money'

Coins, Cash, Bank & Currency notes (including foreign currency) Cheques, Travellers Cheques, Postage and Money Orders unused Postage and Revenue Stamps, Stock and Share Certificates or other Certificates of a negotiable nature, Credit Card Vouchers.

6. MONEY - INFIDELITY COVER CLAUSE

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

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

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

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

The insurance by this Policy extends to include:-

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

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

8. MONEY- MONEY IN OVERNIGHT CUSTODY CLAUSE

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

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

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

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

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

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

Provided that:-

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

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

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

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

11. MONEY- THEFT BY USE OF DUPLICATE KEYS

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

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

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

12. MONEY- WORLD WIDE TRAVEL

The insurance by this Policy extends to include the World Wide territorial business activities of the Insured or any Director, Partner or Employee of the Insured for the loss of money following upon:-

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

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

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

13. MONEY- THEFT FROM UNATTENDED VEHICLE

The policy is extended to cover theft of money from unattended vehicle provided such was parked in a secured parking area. The maximum indemnity allowed under such extension is 10% of the policy sum insured.

14. MONEY- RIOT & STRIKE DAMAGE CLAUSE

It is hereby declared and agreed, subject to the terms, conditions and exclusions contained or endorsed or otherwise expressed in the Policy, that the Policy is extended to indemnify the Insured in the event of loss of Money insured which is directly caused by:

1. The act of any person taking part together with others in any disturbance of the public Peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in exclusion (c) and (d) hereinafter.
2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
3. The willful act of any striker or locked-out worker done in furtherance of strike or in resistance to a lock-out resulting in visible physical damage by external violent means.
4. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

This insurance does not cover:

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

PROVIDED that the Company is not relieved under (c) or (d) above of any liability to the Insured in respect of physical damage to Insured's safe or strong room or cash box at the Insured's business / professional premises mentioned in the Schedule occurring before dispossession or during temporary dispossession.

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

SECTION X - BAGGAGE

In the event of loss of or damage to Baggage due to accident or personal mishap suffered by the Insured whilst on journey, anywhere in the Territorial Limits specified in the Schedule, the Company will indemnify the Insured in respect of such damage up to the actual value of the Baggage at the time of happening of damage or loss but not exceeding the Sums(s) stated in the Schedule in any one period of insurance.

Interpretation

Insured person: Insured person shall mean the Insured or any director or any permanent employee of the Insured working at the premises stated in the Schedule.

Journey: Journey shall mean any business trip undertaken in connection with official purpose outside the city, town or municipal limit of normal place of work of the Insured.

Baggage: Baggage shall mean personal goods belonging to the Insured or goods for which he or she is responsible officially and such goods are necessary for the purposes of his journey and are being taken by him or her on journey or acquired by him/her during the journey.

Exclusions

The Company shall not be liable in respect of

1. The Excess stated in the Schedule to be borne by the Insured in any one occurrence.
2. Loss of or damage due to cracking, scratching or breakage of lens or glass whether part of any equipment or otherwise or of china, marble, screen and other article of brittle or fragile nature unless such loss or damage arises from accident to vessel, vehicle, train or aircraft by which such Property insured is conveyed.
3. Loss of or damage caused by moth, mildew, vermin or any process of cleaning, repairing, dyeing or restoring to which the Property insured is subjected.
4. Loss of or damage to any electrical and electronic machines, apparatus fixtures or fitting (including wireless sets, computer, radio, television set and tape recorders) arising from over running, excessive pressure, short circuiting, arcing, self heating or leakage of electricity from whatever cause (lightning included).
5. Loss of or damage caused by mechanical derangement or overwinding of watches and clocks.
6. Theft from car except from car of fully enclosed saloon type having all doors, windows and other openings securely locked and properly fastened.
7. Loss of or damage whilst being conveyed by any carrier under contract of affreightment.
8. Damage to money, securities, manuscripts, deeds, bonds, bills of exchange, promissory notes, stock or share certificates, stamps, business books or documents, jewellery, watches, furs, precious metals, precious stones, gold or silver ornaments or any other valuables including cash, cheque, travel tickets, bank drafts, share certificates and stamps.
9. Loss or damage to the perishable and consumable goods
10. ;Loss of articles like fans, umbrellas, sun glasses, sticks in use on the voyage and articles or clothes whilst being worn on the person of the Insured or carried about.
11. Damage due to confiscation or detainment by the order of any Govt. or any other public authority.
12. Loss or Damage not reported to local Police where the loss occurred, within 24 hours of discovery and a written report is obtained from such authority.
13. Damage or destruction caused by or arising from the leakage, spilling or exploding of liquids, oils or material of like nature or articles of a dangerous or damaging nature.

BAGGAGE - SUPPLEMENTARY CLAUSES & CONDITIONS

1. BAGGAGE- WORLDWIDE GEOGRAPHICAL EXTENSION

SECTION XI - INFIDELITY/DISHONESTY OF EMPLOYEES

The Company will indemnify the Insured against any direct pecuniary loss sustained by any reason of any act of fraud/ dishonesty committed by any Employee of the Insured on or after the date of commencement of this policy and during uninterrupted service with the Insured and discovered during the continuance of this Policy or within twelve calendar months of the expiration thereof and in the case of death, dismissal or retirement of the Employee within the period the aforesaid events shall first happen

Provided Always That:

1. The liability of the Company shall not exceed
 - a) in respect of any Employee of the Insured the amount of guarantee stated against his name or against the relevant category of Employee in the Schedule.
 - b) in respect of all claims under this Policy the total amount of guarantee
2. If this Policy shall be continued in force for more than one period of indemnity or if any liability shall exist on the part of the Company under this Policy and also under any other policy in respect of fraud or dishonesty of the Employee, the liability of the Company hereunder shall not be accumulated or increased thereby but the aggregate liability of the Company during any number of periods of indemnity and for any number of acts of fraud or dishonesty committed by the Employee shall not exceed the amount of guarantee hereunder or the amount of guarantee under any other such policy as aforesaid whichever is greater.
3. The Company shall not be liable to pay more than one claim in respect of the acts of any one of the Employees.
4. The loss shall have occurred in connection with occupation and duties of the Employee

Exceptions

1. The Company shall not be liable in respect of losses arising elsewhere than in the Territorial Limits stated in the Schedule.
2. The Company shall not be liable for losses not sustained within a retroactive period not exceeding two years from the date of discovery of any such loss(es). It is understood that in such retroactive period the insurance was continuously in force and the Company will not be liable to pay any claim in respect of loss sustained prior to the inception of the original policy. It is further understood that losses which become payable under this clause shall be subject to the terms, conditions, exceptions of the policy in force as on the date of discovery.

Definitions

1. The term "Insured" wherever appearing in this section means any person, partnership firm or any body of persons whether incorporated or not with whom the employee who is included in the schedule attached hereto has a contract of service.
2. The term "Employee" wherever appearing in this policy means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purpose of the

Insured's trade or business) who has entered into a contract of employment with the Insured, whether such contract of employment is expressed or implied, oral or in writing.

