



Pollution Legal Liability Select Policy

POLICY NUMBER:



POLLUTION LEGAL LIABILITY SELECTSM POLICY
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*The captions contained in this Table of Contents are included solely for the convenience of the reader and do not include all the terms, exclusions and conditions of the Policy. Refer to the Policy itself for a description of the scope and limitations of coverage.



Pollution Legal Liability Select Policy

NOTICES

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY HAS CERTAIN PROVISIONS AND REQUIREMENTS UNIQUE TO IT AND MAY BE DIFFERENT FROM OTHER POLICIES THE INSURED MAY HAVE PURCHASED. DEFINED TERMS, OTHER THAN HEADINGS, APPEAR IN BOLD FACE TYPE.

THE DESCRIPTIONS IN ANY HEADINGS OR SUB-HEADINGS OF THIS POLICY ARE INSERTED SOLELY FOR CONVENIENCE AND DO NOT CONSTITUTE ANY PART OF THE TERMS OR CONDITIONS HEREOF.

The policy is effective only when the accompanying Schedule is signed off by an authorised representative of Tata AIG General Insurance Company Ltd ("the Company")

This Policy Schedule and Application and any Endorsements attached hereto or marked thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout. This Policy and any Schedule or Endorsements attached hereto or marked thereon supersedes any previous statement, promise or representation by the parties relating to the agreement or to its subject matter.

I. INSURING AGREEMENTS

In consideration of the payment of the premium, in reliance upon the statements in the Schedule and the Application annexed hereto, and pursuant to all of the terms of this Policy, Tata AIG General Insurance Company Ltd. (hereinafter referred to as 'the Company') agrees with the **Named Insured** as set out below:

1. COVERAGES

THE FOLLOWING COVERAGES ARE IN EFFECT ONLY IF SPECIFICALLY IDENTIFIED IN THE SCHEDULE:

COVERAGE A. THIRD PARTY CLAIMS FOR ON-SITE CLEAN-UP OF PRE-EXISTING CONDITIONS

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable, for **Clean-Up Costs** in, on, or under the **Insured Property** resulting from **Pollution Conditions** which commenced prior to the **Continuity Date**, provided that **Clean-Up Costs** are unexpected and unintended from the standpoint of the **Insured**.

COVERAGE B. – THIRD PARTY CLAIMS FOR ON-SITE CLEAN-UP FROM NEW CONDITIONS

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the Policy Period, or during the Extended Reporting Period if applicable, for **Clean-Up Costs** in, on or under the **Insured Property** resulting from **Pollution Conditions** which commenced on or after the

Ahura Centre, 4th Floor, 82, Mahakali Caves Road, Andheri (E), Mumbai - 93. Page 6 of 33
(Regd. Office: Peninsula Corporate Park, Nicholas Piramal Tower, 9th Floor, Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013, Maharashtra, India

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For more information call the Tata AIG Help line at 1-800-119966



Continuity Date, provided that **Clean-Up Costs** are unexpected and unintended from the standpoint of the **Insured**.

COVERAGE C. - THIRD PARTY CLAIMS FOR ON-SITE BODILY INJURY AND PROPERTY DAMAGE

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable, for **Bodily Injury**, or **Property Damage** of third parties caused by **Pollution Conditions** in, on or under the **Insured Property**, provided that such **Bodily Injury** or **Property Damage** takes place while the person injured or property damaged is on the **Insured Property**.

COVERAGE D. - THIRD PARTY CLAIMS FOR OFF-SITE CLEAN-UP RESULTING FROM PRE-EXISTING CONDITIONS

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable, for **Clean-Up Costs** beyond the boundaries of the **Insured Property** resulting from **Pollution Conditions** in, on or under the **Insured Property** which commenced prior to the **Continuity Date** and migrated from the **Insured Property**.

COVERAGE E. - THIRD PARTY CLAIMS FOR OFF-SITE CLEAN-UP RESULTING FROM NEW CONDITIONS

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable, for **Clean-Up Costs** beyond the boundaries of the **Insured Property** resulting from **Pollution Conditions** in, on or under the **Insured Property** which commenced on or after the **Continuity Date** and migrated from the **Insured Property**.

COVERAGE F. - THIRD PARTY CLAIMS FOR OFF-SITE BODILY INJURY AND PROPERTY DAMAGE

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable, for **Bodily Injury** or **Property Damage** beyond the boundaries of the **Insured Property** that result from **Pollution Conditions** in, on or under the **Insured Property** which have migrated beyond the boundaries of the **Insured Property**.

