

## Accidental damage clause

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, the policy extends to indemnify the Insured against loss, destruction of or damage to the insured property (excluding fragile items such as glass) caused by accidental external damage, excluding damages caused by or in consequence of:

- a) Mechanical or electrical breakdown or derangement of machinery or equipment
- b) The freezing solidification or inadvertent escape of molten material
- c) Damage due to impact by rail/road vehicle or animal belonging to or owned by the insured or any occupier of the Premises or his employees.
- d) Damage resulting from over load experiments or tests requiring the imposition of abnormal conditions.
- e) Damage due to wear and tear, rust, corrosion, erosion, cavitation, boiler scale, incrustation, deterioration, settling, gradual cracking, gradually developing deformation or distortion, gradual deterioration due to atmospheric conditions or due to such other causes.
- f) Property Insured in transit other than within the premises specified in the Schedule
- g) Plant machinery or equipment during installation removal or reciting (including dismantling re-erection stripping down and assembly) if directly attributable to such operations
- h) Property Insured undergoing manufacture alteration, repair, testing, installation or servicing including materials and supplies thereof if directly attributable to the operations or work being performed thereon unless damage by a cause not otherwise excluded ensues and then company will be liable only for such ensuing loss
- i) Collapse either full or partial
- j) Any other cause specifically excluded hereunder

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 limit of liability hereby or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Company.

### **Additional Custom Duty Clause**

In consideration of the Insured having paid the additional premium, 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 stated (in respect of this endorsement) 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. The limit of liability will stand reduced by such Additional Customs Duty after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

## **Boiler & Machinery Coverage Endt**

### INSURING AGREEMENT

Subject to all the provisions stated herein and in the policy of which this endorsement is a part, not in conflict herewith, the Company shall be liable for:

a. direct physical loss to property of the Insured and to property of others in the care, custody or control of the Insured.

b. the loss and expense resulting from the necessary interruption of business,

all as resulting from an Accident to an Object.

When used in this endorsement, the following definitions shall apply:

"Object" shall mean any boiler, fired or unfired pressure vessel, refrigerating or air conditioning system, piping and its accessory equipment, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

"Accident" shall mean a sudden and accidental breakdown of an Object or a part thereof which manifests itself at the time of its occurrence by physical damage that necessitates repair or replacement of the Object or part thereof.

### CONDITIONS

With respect to Objects insured by the provisions of this endorsement, the following conditions shall apply:

#### a. Inspection

The Company shall be permitted but not obligated to inspect, at all reasonable times, any Object. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that the Object is safe or healthful.

#### b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, any representative of the Company may immediately suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the Insured at the address of the Insured, or at the location of the Object. Insurance so suspended may be reinstated by the Company, but only by an endorsement issued to form a part of this policy. The Insured will be allowed the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension.

## EXCLUSIONS

A. The following losses are not insured under this endorsement:

- (1) Breakdown of any structure or foundation (other than a bedplate of a machine) supporting an Object or any part thereof, not caused by an Accident to the Object;
- (2) Breakdown of any boiler setting, insulating or refractory material not caused by an Accident to the Object;
- (3) Breakdown of well casings, penstocks or draft tubes;
- (4) Breakdown of Objects manufactured or held by the Insured for sale to others;
- (5) Breakdown of catalyst not caused by an Accident to the Object containing such catalyst or any other insured objects;
- (6) Breakdown of any oven, stove or furnace;
- (7) Breakdown of any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than:
  - (a) feed water piping between any boiler and its feed pumps or injectors
  - (b) boiler condensate return piping, or
  - (c) water piping forming a part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes
- ( 8) Breakdown of an Object until such time as said Object has been installed and completely tested on the premises of the Insured. For the purposes of this insurance, "completely tested" shall mean that said Object has operated on the Insured's premises in the capacity for which it was designed as part of the Insured's normal production process or processes. Notwithstanding the above, coverage under this endorsement shall apply to any newly installed Object having a fair market value of INR ..... or less and to any spare or replacement Object or parts therefor;
- (9) An Accident to any Object while it is being maintained or altered if said Accident is a direct result of said maintenance or alterations. However, if an Accident otherwise insured hereunder subsequently ensues, then the Company shall be liable for such Accident. Any opening, closing or transporting of an Object shall not be considered a part of any maintenance or alterations

**Cost of re-writing records clause**

In consideration of payment of an additional premium of Rs....., and notwithstanding anything to the contrary contained in this policy, it is hereby understood and agreed that this insurance extended to indemnify the insured in respect of costs necessarily and reasonably incurred in rewriting or redrawing plans of specifications of contract works insured hereunder, when such plans or specifications are lost or damaged by any causes not excluded under the policy and the insured needs to have them redrawn or rewritten in order to complete the project or to enable to be made for works already carried out.