Special Conditions

1. On the discovery of any act of default or circumstances which may give rise to a claim, the Insured shall:
 - a) forthwith give written notice to the Issuing Office of the Company .
 - b) immediately take all steps to prevent further loss;
 - c) supply at the request of and free of expense to the Company all such proof, information and other evidence (verified by statutory declaration if so required) relating to the claim as the Company may require.
2. If the Insured is or shall hereafter be guaranteed by any other person, society or company or hold other security or insurance against such loss as is hereby guaranteed, the Company shall only be liable to bear the loss rateable with such person, society or company or securities or insurance.
3. Any money of the Employee in the hands of Insured and any money which but for the Employee's dishonesty would have been due to the Employee from the Insured shall be deducted from the amount otherwise payable under this Policy. Any money recovered after the settlement of any claim shall be the property of the Company, not exceeding however the amount paid by the Company.
4. The Insured shall if and when required by the Company but at the expenses of the Company use all diligence in prosecuting any of the Employee(s) to conviction for any act which such Employee shall have committed and in consequence of which a claim has been made under such Policy and shall at the Company's expense give all information and assistance to enable the Company to sue for and obtain reimbursement from any such Employee by reason of whose acts or defaults a claim has been made or money which the Company shall have become liable to pay in respect thereof.
5. Unless the Company be advised by the Insured and the Company's written approval be obtained the Company shall not be liable hereunder in the event of any change in the nature of the business of the Insured or in the duties and condition of service of the Employee or if remuneration of the Employee be reduced or its basis altered or if the precautions stated by the Insured with regard to accounting be not duly followed or if the Insured shall continue to entrust the Employee with money or goods after having knowledge of any material fact bearing on the honesty of the Employee.
6. If any part of the premium or renewal is based on estimates furnished by the Insured, the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of each period of insurance furnish such information as the Company may require. The premium or renewal premium shall thereupon be adjusted and the difference paid or allowed to the Insured
7. If required by the Company, the agent or representative of the Company shall in case of any loss to the Insured be permitted at all reasonable times to examine into the circumstances of such loss and the Insured shall on being required to do so by the Company produce all books of accounts, receipts, documents relating to or containing entries relating to the loss in his possession and furnish copies of or extracts from such of them as may be required by the Company so far as they relate to such claims and will in any way assist the Company to ascertain the correctness thereof or the liability of the Company under this Policy.

8. The Company shall be entitled at its own expense and for its own benefit in the name of the Insured to prosecute all claims and exercise all right or action available to the Insured against the Employee in respect of any act insured against in connection with which it may have made payment under this policy and the Insured shall give to the Company all such information and assistance as may be reasonably required for maintaining such claims or rights.
9. For the purpose of identifying Employee in all cases of change of residence or occupation or change of name whether by marriage or otherwise due notice thereof in writing shall be given by the Insured to the Company.

INFIDELITY/DISHONESTY OF EMPLOYEES – SUPPLEMENTARY CLAUSES & CONDITIONS

1. FG- EXTENDED COVER FOR PAST EMPLOYEES

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

2. FG- ACCOUNTANTS & AUDITORS

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

3. FG- ALTERATION OF SYSTEMS

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

4. FG- AUTOMATIC REINSTATEMENT

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

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

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

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

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

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

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

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

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

8. FG- COST OF RECTIFYING ACCOUNTING & COMPUTER RECORDS & PROGRAMMES

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

9. FG- CREDIT / DEBIT CARD (FRAUDULENT USE OF)

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

Provided that:-

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

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

10. FG- DISCRETION IN REPORTING TO POLICE (PERIOD OF GRACE AND SUCCESSFUL RECOVERY)

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

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

11. FG- SUBROGATION WAIVER (CONTRACTING PARTIES)

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

12. FG- UNIDENTIFIABLE EMPLOYEES (LOSS AS A RESULT OF)

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

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

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

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

13 FG- CONTRACTUAL/OFF ROLL EMPLOYEE COVER

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

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

SECTION XII - PUBLIC LIABILITY

The Company will indemnify the Insured against their legal liability (other than liability under the Public Liability Insurance Act, 1991 or any other Statute based on the doctrine of "No Fault liability") to pay compensation including claimant's costs, fees and expenses anywhere in India, in accordance with Indian Law.

INDEMNITY:

The indemnity only applies to claims arising out of accidents occurring in the insured premises during the period of insurance first made in writing against the Insured during the policy period and the Insured is indemnified against all sums subject to limit of indemnity chosen by Insured which the Insured shall become legally liable to pay for and/or arising out of Injury and/or Damage but only against claims arising out of or in connection with the business specified in the Schedule and not against claims arising out of or in connection with:-

1. Pollution howsoever caused
2. Any product.

For the purpose of determining the indemnity granted :

1. 'Injury' means death, bodily injury, illness or disease of or to any person;
2. 'Damage' means actual and/or physical damage to tangible property;
3. 'Pollution' means pollution or contamination of the atmosphere or of any water, land or other tangible property;
4. 'Product' means any tangible property after it has left the custody or control of the Insured, which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured but shall not mean food and beverages supplied by or on behalf of the Insured primarily to the Insured's employees as a staff benefit.
5. 'Accident' means a fortuitous event or circumstance which is sudden, unexpected and unintentional including resultant continuous, intermittent or repeated exposure arising out of the same fortuitous event or circumstance.

Exclusion:

The Company shall not be liable for

1. 0.25% of the limit of Indemnity for any one Accident subject to a minimum of Rs.25,000/- .
2. Any compensation for death of or bodily injury to any member of Insured person's family, partners, managerial staff, employees, contractor's employees or damage to property belonging to or in the custody of or control of Insured or Insured person's family, partner, director, managerial staff, employees and contractor's employees.
3. Injury or Damage caused by or resulting from anything sold, supplied, installed, erected, repaired, altered or treated and/or due to professional advice rendered by the Insured or by any person on behalf of the Insured other than food or beverages sold or supplied by the Insured as a service to the employees or visitors for consumption in the office through Canteen/outside suppliers.
4. Liability arising from use of any motor vehicle or pedal cycle.
5. Liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement.
6. Liability arising out of all personal injuries such as libel, slander, false arrest, wrongful eviction, wrongful detention, defamation etc. and mental injury, anguish, or shock resulting therefrom; liability more specifically insured elsewhere.
7. Liability for infringement of plans, copy-right, patent, trade name, trade mark, registered design;
8. Liability arising out of fines, penalties, punitive or exemplary damages or any other damages resulting from the multiplication of compensatory damages.
9. damage to property owned leased or hired or under hire-purchase or on loan to the Insured or otherwise in the Insured's care custody or control other than the
 - (a) employees' and visitors' clothing and personal effects.
 - (b) premises tenanted by the Insured to the extent that the Insured would be held legally liable in the absence of any specific agreement.
10. liability more specifically insured elsewhere.

SECTION XIII – BUSINESS INTERRUPTION/CONSEQUENTIAL LOSS (following Material Damage)

Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that in consideration of the full agreed premium being paid by the Insured to the Company the following Coverage Section is included under the Policy effective the date stated herein. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

THAT if any building or other property or any part thereof used by the Insured at the premises for the purpose of the Business, be destroyed or damaged by the perils covered under the FIRE POLICY, (Destruction or damage so caused being hereinafter termed Damage), and the Business carried on by the Insured at the

premises be in consequences thereof interrupted or Interfered with, Then the company will pay to the insured in respect of each item in the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the Provisions contained therein.

PROVIDED THAT

1. such Damage is caused at any time after payment of the Premium during the period of insurance named in the Schedule or of any subsequent period in respect of which the insured shall have paid and the company shall have accepted the premium required for the renewal of the policy.
2. at the time of the happening of the Damage there shall be in force a FIRE POLICY covering the interest of the Insured in the property at the Premises against such Damage and that payment shall have been made or liability admitted thereunder. However this Provision shall not apply where payment is not made under FIRE POLICY solely due to operation of a provision in a FIRE POLICY excluding liability for losses below the specified amount.
3. The liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums may hereafter be substituted thereof by memorandum duly signed by or on behalf of the Company.

CONDITIONS

1. The insurance by this Policy shall cease if:
 - a) the Business be wound up or be carried on by a Liquidator or Receiver or permanently discontinued
or
 - b) the Insured's interest ceases otherwise than by death
or
 - c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of damage is increased, at any time after the commencement of this insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Company.
2. Notice shall be given to the Company of alteration in existing blocks, addition of new blocks and/ or premises and/ or deletion of existing blocks and/ or premises during the currency of the Policy to enable the Company to determine whether the basis rate of the Policy undergoes a change as a result of such inclusions/ exclusions and to effect necessary adjustments in the Premium under this Policy.
3. On the happening of any Damage in consequence of which of claim is or may be made under this Policy, the Insured shall
 - a) forthwith give notice thereof to the Company,
 - b) with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss,
 - c) not later than thirty days after the expiry of the Period of Indemnity or within such further time as the Company may in writing allow, at his own expense deliver to the Company in writing a statement setting forth particulars of his claim together with details of all other insurances (if any) covering the Damage or any part of it or consequential loss of any kind resulting therefrom,
 - d) at his own expense produce or procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information explanation and other evidence as may reasonably be required by or on behalf of the Company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this Condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

4. In no case whatsoever shall the Company be liable in respect of any claim under this Policy after the expiration of:

- a) One year from the end of the Period of Indemnity or if later,
- b) Three months from the date on which payment shall have been made or liability admitted by the Company covering the Damage giving rise to the said claim, unless the claim is the subject of pending action of Arbitration.