COVERAGE G. - THIRD-PARTY CLAIMS FOR ON-SITE CLEAN-UP COSTS - WASTE DISPOSAL SITES

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during **Extended Reporting Period** if applicable, for **Clean-Up Costs** on or under a **Waste Disposal Site** resulting from **Pollution Conditions** lawfully deposited in, on or under such **Waste Disposal Site**.

COVERAGE H. - THIRD PARTY CLAIMS FOR OFF-SITE BODILY INJURY, PROPERTY DAMAGE OR CLEAN-UP COSTS - WASTE DISPOSAL SITES

The Company agrees to pay **Loss** on behalf of the **Insured** that the **Insured** becomes legally obligated to pay as a result of **Claims** first made against the **Insured** and reported to the Company in writing during the **Policy Period**, or during the **Extended Reporting Period** if applicable, for **Bodily Injury**, **Property**



Damage of third parties or **Clean-Up Costs** beyond the boundaries of a **Waste Disposal Site** resulting from **Pollution Conditions** in, on or under such **Waste Disposal Site**, which have migrated beyond the boundaries of such **Waste Disposal Site**.

COVERAGE I. - BUSINESS INTERRUPTION COVERAGE - LOSS OF PROFIT OR RENTAL VALUE AND EXTRA EXPENSE

The Company agrees to pay the **Insured's Loss of Profit** or loss of **Rental Value**, and **Extra Expense** to the extent it reduces **Loss of Profit** or loss of **Rental Value** otherwise payable under this coverage section, resulting from an **Interruption** caused directly by **Pollution Conditions** in, on or under the **Insured Property**. If the **Interruption** is caused partly by such **Pollution Conditions** in, on or under the **Insured Property** and any other cause, the Company shall pay only for that part of the **Insured's Loss of Profit** or **Rental Value** and **Extra Expense** resulting from such **Interruption** caused solely and directly by such **Pollution Conditions** in, on or under the **Insured Property**

(a) Such **Pollution Conditions** must:

- 1 (a) commence prior to the **Continuity Date**, if the **Named Insured** has purchased Coverage A, under this Policy, or
- (b) commence on or after the **Continuity Date**, if the **Named Insured** has purchased Coverage B under this Policy; and
- 2 be first discovered by the **Insured** during the **Policy Period**. Discovery of **Pollution Conditions** happens when a **Responsible Insured** becomes aware of **Pollution Conditions**.

(b) An **Interruption** must be reported to the Company, no later than thirty (30) days after its commencement. The **Insured** shall, as soon as practicable, resume normal operation of the business and dispense with **Extra Expense**.

(c) If the **Insured** could reduce the **Loss of Profit** or loss of **Rental Value**, or **Extra Expense** resulting from the necessary interruption of business:

1. by complete or partial resumption of operations; or
2. by making use of other property at the **Insured Property**, or elsewhere.

such reductions shall be taken into account in calculating **Loss of Profit** or loss of **Rental Value** or **Extra Expense**

The **Insured** shall use all due diligence and do all things reasonably practicable to minimise, avoid or diminish any interruption of, or interference with, its business operations and shall use all due diligence and do all things reasonably practicable to ensure that its business operations recommence either in whole or in part at the first available opportunity.

In determining **Loss of Profit** or loss of **Rental Value**, the Report/Worksheet annexed to this Policy and made a part of it shall be utilised.

2. LEGAL EXPENSE AND DEFENCE

The Company shall have the right but not the duty to defend any **Claims** covered under Coverages A through I provided the **Named Insured** has purchased such Coverage or Coverages. The Company's right to defend or continue defending any such **Claim**, and to pay any **Loss**, shall cease once the applicable Limits of Liability, as described in Section V. (Limits of Coverage; and the **Insured's**



Deductible) has been exhausted. Defence costs, charges and expenses are included in **Loss** and reduce the applicable Limits of Liability, as described in Section V, and are included within the Deductible amount for the Coverage Section which applies and is shown in Item 3 of the Schedule.

In the event the **Insured** selects independent counsel to defend the **Insured** at the Company's expense, the legal fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company would actually pay to counsel that the Company retains in the ordinary course of business in the defence of similar **Claims** in the community where the **Claim** arose or is being defended. The legal fees and all other litigation expenses the Company pays to independent counsel shall be included as **Loss** and reduce the available Limits of Liability.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency, including experience in defending **Claims** similar to the one pending against the **Insured**, and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the **Insured** agrees that counsel will timely respond to the Company's request for information regarding the **Claim**.