The liability of the insurers shall not exceed in the aggregate during the policy period the limit of liability set forth in the Schedule. Subject otherwise to the terms, exclusions, conditions and limitations of this policy.

### **Electrical Appliance Clause**

In consideration of payment of an additional premium as stated in schedule to the policy. It is hereby agreed and declared that notwithstanding anything contained to the contrary in the policy or in any conditions, the insurance under the policy shall extend to cover the loss, destruction or damage to any electrical machine, apparatus, fixtures or fittings arising from or occasioned by over running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause ( lightning included )

Provided always that all conditions (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein for this extension clause.

### **House breaking clause**

In consideration of the payment of additional premium as stated in the schedule, it is hereby agreed and declared that notwithstanding anything contained to the contrary in the Policy, the insurance under this policy shall stand to cover loss or damage to insured premises including contents (whilst contained in the insured premises and declared in the policy as specifically required or otherwise) described in the schedule, by the housebreaking and theft following housebreaking (as described in Indian Penal Code, 1860 as amended from time to time) with felonious entry.

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 as under this extension clause.

Provided further that in premises used for commerce, trade or incidental purposes

1. Daily records of the amount of cash (specifically insured under the policy) contained in the duly locked strong room shall be maintained & such records shall be deposited in a secure place of the premises other than safe or strong room
2. The key to the safe or strong room shall not be left on the premise out of the business hours or in the vicinity of safe or strong room.

### **Special Exclusions**

This extension does not cover the loss:

1. Where any inmate or insured's family member or business staff involved as principle or accessory.
2. Loss of cash from the locked safe or locked strong room following the use of original key or duplicate key unless such keys are obtained by threat or violence.
3. Keys while in insured premises left uninhabited by day and night for seven or more consecutive days and nights
4. Theft following operation of any other peril is excluded from scope of cover

### **Involuntary settlement clause**

It is understood and agreed that in the event that new property of like kind and quality is not obtainable, property which is as similar as possible to that which has sustained damage and which is capable of performing the same function shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment to the Insured.

In the event of replacement with new property, the Company will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment which has sustained damage and undamaged existing equipment at the same or an interdependent location.

Provided always that

- a) damage was directly caused
- b) the Company shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the damage
- c) the Company shall be liable for only the difference between
  - i) the highest sales value of the undamaged existing equipment at the same or interdependent location, and
  - ii) the installed cost of the technologically current equipment



**Key and lock clause**

The insurance of each item extends to include all costs reasonably incurred in the repair or replacement of mechanical door locks following theft of keys from the premises of the Insured or off any authorized employee or following threat of or actual assault or violence to the Insured or any authorized employee.

The liability of the Insurer shall not exceed the Limit of Liability stated in the Schedule.

### **Obsolete equipment clause**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon that the value of Insured Property shall be determined as the cost of repairs or replacement with new, of the like kind and of similar quality at the time and place of loss. However, should the property be technologically obsolete or unavailable because it is no longer in production, and should the property be actually replaced by another system/ property, then the Insurer shall be liable for the replacement cost of new equipment including connected accessories and peripherals which will at least perform substantially the same functions as the original equipment. The choice of replacement shall be governed by the availability of the replacement equipment with features closely mirroring the damaged equipment and not an equipment with vastly superior features. The Insured shall justify the selection of replacement equipment with detailed report on the alternative equipment's available in the market, their features and the costs. The Company shall be at liberty to accept or not accept the choice of the Insured in case and recommend alternatives which do not compromise either the functionality of the equipment or the quality of output. In case the Insured decides to replace the equipment against the recommendations of the Company, the Company shall indemnify the costs that are equivalent to the cost of equipment that was recommended by the Company. However nothing stated herein shall be held against the Company and the Company shall not be held liable for the functioning or performance of the replaced equipment.