5. This policy and the schedule annexed (which forms an integral part of this policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this policy or of the Schedule shall bear such specific meanings wherever they may appear.

6. This insurance does not cover any loss resulting from damage occasioned by/or through or in consequence directly or indirectly of any of the following occurrences namely:

- a) War, invasion, act of foreign enemy, hostilities or Warlike operations (whether war be declared or not), Civil war
- b) Mutiny, Civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power
- c) In any action suit or other proceeding where the co-alleges that be reason of the provision of this condition any loss or damage is not covered by this Insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

7. At all times during the Period of Insurance of this Policy, the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which, upon the settlement of any loss under this Policy, pro-rata premium for the unexpired period from the date of such loss to the expiry of Period of Insurance for the amount of such loss shall be payable by Insured to the Company.

The additional premium referred above shall be deducted from the net claim amount payable under the Policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this Condition is to ensure continuity of the cover to the Insured subject only to the right of the Company for deduction from the claim amount when settled of pro-rata premium to be calculated from the date of loss till expiry of the Policy.

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case the Insured, immediately on occurrence of the loss, exercises his option not to reinstate the Sum Insured as above.

PERILS SPECIFIED

Destruction or Damage by perils covered under the Coverage Section I (destruction or damage so caused being hereinafter termed as Damage)

Provided that at the time of the happening of the Damage there shall be in force insurance under Coverage Section I covering the interest of the Insured in the property at the premises against such Damage and that payment shall have been made or liability admitted thereunder. However this proviso

shall not apply where payment is not made under the Coverage Section I solely due to operation of a proviso in the Coverage Section I excluding liability for losses below a specified amount.

Business Interruption (following Material Damage) - Supplementary clauses & conditions:

1. Departmental Clause:

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

2. Accumulated Stock clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover due to damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods owned by the Insured.

3. Customers, Suppliers And Utilities Extension

3.1 Extension To Cover Customers 'Premises

In consideration of the payment of the aforementioned additional premium shown in the policy/the Endorsement, it is hereby agreed and declared that, subject to the conditions of the Policy, loss as insured by items(s) Nos. of this policy, resulting from interruption of or interference with the business in consequence of damage (as within defined) to property due to Fire, Lightning, Explosion, Aircraft Damage (FLEXA) and Act Of God (AOG) perils at the undernoted situations,

shall be deemed to be loss resulting from damage to property used by the Insured at the premises. For the purposes of this Extension the term "customers" means those companies, organisations or individuals as named hereunder with whom at the time of the damage, The Insured has direct contracts or trading relationships for supply of goods or services.

Provided that the liability under this memorandum in respect of any location shall not exceed the limits as specified in the schedule.

Further Provided that if the percentage, shown against the name of the customer in whose premises damage has occurred, shall be less than the percentage of the Annual Turnover derived by the Insured from that customer, the amount otherwise payable will be proportionately reduced.

Provided Again that the liability under this memorandum in respect of any one location under shall not exceed the limits as specified in the schedule.

3.2 Extension To Cover Suppliers 'Premises

In consideration of the payment of (the aforementioned additional premium) (an additional premium which included in the premium hereon) it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by the item(s) number(s) of this policy, resulting from interruption of/or interference with the business in consequence of damage (as within defined) to property due Fire, Lightning, Explosion, Aircraft Damage (FLEXA) and Act Of God (AOG) perils at the under noted situation shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed in respect of (each of) item(s) number(s) percent as specified in the schedule of the sum insured there under Where the extension relates to more than one supplier with differing limits, the proviso and "Situations" should be amended to read as follows:

Provided that the liability under this memorandum in respect of any one location under shall not exceed the limits as specified in the schedule.

The terms "suppliers" shall mean those companies, organizations or individuals as named hereunder with whom at the time of the damage, The Insured has direct contracts or trading relationships for purchase of goods or services.

Further provided that if the percentage shown against the name of the supplier in whose premises damage has occurred shall be less than the percentage of dependence of the insured on that supplier, the amount otherwise payable shall be proportionately reduced.

3.3 Power And Utilities Extension – Electricity Station Gas Works And Water Works

In consideration of the payment of an additional premium amounting to Rupees as mentioned in the schedule it is hereby agreed and declared that loss as insured by + (item No's as mentioned in the schedule of) this policy resulting from interruption of or interference with the business carried on by the insured at the premises described within in consequence of failure of electric supply at the terminal ends of the electricity service feeders*/Gas Works*/Water Works* from which the insured obtain electric Supply*/Gas*/Water* at the said premises directly due to Damage (as within defined) to property at an Electricity Station or Substation of Public Electricity Supply Undertaking*/Gas Works*/Water Works* (excluding Jack wells) from which the insured obtain electricity supply*/Gas*/Water* shall be deemed to be loss resulting from damage to property used by the insured at the premises

+ Delete if inapplicable

* Omit as may be necessary

Provided, however, that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, Municipal or Local Authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system or by the exercise by any such Authority of its power to withhold or restrict or ration supply not necessitated solely by Damage to the supply undertaking's generating or supply equipment by an insured peril. For the purpose of the above extension, the 'Indemnity Period' in respect of each damage or of a series of damages consequent on or attributable to one source or original cause shall be as follows:

"The period beginning with the occurrence of damage and ending not later than 60 days thereafter during which the result of the business shall be affected in consequence of the damage."

Provided that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

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

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the insured.

4. Prevention of Access

This Section is extended to include the actual loss of Gross Profit sustained as a consequence of physical damage or destruction resulting out of causes not excluded under policy to any property within a maximum radius in kms specified in the schedule from the insured's premises and only inland resulting in the insured being unable to or prohibited by any governmental or municipal order, to obtain access or exit from the insured premises.

Provided that after the application of all other terms, conditions and provisions of policy the liability under this extension in respect of any one occurrence shall not exceed the maximum indemnity periods under Section II of this Policy of Insurance but always subject to the Sum Insured stated in the Particular Conditions.

Limit: Maximum weeks specified in the schedule over and above the policy time excess

Specifications

Specification A – Insurance on Gross Profit on Turnover Basis

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

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

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

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

Departmental Clause:

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

Definitions

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

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

INSURED STANDING CHARGES – (Appropriate list to be inserted)

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

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

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

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

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

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

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

Premium Adjustment clause – option 1

The premium hereunder is provisional and shall be calculated on the basis as shown in the Schedule of this policy.

At the expiry of this policy the Insured shall declare the Actual Gross Profit Earned during the Policy Period suitably adjusted to reflect the period of indemnity and in the event of this being less than the sum insured thereon a return of premium not exceeding 50 per cent of the premium paid for the Policy Period will be made in respect of the differences.

If any damage shall have occurred, giving rise to a claim under this Policy such premium adjustment shall be made in respect only of so much of the said difference as is not due to such damage.

Return of Premium – option 2

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

Where, however, the declaration is not received by the Company within nine months after the expiry of the period of insurance, no refund shall be admissible.

If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

Specification B – Insurance on Gross Profit on Output Basis

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

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

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

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

Insert that appropriate multiple if the indemnity period exceeds 12 months.

Departmental Clause:

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

Definitions

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

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

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

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

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

+ Insert description of commodity produced by the insured

++ Insert unit of weight used

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

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

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

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

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

Specification C - "Difference" Basis

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

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

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

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

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

Departmental Clause:

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

Definitions

GROSS PROFIT – The amount by which

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

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

Specified Workings Expenses:-

1. All Purchases (less Discounts Received);
2. % Of the Annual Wage Roll (including Holiday and Insurance contributions);
3. Power;
4. Consumable Stores;
5. Carriage;
6. Packing Materials;
7. Bad Debts;
8. Discounts Allowed;
9. Any other expenses to be specified.