If the **Insured** refuses to consent to any settlement within the Limits of Liability of this Policy recommended by the Company and acceptable to the claimant, the Company's obligation to defend the **Insured** shall then cease and the **Insured** shall thereafter negotiate or defend such **Claim** independently of the Company and the Company's liability shall not exceed the amount, less the Deductible or any outstanding Deductible balance, for which the **Claim** could have been settled if such recommendation was consented to.

II. NOTICE REQUIREMENTS AND CLAIM PROVISIONS

The **Insured** shall provide the Company with notice of **Pollution Conditions, Claims** or an **Interruption** as follows:

A. NOTICE OF POLLUTION CONDITIONS AND CLAIMS

1. In the event of **Pollution Conditions** or a **Claim** under Coverage A through H, or **Interruptions** under Coverage I, the **Insured** shall give written notice to:

The Claims Department,
Tata AIG General Insurance Company Ltd
Ahura Centre, 82 Mahakali Caves Road
Andheri (E)
Mumbai 400 093

2. The **Insured** shall give notice of **Pollution Conditions** as soon as practicable and such notice shall include, at a minimum, information sufficient to identify the **Named Insured**, the **Insured Property**, the names of persons with knowledge of the **Pollution Conditions** and all known and/or reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of the **Pollution Conditions**. Written notice shall be made on a notice of loss form supplied by the Company.
3. The **Insured** shall give notice of **Claims** as soon as practicable, but in any event during the **Policy Period** or **Extended Reporting Period**, if applicable. The **Insured** shall furnish information at the request of the Company. When a **Claim** has been made, the **Insured** shall forward the following to the Company as soon as practicable:
 - (a) All reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the claimant(s) and available witnesses.



- (b) All written communications, demands, claim forms, writs, summonses, notices, forms of process, remediation notices, remediation statements, remediation declarations or similar, instructions, notices, orders, documents or other papers filed in any court of law or similar, or by any governmental or statutory agency or body
- (c) Other information in the possession of the **Insured** or its hired experts, which the Company reasonably deems necessary.

B. NOTICE OF POSSIBLE CLAIM

- 1 If during the **Policy Period**, the **Insured** first becomes aware of a **Possible Claim** the **Insured** shall provide written notice to the Company during the **Policy Period** containing all the information required under paragraph (2) below. Any **Possible Claim** which becomes a **Claim** subsequently made against the **Insured** and reported to the Company within five (5) years after the end of the **Policy Period** of this Policy or any continuous, uninterrupted renewal thereof, shall be deemed to have been first made and reported during the **Policy Period** of this Policy. Such **Claim** shall be subject to the terms, conditions and limits of coverage of this Policy.
- 2 It is a condition precedent to the coverage afforded by Section II.B that written notice under paragraph (1) above contains all of the following information as far as is known (a) the cause of the **Pollution Conditions**; (b) the **Insured Property** upon which the **Pollution Conditions** took place; (c) the **Bodily Injury, Property Damage or Clean-Up Costs** which has resulted or may result from such **Pollution Conditions**; (d) the **Insured(s)** which may be subject to the **Claim** and any potential claimant(s); (e) all engineering information available on the **Pollution Conditions** and any other information that the Company deems reasonably necessary; and (f) the circumstances by which and the date the **Insured** first became aware of the potential **Claim**.

III. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF POLLUTION CONDITIONS

- A. The **Named Insured** shall subject to the provisions of Section II of this Policy have the duty to clean up **Pollution Conditions** to the extent required of it by **Environmental Laws**, by retaining competent professional(s) or contractor(s) mutually acceptable to the Company and the **Named Insured**. The **Named Insured** shall notify the Company of all actions and measures taken pursuant to this paragraph.
- B. The Company's Rights
 1. The Company shall have the right but not the duty to clean up or mitigate **Pollution Conditions** to the extent required by **Environmental Laws** upon receiving notice as provided in Section II of this Policy.
 2. The Company shall have the right but not the duty to review and approve all aspects of any works undertaken under Paragraph A of this Section III.
 3. Allocation of Sums Expended. Any sums expended by the Company under Paragraph B (1) of this Section III will be deemed incurred or expended by the **Insured** and shall be applied against the limits of coverage under this Policy.

