



**UNITED INDIA INSURANCE COMPANY LIMITED**

**REGD. & HEAD OFFICE, 24, WHITES ROAD**

**CHENNAI-600 014**

CIN: U67200MH2000PLC129408, Website: www.uiic.co.in

**ATTACHING TO AND FORMATING PART OF POLICY NO. [x]**

**FINANCIAL LOSS ENDORSEMENT**

In consideration of the additional premium paid, it is hereby understood and agreed that the **Policy** is amended as follows:

1. Financial Loss Cover Extension:

The **Insurer** will indemnify the **Insured** for any **Loss** arising due to an **Accident** which occurs due to or arises out of a defect in a **Product** which is sold or supplied in the course of the **Insured's Business** and which results in **Financial Loss**, provided that:

- (a) the **Accident** takes place during the **Period of Insurance**;
- (b) the **Accident** takes place in a territory specified in the Schedule;
- (c) the sub-limit specified in the Schedule is the maximum, total and cumulative liability of the **Insurer** in respect of any and all claims under this Extension during the **Policy Period**;
- (d) the **Financial Loss** due to the **Product(s)** was incurred during the **Policy Period** and such **Product(s)** were manufactured, sold, handled or distributed on or after the Retroactive Date specified in the Schedule;
- (e) there was unqualified acceptance of the **Product** by the **Insured's** customer;
- (f) there was a need for the **Product** to be recalled, replaced or reworked.

The **Insurer's** liability, pursuant to this Extension, for **Loss** incurred by the **Insured** will be in excess of the Financial Loss Retention amount specified in the Schedule for any one **Financial Loss** event. The **Company** will be liable for the Financial Loss Retention amount which will remain uninsured. If the **Insurer** advances any **Loss**

for which the retention applies under the **Policy**, the **Company** agrees to reimburse the **Insurer** immediately to the full extent of the retention upon the **Insurer** notifying the **Company** of the **Loss** so advanced.

For the purpose of determining the applicability of the sub-limit and the Financial Loss Retention applicable under this Extension, all **Financial Loss** arising out of, due to the same **Accident** shall be considered as arising out of one **Financial Loss** event. It is agreed that there shall be no limit to the number of payments resulting from one **Financial Loss** event which may be made by the **Insurer** until the sub-limit has been reached.

It is hereby agreed and understood that the insurance cover provided under this Extension is subject to the terms, extensions, Exclusions and General Conditions contained in the **Policy** or endorsed thereon. Without prejudice to the generality of the foregoing, the General Conditions as applicable to **Claims** covered under the **Policy** shall apply *mutatis mutandi* to **Claims** made in respect of **Financial Loss** covered under the **Policy**, unless repugnant to the context or contrary to **Policy** terms made specifically applicable to **Claims** made in respect of **Financial Loss**.

2. Clause 5 is amended by the addition of the following definitions:

**Financial Loss** means a pecuniary loss or expense not incurred in respect of **Bodily Injury** or **Property Damage** (unless such Damage consists solely of sudden physical damage to **Products** after such **Products** have been put to their intended use), sustained by any of the **Insured's** customers resulting from the defective or harmful condition of the **Insured's Products** or their failure (or any part thereof) to perform the function for which they were supplied to the customer by the **Insured**.

3. Clause 3 - Exclusions is amended by the addition of the following:

With respect to this Extension, the **Insurer** shall not be liable to make payment under this **Policy** for any **Loss** directly or indirectly based upon, caused by, connected with, in any way involving, attributable to or arising out of:

- (a) advice, design, specification or formulae given by the **Insured** which is not pursuant to the supply of the **Insured's Products**; or which is given for a fee;
- (b) non performance, non completion or delay in the performance of a contract by the **Insured**, financial default or insolvency;
- (c) fraud, dishonesty, deceit or injurious falsehood or passing off or defamation or infringement of patent copyright trade mark or trade name or other form of intellectual property;

- (d) liability assumed where the **Insured** may have been able to recover from another party but for an agreement between the **Insured** and such party where the **Insured** has waived, released or abandoned any right of recourse or recovery against any party;
- (e) failure of the **Insured** to take reasonable steps to prevent the **Financial Loss**;
- (f) breach of trust, breach of warranty of authority or breach of duty owed to shareholders, investors or partners by any director or officer;
- (g) liability arising from interactions between a computer or electronic system:
  - 1. belonging to the **Insured**; or
  - 2. for which the **Insured** is responsible; or
  - 3. which is being operated on behalf of the **Insured**and a computer or electronic system of a third party.
- (h) the design, planning or supervision of building or construction works and any testing or advisory activity in connection therewith;
- (i) the estimation of construction manufacturing or other costs;
- (j) losses incurred by licensees under licence agreements or other third parties under contract concerning the transfer of research results or formulae;
- (k) **Pollution** which was not sudden and unforeseen;
- (l) Loss of use of tangible property which has not been physically damaged or destroyed;
- (m) Pure financial loss such as loss of goodwill or loss of market.

Dated at [x] this [x]

For United India Insurance Company Limited

Duly Constituted Attorney(s)