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

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

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

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

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

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

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

Specification I – Revenue Basis

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

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

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

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

Definitions

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

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

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

- * Here is inserted the appropriate multiple if the Indemnity period exceeds 12 months
- ** Here is inserted an agreed description such as “work done and service rendered” or “entertainment provided” and, if necessary, a qualifying exclusion such as “excluding the cost of drink and food supplied.”

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

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

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

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

Specification D – Wages

(i) DUAL BASIS

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

(a) In Respect of Reduction in Turnover

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

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

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

Less any saving during the said remaining portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying prescribed percent of the Rate of Wages to the Shortage in Turnover/Output during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for saving under the terms of Clause (i) (OPTION TO CONSOLIDATE – at the option of the insured, the number of weeks referred to in clause (a) (i) above may be increased to.. **X**... provided that the amount arrived at under the provisions of clause (a)(ii) shall not exceed such amount as is deducted under clause (a) (i) for saving effected during the said increased number of weeks.

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

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

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

Definitions

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

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

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

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

(ii) Pro Rata Basis



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

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

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

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

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

the Wages of all Employees the Wages of a specified category or categories of Employees the wages of all Employees who are normally paid on a weekly basis	(Add, if any wages are insured as a standing charge other than whose Wages are insured as a Standing Charge under Item No specified in the schedule)
--	--

Specification E – Lay-off and/or retrenchment Compensation with or without Notice Wages Liability

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

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

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

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

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

- (i) Lay-off and/or Retrenchment Compensation or
- (ii) Lay-off and/or Retrenchment Compensation with or without Notice Wages Liability or
- (iii) Lay-off Compensation, or
- (iv) Retrenchment Compensation or

(v) Retrenchment Compensation with or without notice Wages Liability as the case may be.

Specification F – Additional Cover Clauses

Auditors’ Clause

(Modifying the Company’s liability under condition 3)

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

Specification G – New Business Clause

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

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

Specification H – Solicitors’ and Professional Mens’ Fees

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

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

(a) **IN RESPECT OF LOSS OF GROSS FEES:** the amount by which Gross Fees earned during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Gross Fees.

(b) **IN RESPECT OF INCREASE IN COST OF WORKING:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Fees which,



but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the reduction in Gross Fees thereby avoided.

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

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

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

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

Definitions

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

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

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

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

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

Memo 3: If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Fees earned (or a proportionately increased multiple thereof where the

maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference.

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

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

Specification J – Alternative Basis Clause

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

Provided that :

- (a) Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined).
- (b) If the meaning set out above be used, memo No.1 shall be altered to read as follows:

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

SECTION XIV - Business Interruption (following Machinery Breakdown & Boiler Explosion)

The business carried on by the Insured at the premises specified in the Schedule be interrupted or interfered with in consequence of an Accident which shall mean sudden and unforeseen physical damage, as defined in the Machinery Insurance/Boiler and Pressure Plant Section of any machinery specified in the schedule of machinery then the Company shall in respect of each item in the Schedule indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference.

PROVIDED THAT the liability of the Company during any one-year of Insurance shall in no case exceed in the whole the total Sum Insured hereby or such other sum or sums as may hereafter be substituted therefore by endorsement signed by or on behalf of the Company.

PROVIDED ALSO that at the time of happening of an Accident there shall be in force an insurance covering the machinery described in the Schedule from any accidental cause indemnifiable under Machinery Breakdown Insurance Section and or Boiler & Pressure Plant Section and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.

PROVIDED ALWAYS that the due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answer(s) in the proposal shall be conditions precedent to any liability of the Company.

EXCLUSIONS -

The Company shall not be liable for any loss resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes –

- i) Willful act or willful neglect or gross negligence of the insured or his responsible representatives.
- ii) Loss or damage to machinery or other items which are not listed in the list of machinery insured even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- iii) Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the insured or his responsible representatives whether such faults or defects were known to the Company or not.
- iv) Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi finished or finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- v) Any restrictions on reconstruction or operation imposed by any public authority.
- vi) An extension of the normal repair period for more than 4 weeks on account of -
 - a) the inability to secure or delays in securing replacement parts, machines or technical services.
 - b) the inability to carry or delays in carrying out repairs.
 - c) the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
 - d) transport of parts to and from the Insured's premises.
- vii) Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.
- vii) Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of -
 - a) War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organization, requisition or destruction or damage by order of any government de jure or de facto or by any public.

Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimize the consequences thereof.

- b) Nuclear reaction, nuclear radiation or radioactive contamination.

CONDITIONS -

- a) This Policy and the Schedule(s) shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule(s) shall bear such meaning wherever it may appear.
- b) This Policy shall be avoidable in the event of misrepresentation, mis-description or nondisclosure in material particular.
- c) This Policy shall be avoided if,
- i) the business be wound up or carried on by a liquidator or receiver or permanently discontinued OR
 - ii) the insured's interest ceases otherwise than by death OR
 - iii) any alteration be made whereby the risk of an accident is increased
- OR
- iv) the retention of standby or spare machinery or any other loss minimizing factors in existence when this insurance was effected be reduced or discontinued unless its continuance is admitted by an endorsement signed by or on behalf of the Company
- d) The insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
- e) i) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
- ii) The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense, such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall if necessary be adjusted accordingly.
- iii) Dismantling and reassembling in connection with any examinations shall be carried out by the Insured on such date or dates as the Company and the insured mutually agree upon for the making of such examinations.

No material alteration shall be made or admitted by the insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Company.

- f) The Insured shall be obliged to keep complete records. All records e.g. inventories, production and balance sheets for the three preceding years shall be held in safe keeping or as a precaution against their being simultaneously destroyed the insured shall keep separate sets of such records.
- g) In the event of any occurrence, which gives rise to or is likely to give rise to a claim under this Policy the Insured shall -

- i) Forthwith give notice thereof to the Company
- ii) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom.
- iii) as far as may be reasonably practicable without causing any increase in the period of interruption or interference take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim
- iv) discontinue the use of any damaged machinery unless the Company authorize otherwise and the Company shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the insurers
- v) in the event of a claim being made under this Policy not later than thirty days after the expiry of the indemnity period or within such further time as the Company may allow in writing at his own expense deliver to the Company a written statement setting forth particulars of his claim together with details of all other policies covering the accident or any part of it or consequential loss of any kind resulting therefrom and the insured shall at his own expense also produce and furnish to the Company such books of accounts and other business books e.g. invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with if required - a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect any payment already made on account of the claims shall be repaid to the Company forthwith.

- h) In the event of an accident to any insured machinery likely to give rise to a claim under this Policy, the Company shall have the right to take over and control all necessary repairs or replacements.
- i) The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss or damage under this Policy whether such acts and things are or become necessary or required before or after his indemnification by the Company
- j) 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 this policy or if the Accident be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection or in case of an arbitration taking place as provided hereunder within three months of this policy after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.
- k) If at the time of any accident resulting in a loss under this Policy there be any other insurance covering the same loss or damage, the Company shall not be liable to pay more than its rateable proportion of the loss.

- l) **Midterm increase in Sum Insured -**
If the sum insured is increased during the currency of the policy -
- i) Short period scale of rate shall apply to the increased amount.
 - ii) If the policy is renewed thereafter for twelve months, for an amount not less than the increased total sum insured, the difference of premium between the short period scale of rates and pro-rata rate, may be refunded, or a new policy for the full increased sum insured, may be issued, at the tariff rate (annual or short period, as required) canceling the old insurance and allowing a pro-rata refund for the unexpired period of the cancelled policy'.
- n) **Departmental Clause -** Applicable when business has separate section or departments, each earning a different rate of gross profit.)