IV. EXCLUSIONS

1. EXCLUSIONS - APPLICABLE TO ALL COVERAGES



This Policy does not apply to **Clean-Up Costs, Claims, Loss, Loss of Profit, Extra Expense, or loss of Rental Value:**

A. FINES AND PENALTIES:

due to any fines or penalties.

B. CONTRACTUAL LIABILITY:

arising from liability of others assumed by the **Insured** under any contract or agreement, unless the liability of the **Insured** would have attached in the absence of such contract or agreement or the contract or agreement is an **Insured Contract**

C. TRANSPORTATION:

arising out of **Pollution Conditions** that result from the maintenance, use, operation, loading or unloading of any **Conveyance** beyond the boundaries of the **Insured Property**.

D. IDENTIFIED UNDERGROUND STORAGE TANKS

arising from **Pollution Conditions** resulting from an **Underground Storage Tank** whose existence is known by a **Responsible Insured** as of the **Inception Date** and which is located on the **Insured Property** unless such **Underground Storage Tank** is attached to the Policy by endorsement. Provided, however, that this exclusion does not apply to an **Underground Storage Tank** that was removed prior to the **Inception Date**

E. NONCOMPLIANCE:

arising from **Pollution Conditions** based upon or attributable to any **Responsible Insured's** intentional, wilful or deliberate non-compliance with any national or local statutes, statutory instruments, by-laws, regulations, guidance or standards having the force of law or notice, order, or instruction of any governmental or statutory agency or body.

F. INTERNAL EXPENSES:

for costs, charges or expenses incurred by the **Insured** for goods supplied or services performed by the **Insured**, or its parent, subsidiary or affiliate, except if in the opinion of the Company such costs, charges or expenses have been incurred in response to an emergency or pursuant to **Environmental Laws** that require immediate remediation of **Pollution Conditions**, or unless such costs, charges or expenses are incurred with the prior written approval of the Company in its sole discretion.

G. INSURED vs. INSURED:

by any **Insured** against any other person or entity who is also an **Insured** under this Policy. This exclusion does not apply to **Claims** initiated by third parties or **Claims** that arise out of an indemnification given by one **Named Insured** to another **Named Insured** in an **Insured Contract**.

H. ASBESTOS AND LEAD:



solely with respect to Coverages A, B, C, D, E, F, G and I arising from asbestos or any asbestos-containing materials or lead-based paint installed or applied in, on or to any building or other structure. This exclusion does not apply to **Clean-Up Costs** for the remediation of soil and groundwater.

I EMPLOYER LIABILITY:

arising from **Bodily Injury** to an employee or former employee of the **Insured** or its parent, subsidiary or affiliate arising out of and in the course of employment by the **Insured** or its parent, subsidiary or affiliate. This exclusion applies whether the **Insured** is liable as an employer or in any other capacity and to any obligation to share damages with or repay third parties who must pay damages arising from such **Bodily Injury**.

J PRIOR KNOWLEDGE:

arising from **Pollution Conditions** existing prior to the **Inception Date** of this Policy and not disclosed in the Application for this Policy, if any **Responsible Insured** knew or reasonably could have expected or ought to have known that such **Pollution Conditions** could give rise to **Clean-Up Costs**, **Loss**, interruption of the **Insured's** business, or a **Claim** under this Policy.

K MATERIAL CHANGE IN USE:

arising from a change in operations at an **Insured Property** during the **Policy Period** that materially increases a risk covered under this Policy. For purposes of determining whether a change in operations materially increases the risk, any change of operations that results in more stringent remediation standards than those imposed on the **Insured Property** at the **Inception Date** will be considered material.

L MICROBIAL MATTER

arising from **Bodily Injury** or **Property Damage** alleged to be caused by **Microbial Matter**.

M TERRORISM

arising directly or indirectly as a result of or in connection with **Terrorism**, including but not limited to, any contemporaneous or ensuing **Loss** caused by fire, looting or theft.

N WAR

arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

V. LIMITS OF COVERAGE; DEDUCTIBLE

The following Limits of Liability shall apply irrespective of the number of **Claims**, claimants, **Pollution Conditions** or **Insureds** under this Policy:

A. Policy Aggregate Limit



The Company's total liability for all **Clean-Up Costs** and **Loss**, under Coverages A to H, inclusive and all **Loss of Profit**, loss of **Rental Value** and **Extra Expense** under Coverage I, shall not exceed the "Policy Aggregate" stated in Item 4 of the Schedule.