The Company shall not deduct towards accessories and peripherals (other than salvage value if any) rendered redundant although not damaged by the insured perils arising out of replacement by new property/ system. The liability of the Company shall not be reduced by any amount of betterment inherent in the design of such functionally equivalent equipment. However, the indemnification shall not exceed the value insured for the system/ equipment replaced.

**NON PREMIUM CLAUSES UNDER SFSP (where no premium to be charged)**

**Appraisement clause**

If the aggregate claim for any one loss destruction or damage does not exceed as stated in the Schedule by the Item or Items affected no special inventory or appraisement of the undamaged property shall be required.

If two or more buildings be included in a single item this endorsement shall apply to the range of buildings and/or contents by the Item or Items affected.

### **Additional Insured**

Notwithstanding anything to the contrary contained in this Policy, it is hereby agreed and declared that any individual, firm, corporation and/or its joint ventures, for whom or with whom the Insured may be operating is hereby named as additional Insured in the Schedule when required by contract, or as required. It is further understood and agreed that in the event there is any violation of the terms and conditions of this insurance by one Insured, it shall not affect the rights of other Insured's; including interest of mortgagees and notice of assignment in respect thereof.

Nothing contained in this endorsement shall be deemed to increase the Limit of Indemnity stated in the Schedule. Subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

### **Fire Extinguishing / Fighting Expenses**

It is hereby declared and agreed that, notwithstanding anything to the contrary in this Policy, this endorsement extends to cover all expenses necessarily and reasonably incurred by or on behalf of the Insured in extinguishing fire or in mitigating, containing or suppressing loss, destruction or damage by any peril or eventuality hereby insured against occurring at or adjacent to or immediately threatening the situation of any property insured by the Policy.

It is further agreed that the indemnity afforded by this clause shall include (but not be limited to) the payment of wages to Insured's employees (other than full-time members of a work's fire brigade), the cost of replenishing fire fighting appliance; and the cost of replacing, reinstating or repairing materials and equipment lost, destroyed or damaged unless otherwise specifically insured.

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

**Immediate repair clause**

It is agreed and declared that in case of loss the Insured, if they so elect, may immediately begin repair or reconstructions but such work at all times be open to supervision by the company and in case of dispute as to the cost of repairs 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. Evidence of loss to be photographed and if any damaged items are replaced, the damaged item to be preserved for inspection by the surveyor.

### **Multiple Insured clause**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon and if the Insured comprises of more than one party each operating as a separate and distinct entity, this Policy shall, unless otherwise provided for in the Policy, apply as if a separate Policy had been issued to each of these parties provided always that the Company's overall liability towards the parties that constitute the Insured shall not exceed the limits of liability specified in the Schedule or endorsed upon the Policy .

Any payment made by the Company to any Insured party as a result of an occurrence of loss or damage shall reduce, by the amount of that payment, the Company's liability towards all insured parties that constitute the Insured arising from that occurrence under this Policy.

**On-account payment clause**

It is hereby agreed and noted that the 'payment on account' will be made to the Insured if desired, provided that it is established that the loss or damage is covered under the Policy. The extent of such 'payment on account' shall be solely decided by the Company and shall not exceed up to 75% of the market value that the property damaged may fetch as on the date of loss. In case of partial loss of the property, the market value shall be limited to the parts damaged and not the entire property in question.

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



**Loss payee clause**

It is agreed and declared that loss is payable to the Insured or as directed by the Insured, which shall include such party who has an insured interest in the subject matter insured at the time of loss or damage. Subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

**Non-Vitiation Clause**

Notwithstanding anything to the contrary contained in this Policy, as the various parties comprising the Insured operate as separate and distinct entities, the rights of each of the parties in all respects shall (notwithstanding anything contained or implied herein to the contrary) be treated as though each of the parties had separate policies for their respective rights and interests and the rights and indemnities of any of the parties who are not guilty of any fraud, misrepresentation, non-disclosure or breach of condition or warranty shall not be prejudiced or affected by any fraud, misrepresentation, non-disclosure or breach of condition or warranty by any of the other parties comprising the Insured.

Nothing contained in this endorsement shall be deemed to increase the limit of liability stated in the Schedule.