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of clauses (a) & (b) of item 1 of the specification shall apply separately to each department affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

- o) 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 questions 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.

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.

It is hereby expressly stipulated and declared that it shall be 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.

- p) In no case whatever shall the Company be liable in respect of any claim under this Policy after the expiry of -
- i) One year from the end of the indemnity period or if later
 - ii) Three months from the date on which payment shall have been made or liability admitted by the Company covering the Accident giving rise to the said claim unless the claim is the subject of pending action or Arbitration
- q) Every notice and other communication required by these conditions must be written or printed.

CLAUSES –

1. AGREED BANK CLAUSE

It is hereby declared and agreed:-

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

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

3. That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any manner arising under or in connection with this Policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
4. That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the Insured or any of them arising under or in connection with this Policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
5. That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of Condition 3 of the Policy except where a breach of the Condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the Policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and
6. It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

2. ENDORSEMENT 857 PROLONGATION OF INTERRUPTION PERIOD DUE TO DETERIORATION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, cover shall be extended to include a prolongation of the interruption period due to the deterioration of raw materials, intermediate or finished products or operating media, provided that such deterioration is actually caused by an indemnifiable interruption of or interference with the business in consequence of an indemnifiable accident.

3. ENDORSEMENT 861 INCREASED COST OF ELECTRICITY, WATER, GAS OR STEAM SUPPLY

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended to cover increased cost of electricity, water, gas or steam - hereinafter referred to as energy - due to purchase thereof becoming

necessary following an indemnifiable loss of or damage to item(s) No(s) specified in the List of Machinery and Plant Insured.

The sum insured is the product of the increase in unit cost for the purchase of energy (purchase cost minus the cost that would be incurred by the Insured generating his own energy) and the annual amount of the units generated by the machinery insured. Expenses for maximum demand charges shall be excluded under this Endorsement. Refund of premium may be granted only in respect of the amount of units generated.

4. ENDORSEMENT 862 MAXIMUM DEMAND CHARGES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended to cover the maximum demand charges as itemized in the power supply contract attached to and deemed to be incorporated in this Endorsement, such charges falling due as a consequence of indemnifiable loss of or damage to item (s) No(s) specified in the List of Machinery and Plant Insured.

The sum insured shall correspond to the maximum possible amount of maximum demand charges which may become due for one year. If, in the case of indemnifiable loss of or damage to the insured items, the maximum demand charges falling due, ie the unit price per kW or kVA and/or the quantity of kW or kVA, exceed the figures stipulated in the power supply contract, average shall be applied separately to each of the above mentioned amounts. Underinsurance shall not be applied in the event that the indemnity period affects two electric power accounting years and the sum insured is less than the actual loss.

Deductible: 20 % of the loss, minimum

5. ENDORSEMENT 863 ADDITIONAL EXPENDITURE OTHER THAN INCREASE IN COST OF WORKING

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended to cover additional expenditure as specified in the schedule, other than increased cost of working, which may be incurred during the indemnity period as a consequence of an indemnifiable interruption of or interference with the business. The amount of indemnity payable shall be limited to either a) a lump sum payment of or b) a daily limit of and subject to a deductible of 20 % of each claim, minimum .This cover is not subject to average.

6. ENDORSEMENT 866 FAILURE OF PUBLIC POWER, WATER, GAS OR STEAM SUPPLY

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, cover shall be extended to include loss of gross profits resulting from interruption of or interference with the business due to failure of the public power, water, gas or steam supply in accordance with the following conditions:

1. Definition

Public supply shall mean the supply by public authority of power, water, gas or steam when required on demand, with sufficient production reserves and alternate switch-over possibilities.

2. Object of insurance

Failure of the public supply shall mean stoppage or reduction in supply caused by sudden and unforeseen

material damage occurring beyond the point of transfer to the plant as specified in the Policy. This Endorsement also covers failure of the public power, water, gas or steam supply due to any cause specified in Exclusions Nos 1 to 3 and 8 of the Policy.

In the case of interruption of the Insured's operation due to failure of the public supply, the Company shall be liable up to the indemnity period limit for any loss of gross profits resulting from this interruption for the period of failure that exceeds the agreed time excess.

3. Exclusions

Irrespective of any contributory cause, the Company shall not be liable for any loss resulting from interruption of public supply directly or indirectly attributable to:

- a) rationing, which was not caused by unforeseen material damage to the public supply;
- b) water shortage due to climatic or meteorological conditions;
- c) disturbance or damage in the Insured's plant, even if this is caused by failure of the public supply, unless the damaged item(s) also is (are) covered under this Policy;
- d) the production in the Insured's plant still being interrupted or disturbed after the resumption of the public supply, unless otherwise agreed.

7. ENDORSEMENT 891 DELAY IN REPAIR

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall, within the agreed indemnity period limit, be

liable for a period not exceeding four weeks for any loss of gross profits due to delay in repair or replacement

of damaged machines of foreign make, where such delay results from import or export restrictions, customs regulations, currency restrictions or any other regulations imposed by any government or public authority.

8. ENDORSEMENT 892 INDEMNITY PERIOD LIMITS EXCEEDING 12 MONTHS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon for indemnity period limits exceeding 12 months, the following shall apply:

- 1. The figures for annual sum(s) insured, annual turnover and standard turnover as defined or stated in the Policy shall be increased in the proportion by which the indemnity period limit exceeds 12 months.

2. The accounting period as referred to in Memo 2 - Return of Premium shall be the agreed indemnity period limit.

9. ENDORSEMENT 893 PROPORTIONAL TIME EXCESS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the deductible in respect of the time excess shall be determined as follows:

The Company are not liable for the amount of loss corresponding to the agreed time excess, which shall be calculated by multiplying the average daily amount of the indemnifiable loss by the number of working days agreed upon as the time excess.

10. ENDORSEMENT 894 SUM INSURED ON UNIT PRICE BASIS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the sum insured and indemnity shall be defined as follows:

- 1) The annual sum insured shall be calculated on the basis of the agreed unit price multiplied by the number of units the Insured produces during one year. A premium refund according to Memo 2 of this Policy shall be given only on the basis of the number of units actually produced during the period of insurance.
- 2) The indemnity payable shall be the amount calculated by multiplying the number of units which would be produced but for the accident with the agreed unit price. If, however, the number of units on which the sum insured is based is less than the number of units which would be produced but for the accident during the 12 months immediately preceding the date when the production is no longer affected or when the indemnity period limit ends, the amount payable shall be reduced proportionally. The indemnity shall not put the Insured into a better financial position than he would have been in if the accident had not occurred. The Company shall only be liable for the period within the indemnity period limit that exceeds the agreed time excess.

The deductible shall be 20 % of the loss, minimum.

11. ENDORSEMENT 904 FAILURE OF NON PUBLIC POWER SUPPLY

It is agreed and understood that, otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the extra premium agreed on, the Company will indemnify the Insured for any deterioration or putrefaction occurring as a result of any failure of the nonpublic power supply, provided that - a standby generator ready for operation at any time (stated in the List of Machinery) is available which is able to supply the required continuous cooling capacity when the cold store is 100 % filled; - the failure of the non-public power supply lasts for an uninterrupted period of at least six hours.

Irrespective of any contributing causes, the Company shall, however, not be liable for deterioration or putrefaction occurring as a result of - scheduled interruptions of the non-public power supply; - interruption of electricity due to shortage of primary energy at the power stations.

12. ENDORSEMENT 905 DEPARTMENTAL CLAUSE

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of clauses (a) & (b) of item 1 of the specification shall apply separately

to each department affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced

SECTION XV – EMPLOYEE COMPENSATION

Notwithstanding anything contained in the Policy or any of its Endorsements or SECTIONS hereto, it is agreed and declared that in consideration of the agreed premium being paid by the Insured to the Company the following Coverage Section is included under the Policy effective the date stated herein. Subject to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

Now this policy witnesseth, subject to the terms exceptions and conditions contained herein or endorsed hereon, that if at any time during the **Period of Insurance** any **Employee or Employees** of the **Insured** shall sustain **Injury** by accident arising out of and in the course of his employment in the **Business**, for which the **Insured** is liable to pay compensation under any Law(s) specified in the **Schedule**, then the Company shall indemnify the **Insured** up to the **Limit of Indemnity** against all sums for which the **Insured** shall be so liable, including costs and expenses for defending any such claim incurred with the Company's consent.