B. Each Incident Limit - Coverages A to H inclusive

1. Subject to Paragraph V.A. above, the most the Company will pay for all **Clean-Up Costs** and **Loss** under each Coverage in Coverages A to H inclusive arising from the same, related or continuous **Pollution Conditions** is the "Each Incident" limit of coverage for that particular coverage stated in Item 3 of the Schedule
2. If the **Insured** first discovers **Pollution Conditions** during the **Policy Period** and reports them to the Company in accordance with Section II. of the Policy, all continuous or related **Pollution Conditions** reported to the Company under a subsequent Pollution Legal Liability Policy issued by the Company or parent, subsidiary or its affiliate providing substantially the same coverage as this Policy shall be deemed to have been first discovered and reported during the **Policy Period**
3. If a **Claim** for **Bodily Injury**, **Property Damage**, or **Clean-Up Costs** is first made against the **Insured** and reported to the Company during the **Policy Period**, all **Claims** for **Bodily Injury**, **Property Damage** or **Clean-Up Costs**, arising from the same, continuous or related **Pollution Conditions** that are first made against the **Insured** and reported under a subsequent Pollution Legal Liability Policy issued by the Company or its affiliate providing substantially the same coverage as this Policy, shall be deemed to have been first made and reported during this **Policy Period**. Coverage under this Policy for such **Claims** shall not apply, however, unless at the time such **Claims** are first made and reported, the **Insured** has maintained with the Company, parent, subsidiary or its affiliate Pollution Legal Liability coverage substantially the same as this coverage on a continuous, uninterrupted basis since the first such **Claim** was made against the **Insured** and reported to the Company.

C. Coverage Section Aggregate Limit

Subject to Paragraph V.A. above, the Company's total liability for all **Clean-Up Costs** under Coverages A and B, and for all **Loss** under each Coverage in Coverages A to H inclusive, shall not exceed the "Coverage Section Aggregate" limit of coverage for that particular coverage stated in Item 3 of the Schedule

D. Maximum Business Interruption Coverage Limits

Subject to Paragraph V.A. above, the maximum amount for which the Company is liable for all **Loss of Profit** or loss of **Rental Value**, and **Extra Expense** under Coverage I is 80% of the lesser of:

1. the **Loss of Profit** and **Extra Expense**, or loss of **Rental Value** and **Extra Expense**, whichever is applicable, incurred during the number of days of necessary interruption of business operations and caused solely and directly by **Pollution Conditions** in, on or under the **Insured Property** stated in Item 3 of the Schedule, and
2. the amount stated in Item 3 of the Schedule.



It is a condition precedent under Coverage I that the remaining 20% of such amount shall remain payable by the **Insured** at its own risk and shall remain uninsured

E. Multiple Coverages

Subject to Paragraph V A above, if the same, related or continuous **Pollution Conditions** result in coverage under more than one Coverage under Coverages A to I inclusive, every applicable "Each Incident," "Coverage Section Aggregate," and "Maximum Business Interruption Coverage" limit of coverage among such coverage sections shall apply to the **Clean-Up Costs, Loss, Loss of Profit and Extra Expense**, or loss of **Rental Value and Extra Expense**, whichever is applicable, resulting from such **Pollution Conditions**

F. Deductible

(1) Coverages A to H Inclusive

Subject to Paragraphs V A to V E above, this Policy is to pay covered **Clean-Up Costs**, or **Loss**, as the case may be, in excess of the Deductible amount stated in Item 3 of the Schedule for that particular coverage, up to but not exceeding the applicable "Each Incident" limit of coverage. The Deductible amount applies to all **Clean-Up Costs** or **Loss** arising from the same, related or continuous **Pollution Conditions**.

If the same, related or continuous **Pollution Conditions** result in coverage under more than one coverage section in Coverages A to H inclusive, only the highest Deductible amount stated in Item 3 of the Schedule among all the coverage sections applicable to the **Claim** will apply. A separate Deductible applies under Coverage I.

The **Insured** shall promptly reimburse the Company for advancing any element of **Clean-Up Costs** or **Loss** falling within the Deductible.

(2) Coverage I

Subject to Paragraphs V A to V E above, this Policy is to pay the **Loss of Profit** or loss of **Rental Value**, and **Extra Expense** under Coverage I in excess of the **Loss of Profit** or loss of **Rental Value**, and **Extra Expense** sustained during the first seven (7) days of an **Interruption** during the **Period of Restoration**. The Deductible amount applies to all **Loss of Profit**, or loss of **Rental Value**, and **Extra Expense** arising from the same, related or continuous **Pollution Conditions**.