PROVIDED ALWAYS that in the event of any change in the Law(s) or the substitution of other legislation therefore, this **Policy** shall remain in force but the liability of the Company shall be limited to such sum as the Company would have been liable to pay if the Law(s) had remained unaltered.

DEFINITIONS

This SECTION, the **Schedule** and any Clauses thereon shall be considered one document and any word or expression to which a specific meaning has been attached in Definitions bears that specific meaning wherever it appears in this Policy in bold typeface.

Business means the Business of the **Insured** as specified in the **Schedule** in respect of which this Policy is issued.

Injury means physical bodily injury including death resulting from such injury arising out of an accident but does not include any mental sickness, disease, **Occupational Disease**, unless caused by such physical bodily injury.

Insured means the person or organization specified in the Policy **Schedule** but does not include their Contractors or Sub Contractors.

Occupational Disease means any occupational disease or illness including but not limited to the diseases listed under Schedule III of the Employees' Compensation Act, 1923 contracted by an **Employee** due to employment in the **Business**.

Wages means the remuneration payable to an **Employee** by the **Insured** for the employment in the **Business** and includes any privilege or benefit which is capable of being estimated in money other than a travelling allowance or the value of any travelling concession or a contribution paid by the employer of an employee towards any pension or provident fund or a sum paid to an employee to cover any special expenses entailed on him by the nature of his employment;

Employee or Employees means such person or persons in direct employment under the **Insured** in the **Business**, but shall not include any person employed under a Contractor or Sub-Contractor of the **Insured** unless specifically shown as covered in the **Schedule and by an endorsement**.

Schedule means the Schedule attached to and forming part of this **Policy**.

Period of Insurance means the period for which this insurance is availed by the **Insured** as specified in the **Schedule**, unless cancelled earlier.

Limit of Indemnity means the maximum amount of indemnity as specified in the **Schedule** that will be provided under this Policy by the Company in respect of

- a) any particular claim by an **Employee** and
- b) all claims arising out of all accidents for any number of **Employees** during the **Period of Insurance**

EXCLUSIONS

This Policy shall not cover liability of the **Insured**:

- a) For **Injury** caused to **Employee** by accident directly or indirectly caused by or arising from or in consequence of or attributable to war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, mutiny, insurrection, rebellion, revolution or military or usurped power, nuclear weapons material, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- b) Accident occurring at any other place than the Place or Places of Employment specified in the **Schedule**, unless the **Employee** was at such other place whilst on duty for the purpose of the **Business** and on the directions of the **Insured** or any of its official authorized to exercise control and supervision over the **Employee**.
- c) For **Occupational Diseases** contracted by an **Employee**
- d) For interest and/or penalty imposed on the **Insured** under any law or otherwise.
- e) Under any Law for medical expenses in connection with treatment of any **Injury** sustained by an **Employee**
- f) For persons employed in the **Business** under a Contractor or Sub-Contractor of the **Insured** unless specifically covered in the **Schedule**
- g) For **Injury** sustained by person whilst in the employ of the **Insured** otherwise than in the **Business** and/or who has is not declared for insurance under this Policy.
- h) Assumed by agreement which would not have attached in the absence of such agreement
- i) For any sum which the **Insured** would have been entitled to recover from any party but for an agreement between the **Insured** and such party.
- j) For any accident occurring whilst the **Employee** is under the influence of intoxicating liquor or drugs.
- k) For any incapacity or death of an **Employee** resulting from his/her deliberate self-injury or the deliberate aggravation of an accidental **Injury**.

CONDITIONS

1. **The Contract:** This **SECTION** and the **Schedule** shall be read together as one contract and any word defined herein and shown in bold shall bear such specific meaning wherever it may appear in the **Policy** or the **Schedule**.
2. **Due Observance:** The due observance and fulfilment of the terms, conditions and endorsements of this **SECTION** so far as they relate to anything to be done or not to be done by the **Insured** shall be condition precedent to any liability of the Company to make any payment under this **SECTION**.
3. **Mis-representation/Non-Disclosure:** This Policy shall be void in the event of any mis-representation or non-disclosure in the Proposal and the **Insured** is deemed to warrant the truth and accuracy of the statements and answers in the Proposal which form the basis of this Policy.
4. **Written Communication:** Every notice or communication to be given or made under this **Policy** shall be delivered in writing to the Company.
5. **Safeguards:** The **Insured** shall take reasonable precautions to prevent accidents and disease and shall comply with all statutory obligations, manufacturer's recommendations and other safety regulations in conduct of the **Business**.
6. **Claim Intimation:** In the event of any occurrence which may give rise to a claim under this **SECTION** the **Insured** shall as soon as possible, and in any case within a period of thirty days of such occurrence, give notice thereof to the Company in writing with full particulars. Every letter claim writ summons and process shall be notified to the Company immediately on receipt. Notice shall also be given to the Company immediately the **Insured** shall have knowledge of any impending prosecution inquest or fatal enquiry in connection with any such occurrence as aforesaid.
7. **Company's Rights After Loss:** No admission offer promise or payment shall be made by or on behalf of the **Insured** without the consent of the Company which shall be entitled, without being obliged to do so, if it so desires to take over and conduct in his name the defence or settlement of any claim or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the **Insured** shall give all such information and assistance as the Company may require.
8. **Declaration of Employees and Wages:** It is clearly agreed and Understood that the **Insured** shall be bound at all times to declare all **Employees** and **Wages** payable in respect of such **Employees** on the basis of which the Premium for this Policy is calculated.

In case of increase in **Employees** or **Wages** subsequent to insurance, **Insured** shall keep the Company intimated and obtain Endorsement by payment of necessary additional premium.

The **Insured** shall as and when require by the Company permit inspection of its records to verify the **Wages** and **Employees** and shall also provide duly authenticated copies thereof if so required the Company.

9. **Average:** Notwithstanding anything contained hereinabove,
 - (i) a) If the number of **Employees** (whether on duty or otherwise) employed by the **Insured** on the date of accident is higher than the number covered under this Policy, the Company shall indemnify **Insured's** liability arising out of such accident, only in such proportion that the number of **Employees** covered bears to the **Employees** found employed on the date of accident.

- b) If the amount of **Wages** declared for this insurance for all **Employees** is less than the actual **Wages** paid until date of accident, the Company shall be liable to indemnify on any claim only in proportion that the **Wages** declared bears to the **Wages** paid. For the purpose of this clause, the **Wages** declared shall be calculated proportionately for the period from commencement of Policy until date of accident for comparison with the actual **wages** paid during such period to determine applicability of this clause.
- c) If the liability of the **Insured** for any claim by an **Employee** is determined on the basis of **Wages** higher than covered under this Policy, the Company shall be liable to indemnify only in proportion that the **Wages** covered under the Policy for the **Employee/Employees** bears to the **Wages** on the basis of which **Insured** is held liable. For the purpose of this clause, the **Wages** covered in respect of any **Employee** shall be deemed to be the average wage per **Employee** in the category under which the **Employee** falls as specified in the **Schedule**, unless actual **Wages** paid at the time of accident is substantiated by submission of documentary evidence to the Company.
- (ii) If more than one of the above clauses is found applicable in respect of a claim, only such clause under which the liability of the Company is least shall be applied.
10. **Maintenance of record of Employees/Wages:** The **Insured** undertakes to maintain an accurate record of the **Employees** and **Wages** in respect of the **Business** throughout the **Period of Insurance**, in compliance with all statutory requirements or otherwise, and allow the **Company** to inspect such records during or upon expiry of this **Policy**.
11. **Contribution:** If at the time of the happening of an accident covered by this **Policy** there shall be any other insurance covering the same risk in respect of the **Employee** whether or not effected by the **Insured**, then the Company shall not be liable to contribute more than its rateable proportion of the amount that would otherwise be payable under this Policy.
12. **Cancellation:** The **Insured** may cancel this **Policy** by sending at least 15 days written notice to the **Company** and in such event the premium shall be adjusted in accordance with Condition 8 above.
- Company** also reserves the right to cancel this **Policy** immediately upon becoming aware of any misrepresentation, fraud, non-disclosure of material facts or non-cooperation by or on behalf of the **Insured**; the **Company** is not obliged to refund the premium already paid under the **Policy**.
- Notice of cancellation will be mailed to the **Insured** last known address. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.
13. **Forfeiture:** If the **Insured** shall make any claim or connive in the making of any claim, knowing the claim to be false or fraudulent, the **Policy** shall become void and all claims will stand forfeited.
14. **Subrogation:** In the event of any payment under this **Policy**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery and the **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of each **Insured**.
15. **Alteration and Assignment:** No change in, modification of, or assignment of interest under this **Section** shall be effective except when made by a written endorsement to this **Policy** which is signed by an authorised employee of the **Company**.

16. **Arbitration:**

- a) If any dispute or difference shall arise as to the quantum to be paid under this **SECTION** (liability being otherwise admitted) in respect of any claim, 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 to a panel of three arbitrators to be appointed in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The arbitration shall be governed by Indian law. The venue of arbitration shall be within India.
- b) It is clearly agreed and understood that no reference to arbitration can be made if the **Company** has either not admitted or has disputed liability in respect of any claim under or in respect of this **Policy**.
- c) 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.
- d) It is further expressly agreed and declared that if the **Company** shall disclaim liability in respect of any claim and is not within 12 calendar months from the date of such disclaimer be made the subject matter of a suit or proceeding before a Court of law or any other forum, it shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

17. **Law and Jurisdiction:** It is hereby declared and agreed that this contract of insurance and all claims there under shall be governed by Indian Law and any legal proceeding in respect thereof shall be raised a competent court of India. All claims shall be paid in Indian Rupees only.

TERRORISM INCLUSION – Applicable for Miscellaneous and Engineering sections

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 acting alone or on behalf of or in connection with any organisation(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:
 - (a) voluntary abandonment or vacation,
 - (b) 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 mysterious disappearance or unexplained loss;
15. 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;

16. 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 amount mentioned in the Policy Schedule.

EXCESS

Policy Excess: As mentioned in the schedule

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.

SANCTIONS 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 provisions 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.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

The Company shall not be liable to indemnify under any section of this policy any direct or indirect loss/damage or liability or expenses howsoever caused on account of the following unless specifically provided in any of the sections:

1. Liability arising out of violation of any Rules and Regulation of the Govt. or Statutory authorities.
2. Loss or damage directly or indirectly, proximately or remotely occasioned by or which arises out of or in connection with war, invasion, act of foreign enemy, hostilities or civil war, rebellion, revolution, insurrection, warlike operation (whether war be declared or not), usurped power or civil commotion or loss or pillage in connection therein or confiscation or detention by the order of any Government or public authority.
3. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion 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 purpose including the intention to influence any government and/or to put the public, or any section of the public in fear. (A uniform definition of terrorism is used throughout this document)

In any action, suit or other proceedings where the Company alleges that by reason of provisions hereof, any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

4. Loss or damage arising due to delay/improper packaging.
5. Any loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss and any legal liability of whatsoever nature directly or indirectly, caused by or contributed to by, or arising from ionizing radiation or contamination by radioactivity from any source whatsoever.
6. Any accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
7. Liability arising due to martial law or state of seize or any of the event or cause which determines the proclamation or maintenance of martial law or state of seize
8. Loss or damage wear and tear, depreciation, gradual deterioration/ development of flaws, atmospheric or climatic condition.
9. Loss or damage caused by or arising out of willful act/gross negligence of the insured.
10. Loss of or damage to any Property insured under this Policy in the event of non-cooperation, misrepresentation, misdescription or non-disclosure in any material particular or if a claim be fraudulent or any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy.

CONDITIONS APPLICABLE TO ALL SECTIONS

The Policy and Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part or this Policy or the Schedule shall bear such specific meaning wherever it may appear.

1. The Insured shall take all reasonable steps to safeguard the Property insured against any loss or damage. The Insured shall exercise reasonable care that only competent employees are employed and shall take all reasonable steps to prevent all accidents and shall comply with all statutory or other regulations.
2. The Company shall have free access to inspect any Property insured and the books of accounts of the Insured. If at any time any event shall occur materially affecting the risks insured hereunder the Insured shall give notice in writing to the Company immediately,
3. CLAIMS :
 - (a) On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company.
 - i. particular an account as may be reasonably practicable of all the several articles or items of Property damaged or destroyed, and of the amount of the destruction or damage thereto respectively, having regard to their value at the time of the loss, destruction or damage, not including profit of any kind, (other than would be indefinable under Section Three of this policy) together with particulars of any consequential loss resulting therefrom;

- ii. particulars of all other insurance's which are or could be applicable to loss, if any.

The Insured shall at their own expense produce, procure and give to the Insurer all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin, cause and circumstances under which the destruction or damage occurred, and any matter affecting the liability or the amount of the liability of the Insurer as may be reasonably required by or on behalf of the Insurer together, if required by the insurer, with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this Condition have been complied with, and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith.

(b) 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

4. The Insured shall not admit any liability or make payment of or negotiate any sum without the consent in writing of the Company. The Company shall be entitled if it so desires to take over and conduct in the name of the Insured the defense or settlement of any claim or to prosecute in the name of the Insured at its own expense and for its own benefit any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Company shall be or would become entitled or subrogated upon its indemnifying the Insured and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
5. The Company may after admission of liability pay to the Insured/third party the maximum indemnity amount on receiving the documentary evidence and thereafter the Company shall not be under further liability in respect of such occurrence except for the payment of costs and expenses of litigation incurred prior to the date of payment.
6. In the event of a claim, if there exists any other policy in favour of the Insured for the same subject matter of insurance, the Company shall not pay more than its rateable proportion of such claim.
7. 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/-.

SHORT PERIOD SCALE

Policies issued or renewed for periods shorter than 12 months must be charged for on the following scale, which must also be applied in calculating the premium where policies are cancelled during currency at the request of the Insured.

Period	% of rate to be charged
For a period not exceeding 15 days	10% of the Annual rate
For a period not exceeding 1 month	15% of the Annual rate
For a period not exceeding 2 months	30% of the Annual rate
For a period not exceeding 3 months	40% of the Annual rate
For a period not exceeding 4 months	50% of the Annual rate
For a period not exceeding 5 months	60% of the Annual rate
For a period not exceeding 6 months	70% of the Annual rate
For a period not exceeding 7 months	75% of the Annual rate
For a period not exceeding 8 months	80% of the Annual rate
For a period not exceeding 9 months	85% of the Annual rate
For a period exceeding 9 months	The full Annual rate

8. If any dispute or difference shall arise as to the quantum to be paid under the Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of an 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 the 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 in accordance with the provisions of the Arbitration and Conciliation Act,1996 (with amendments, modifications and statutory re-enactments, if any, being applicable)

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.

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 award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

It is also further expressly agreed and declared that if the Company shall disclaim liability to the Insured 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 the court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

9. The Company shall not be liable to make any payment under this Policy in respect of any claim if such claim shall be in any manner fraudulent or supported by any statement or device whether by the Insured or by any person on behalf of the Insured if the insurance have been continued in consequence of any material mis-statement or non-disclosure of any material information by or on behalf of the Insured.
10. It is also hereby further expressly agreed and declared that if the Company shall disclaim liability to the Insured 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 court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

11. No claim shall be payable under this Policy unless the cause of action arises in India and the liability to pay claim established against the Insured in any Indian court. It is further agreed and understood that only Indian Law shall be applicable to any such action however, in case the liability is otherwise clear on the basis of evidence produced by the Insured, the Company may entertain the claim without reference to a court of law.
12. The Company shall be entitled in the name of the Insured to have absolute conduct and control of all or any proceedings that it considers necessary for the purpose of tracing and recovering any Property insured lost or of securing reimbursement in respect of Property insured lost and the Insured shall at the Company's expense furnish all such assistance as may reasonably be required by the Company in connection with such proceedings and in the event of any or all of the Property insured being recovered, it shall be imperative upon the Insured to refund to the Company such a proportion of the sum allowed by way of compensation as the amount recovered bears to the total amount of Property insured lost.
13. The Proposer understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the insurance company's decision to provide this insurance. The applicant further understands that the insurance company will, in its sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.