VI. DEFINITIONS

- A **Automobile** means a land motor vehicle, trailer or semi-trailer licensed for travel on public roads, including any machinery or apparatus attached thereto.
- B **Bodily Injury** means physical injury, or sickness, disease, mental anguish or emotional distress when accompanied by physical injury, sustained by any person, other than an **Insured** including death resulting therefrom.
- C **Claim** means a written demand, notice or other written communication received by the **Insured** seeking a remedy and/or alleging liability or responsibility on the part of the **Insured** for **Loss** under Coverages A to H inclusive. For purposes of this Policy, a **Claim** does not include a **Possible Claim** that was reported under a prior policy but which has become a **Claim** during the **Policy Period** of this Policy as described in Section II B.



D. **Clean-Up Costs** means reasonable and necessary costs, charges or expenses, including legal or associated expenses incurred with the Company's written consent, which consent shall not be unreasonably withheld or delayed including those incurred in the investigation, removal, remediation including associated monitoring, or disposal of soil, surface water, groundwater or other contamination:

- 1 to the extent required by **Environmental Laws**, or specifically mandated by order of any governmental or statutory body or agency or court acting under the authority of **Environmental Law(s)**; or
- 2 that have been actually incurred by any governmental or statutory body or agency, or by third parties; or
- 3 which are incurred at the **Insured Property** whether on a voluntary or mandatory basis pursuant to any Environmental Legislation

Clean-Up Costs also include **Restoration Costs**.

E. **Continuity Date** means the date stated in Item 8 of the Schedule.

F. **Conveyance** means any owned, leased or rented **Automobile**, aircraft, watercraft or rolling stock.

G. **Environmental Laws** means any national or local statutes, statutory instruments, by-laws, regulations, guidance or standards having the force of law, or any notice, order or instruction of any governmental or statutory body or agency or court concerning health and safety or environmental matters that are applicable to **Pollution Conditions**.

H. **Extended Reporting Period** means either the automatic additional period of time or the optional additional period of time, whichever is applicable, in which to report **Claims** following termination of coverage, as described in Section VIII. of this Policy

I. **Extra Expense** means necessary expenses the **Insured** incurs during the **Period of Restoration**:

- 1 That would not have been incurred but for a necessary **Interruption** of the **Insured's** business operations caused solely and directly by **Pollution Conditions** covered by this Policy; and
- 2 That avoid or minimise an **Interruption**

but only to the extent such expenses reduce **Loss of Profit** or loss of **Rental Value**, whichever is applicable, otherwise covered under this Policy

Any salvage value of any property or any other equipment obtained for temporary use during the **Period of Restoration**, and which remains after the resumption of normal operations, shall reduce any **Loss** under **Extra Expense** coverage.

J. **Identified Underground Storage Tank** means an **Underground Storage Tank** that was known by any **Insured** prior to the **Inception Date**.

K. **Inception Date** means the first date set forth in Item 2 of the Schedule.



- L **Insured** means the **Named Insured**, and any past or present director, officer, partner or employee thereof, including a temporary employee, while acting within the scope of his or her duties as such.
- M **Insured Contract** means a contract or agreement submitted to and approved by the Company, and listed on an endorsement to this Policy.
- N **Insured Property** means each of the locations identified in Item 5 of the Schedule
- O **Interruption** means the necessary suspension of the **Insured's** business operations at an **Insured Property** during the **Period of Restoration**.
- P **Loss** means, under the applicable Coverages:
1. monetary awards, judgments or settlements of damages and where allowable by law, punitive, exemplary or aggregated damages for **Bodily Injury** or **Property Damage**;
 2. costs, charges and expenses incurred in the defence, investigation or adjustment of **Claims** for such damages or for **Clean-Up Costs**;
 3. **Clean-Up Costs**, or
 4. costs, charges and expenses paid to any claimant under paragraphs (1) - (3) inclusive above
- Q **Microbial Matter** means fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including but not limited to, mold, and mildew, whether or not such **Microbial Matter** is living
- R **Named Insured** means the person or entity named in Item 1 of the Schedule acting on behalf of all other **Insureds**, if any, for the payment or return of any premium, payment of any deductible, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or nonrenewal, and the exercise of the rights provided in the **Extended Reporting Period** clause
- S **Ordinary Payroll Expense** means the entire payroll expense for all employees of the **Insured**, except Senior Managerial Officers, Executives and employees under contract.
- T **Period of Restoration** means the length of time as would be required with the exercise of due diligence and dispatch to restore the **Insured Property** or any part thereof to a condition that allows the resumption of normal business operations, or any part thereof, commencing with the date operations are necessarily interrupted by **Pollution Conditions** in, on or under the **Insured Property** and not limited by the date of expiration of the **Policy Period**. For the avoidance of doubt the **Period of Restoration** does not include any time caused by factors other than the relevant **Pollution Conditions** including, but not limited to, the interference by employees or other persons with the restoration of the **Insured Property**, or with the resumption or continuation of operations; or any time caused by the delay in any action to be taken by a governmental or statutory agency or body necessary to allow the resumption of the **Insured's** normal business operations
- U **Policy Period** means the period set forth in Item 2 of the Schedule, or any shorter period arising as a result of:
1. cancellation of this Policy; or