THIS POLICY SHALL BE VOIDABLE AT THE OPTION OF THE COMPANY IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULAR BY THE INSURED. ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE INSURANCE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED.

14. The Company shall be entitled to take over and conduct in the name of Insured the defense or settlement of any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Company shall be or would become entitled or subrogated upon its indemnifying the Insured. The Company shall have full discretion in conduct of any proceedings and in settlement of any claim and the Insured shall give all such assistance and information as the Company may require.
15. The claim will be paid for the occurrences specified in each Section within the Policy period only.

16. Average: If the property hereby insured shall at the time of any loss or damage be collectively of greater value than the Sum Insured thereon then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Every item if more than one of the Policy shall be separately subject to this Condition.
17. Cover under this policy shall cease to attach:
- if the Insured shall cause or suffer any material alteration to be made in the premises or anything to be done whereby the risk is increased;
 - to any property the interest of the Insured in which shall pass from the Insured otherwise than by will or operation of law;

unless, in every case, the consent of the Company to the continuance of the insurance thereon is obtained and signified on the policy.

18. 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.
19. 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.
20. MID – TERM INCREASE IN SUM INSURED shall be allowed as follows:
- INCREASE IN SUM INSURED – on Pro Rata Basis
 - DECREASE IN SUM INSURED – on Short Period Scale

Condonation of Delay:

The Company may condone delay on merit where it is proved that delay in reporting of claim or submission of claim documents is due to reasons beyond the control of the insured.

Notwithstanding the above, delay in reporting of claim or submission of claim documents due to reasons beyond the control of the insured shall not be condoned where such claim even if reported in time would in any which ways be rejected.

Claims Process:

In the event of loss of an insured event the insurance company must be informed immediately. Our contact details are as follows:

HDFC ERGO General Insurance



HDFC ERGO General Insurance Co. Ltd.
6th Floor, Leela Business Park,
Andheri Kurla Road, Andheri(E), Mumbai – 400059
Toll Free Helpline 1800 2 700 700

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.
- 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.
- Apart from surveyor/investigator, opinions of legal experts are sought, if required.
- Based on the investigation and documentations provided, the decision with respect to the claim would be taken and accordingly conveyed to the insured (vide written communication)

Processing of Claim: The documents generally required for processing of claims are:

1. Policy/Underwriting documents.
2. Survey Report with Photographs
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. Any other relevant documents required based on type of loss
8. KYC documents where settlement amount is over 1 lac

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.

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:

- Call Centre (Toll free helpline)
1800 2 700 700 (accessible from any Mobile and Landline within India)
- Emails – grievance@hdfcergo.com
- Designated Grievance Officer in each branch.
- Company Website – www.hdfcergo.com
- Fax : 022 - 66383699
- Courier : Any of our Branch office or corporate office

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

HDFC ERGO General Insurance



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 Cell ,
HDFC ERGO General Insurance Company Ltd.
6th Floor, Leela Business Park,
Andheri Kurla Road,
Andheri, Mumbai – 400059**

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to Our Principal Grievance Officer at the following address

To the Principal Grievance Officer
HDFC ERGO General Insurance Company Limited
6th floor, Leela Business Park.
Andheri Kurla Road,
Andheri (E), Mumbai – 400059
E-mail: principalgrievanceofficer@hdfcergo.com

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

NAMES OF OMBUDSMAN AND ADDRESSES OF OMBUDSMAN CENTRES

(As on 1.1.2015)

Office Details	Jurisdiction of Office (Union Territory, District)	Date Of Taking Charge
AHMEDABAD - Shri. / Smt. Office of the Insurance Ombudsman, 2nd floor, Ambica House, Near C.U. Shah College, 5, Navyug Colony, Ashram Road, Ahmedabad – 380 014. Tel.:- 079-27545441/27546840 Fax : 079-27546142 Email: bimalokpal.ahmedabad@gbic.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.	
BENGALURU - Shri. M. Parshad Office of the Insurance Ombudsman, Jeevan Soudha Building, Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 025. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@gbic.co.in	Karnataka.	14-08-2014
BHOPAL - Shri. R K Srivastava Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.:- 0755-2769201/9202 Fax : 0755-2769203 Email: bimalokpal.bhopal@gbic.co.in	Madhya Pradesh Chattisgarh.	27-05-2013
BHUBANESHWAR - Shri. B. N. Mishra Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.:- 0674-2596455/2596003 Fax : 0674-2596429 Email: bimalokpal.bhubaneswar@gbic.co.in	Orissa.	22-07-2014
CHANDIGARH - Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.:- 0172-2706468/2772101 Fax : 0172-2708274 Email: bimalokpal.chandigarh@gbic.co.in	Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh.	21-09-2012
CHENNAI - Shri Virander Kumar Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: bimalokpal.chennai@gbic.co.in	Tamil Nadu, Pondicherry Town and Karaikal (which are part of Pondicherry).	09-05-2013
DELHI - Smt. Sandhya Baliga Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.:- 011-23234057/23232037 Fax : 011-23230858 Email: bimalokpal.delhi@gbic.co.in	Delhi.	15-07-2014
GUWAHATI - Sh. / Smt. Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2132204 / 2132205 Fax: 0361 - 2732937 Email: bimalokpal.guwahati@gbic.co.in	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.	
HYDERABAD - Shri. G. Rajeswara Rao Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 65504123 / 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@gbic.co.in	Andhra Pradesh, Telangana, Yanam and part of Territory of Pondicherry.	15-05-2013
JAIPUR - Shri. Ashok K. Jain Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005.	Rajasthan.	10-10-2014

HDFC ERGO General Insurance



Office Details	Jurisdiction of Office (Union Territory, District)	Date Of Taking Charge
Tel.: 0141 - 2740363 Email: bimalokpal.jaipur@gbic.co.in		
ERNAKULAM - Shri. P. K. Vijayakumar Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@gbic.co.in	Kerala, Lakshadweep, Mahe-a part of Pondicherry.	14-07-2014
KOLKATA - Shri. K. B. Saha Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel No: 033-22124339/22124346 Fax: 22124341 Email: bimalokpal.kolkata@gbic.co.in	West Bengal, Sikkim, Andaman & Nicobar Islands.	30-07-2014
LUCKNOW - Shri. N. P. Bhagat Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email: bimalokpal.lucknow@gbic.co.in	Districts of Uttar Pradesh : Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.	04-08-2014
MUMBAI - Shri. A. K. Dasgupta Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960 Fax: 022 - 26106052 Email: bimalokpal.mumbai@gbic.co.in	Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.	16-05-2013
NOIDA - Shri. Ajesh Kumar Office of the Insurance Ombudsman, Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P-201301. Tel.: 0120-2514250 / 2514251 / 2514253 Email: bimalokpal.noida@gbic.co.in	State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.	
PATNA Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building,, Bazar Samiti Road, Bahadurpur,	Bihar, Jharkhand.	

HDFC ERGO General Insurance



Office Details	Jurisdiction of Office (Union Territory, District)	Date Of Taking Charge
Patna 800 006. Tel No: 0612-2680952 Email: bimalokpal.patna@gbic.co.in		
PUNE - Shri. A. K. Sahoo Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020 - 32341320 Email: bimalokpal.pune@gbic.co.in	Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.	10-09-2014

STATUTORY NOTICE: "INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION"

***** There are other Variants – namely Variant 2, Variant 3 and Variant 4 also available for this product. Kindly contact the respective office for further info on these variants.**