2. with respect to particular **Insured Property** or **Waste Disposal Site** designated in the Schedule, the deletion of such location(s) from this Policy by the Company at the **Named Insured's** written request, but solely with respect to that **Insured Property**.

V **Pollution Conditions** means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant, including, but not limited to, smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials in or on land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment in the amounts or concentrations discovered. **Pollution Conditions** shall not include **Microbial Matter**.

W **Possible Claims** means **Pollution Conditions** that commenced on or after the **Inception Date** that the **Insured** reasonably expects may result in a **Claim**.

X **Loss of Profit** means the:

1. Net Income (net profit or loss before income taxes) the **Insured** would have earned or incurred had there been no **Interruption** of business operations; and
2. Continuing normal operating expenses incurred, including **Ordinary Payroll Expense**.

Y **Property Damage** means:

1. Physical injury to or destruction of tangible property of parties other than the **Insured**, including the resulting loss of use and diminution in value thereof; and
2. Loss of use, but not diminution in value, of tangible property of parties other than the **Insured** that has not been physically injured or destroyed.

Property Damage does not include **Clean-Up Costs**

Z **Rental Value** means the:

1. Total anticipated rental net income from tenant occupancy of the **Insured Property** as furnished and equipped by the **Insured**;
2. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be the **Insured's** obligations; and
3. Fair rental value of any portion of the described premises which is occupied by the **Insured**,

during the **Period of Restoration**, less any rental income the **Insured** could earn by complete or partial rental of the **Insured Property**, or any reduction in loss by making use of other property on the **Insured Property** or elsewhere

AA **Responsible Insured** means the manager or supervisor of the **Named Insured** responsible for environmental affairs, control or compliance, or any manager of the **Insured Property**, officer, director or partner of the **Named Insured**.

BB **Restoration Costs** means reasonable and necessary costs incurred by the **Insured** with the Company's written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property to substantially the same condition it was



in prior to being damaged during work performed in the course of incurring **Clean-Up Costs**. However, such **Restoration Costs** shall not exceed the net present value of such property prior to incurring **Clean-Up Costs**. **Restoration Costs** do not include costs associated with improvements or betterments.

- CC. **Terrorism** means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.
- DD. **Underground Storage Tank** means any tank, including associated underground piping connected to the tank that has at least ten (10) percent of its volume below ground.
- EE. **Waste** means wastes generated by the **Named Insured** including any property in which the wastes are contained (other than a conveyance), and including materials to be recycled, reconditioned or reclaimed.
- FF. **Waste Disposal Sites** means a site that is not owned or operated by the **Named Insured**, and that is identified in a **Waste Disposal Sites** Schedule attached to and made a part of this Policy by endorsement.

VII. CONDITIONS

- A. **Assignment** – This policy may not be assigned without the prior written consent of the Company. Assignment of interest under this Policy shall not bind until its consent is endorsed hereon. Neither consent nor resulting endorsement shall be unreasonably withheld.
- B. **Subrogation** - In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefor against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights including without limitation, assignment of the **Insured's** rights against any person or organization who caused **Pollution Conditions** on account of which the Company made any payment under this Policy. The **Insured** shall do nothing to prejudice the Company's rights under this paragraph subsequent to **Loss**. Any recovery as a result of subrogation proceedings arising out of the payment of **Loss** covered under this Policy shall accrue first to the **Insured** to the extent of any payments in excess of the limit of coverage; then to the Company to the extent of its payment under the Policy; and then to the **Insured** to the extent of its Deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery.
- C. **Co-operation** - The **Insured** shall co-operate with the Company and offer all reasonable assistance in the investigation and defence of **Claims** under the applicable Coverages purchased. The Company may require that the **Insured** submit to examination under oath, and attend hearings, and trials. In the course of investigation or defence, the Company may require written statements or the **Insured's** attendance at meetings with the Company. The **Insured** must assist the Company in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses.



- D. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed in any way, except by endorsement issued to and forming part of this Policy
- E. **Sole Agent** - The **Named Insured** first listed in Item 1 of the Schedule shall act on behalf of all other **Insureds**, if any, for the payment or return of premium, receipt and acceptance of any endorsement issued and forming a part of this Policy, giving and receiving notice of cancellation or nonrenewal, and the exercise of the rights provided in the **Extended Reporting Period** clause
- F. **Assumed Payments** - No **Insured** shall enter into any settlement, or make any payment or assume any obligation unless in response to an emergency or pursuant to **Environmental Laws** that require immediate remediation of **Pollution Conditions**, without the Company's consent which shall not be unreasonably withheld, except at the **Insured's** own cost
- G. **Concealment or Fraud** - This entire Policy shall be void if, whether before or after **Clean-Up Costs** are incurred or a **Claim** is first made, the **Named Insured** has willfully concealed or misrepresented any fact or circumstance material to the granting of coverage under this Policy, the description of the **Insured Property**, or the interest of the **Insured** therein.
- H. **Cancellation** - This Policy may be cancelled by the **Named Insured** by surrender thereof to the Company or any of its authorised agents or by serving on the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Company only for the reasons stated below
1. Material misrepresentation by the **Insured** or their agent at any time; or
 2. The **Insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including failure to promptly pay any Deductible when due

This Policy may be cancelled by the Company by serving on the **Named Insured** at the address shown in the Policy written notice stating when not less than sixty (60) days (10 days for non payment of premium) thereafter such cancellation shall be effective. Service of such written notice shall take place either personally or by recorded first class delivery and such notice shall be deemed to have been received on the day of delivery (in the case of notice served personally) and on the second weekday following that on which it was posted (in the case of notice served by recorded first class delivery).

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Named Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time cancellation is effected or when cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- I. **Other Insurance** - Where other insurance may be available for the **Clean-Up Costs** or **Loss** covered under this Policy, the **Insured** shall promptly upon request of the Company provide the Company with copies of all such policies upon notification. If such other insurance is available, valid and collectible to the **Insured** for **Clean-Up Costs** or **Loss** covered by this Policy, the Company's obligations are limited as follows:



1. This insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In that case, the Company will share with all such other insurance by the method described in Paragraph (2) below
2. If all of the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each Company contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each Company's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all Companies. The existence of other insurance will not delay or otherwise affect payments under this Policy.

J Right of Access and Inspection – To the extent that the **Insured** has such rights, any of the Company's authorized representatives shall on reasonable notice but at any time have the right and opportunity but not the obligation when the Company so desires to interview the **Insured** and to inspect at any reasonable time, during the **Policy Period** or thereafter, the **Insured Property** and all improvements, structures, products, ways, works, machinery and appliances thereon; but neither the Company nor its representatives shall assume any responsibility or duty to the **Insured** or to any other party, person or entity, by reason of such right or inspection. Neither the Company's right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others, to determine or warrant that property or operations are safe, or conform to acceptable engineering practices or are in compliance with any national or local statutes, statutory instruments, by-laws, regulations, guidance or standards having the force of law or any notice, order or instruction of any governmental agency or body. The **Insured** agrees at their own cost to provide appropriate personnel and any other resources to assist the Company's representatives during any inspection.

K Information - To the extent that the **Insured** has such rights, the **Insured** agrees on reasonable notice but at any time and at their own cost to provide to the Company any and all information developed or discovered by the **Insured** concerning **Pollution Conditions** covered under this Policy, whether or not deemed by the **Insured** to be relevant and to provide the Company free access to interview any **Insured** and to review any documents of the **Insured**.

L Representations - The **Named Insured** agrees that the statements in the Schedule, the Application and the Report/Worksheet are their agreements and representations, that this Policy is issued in reliance upon the truth of such representation and that this Policy embodies all agreements existing between the **Insured** and the Company or any of its agents and supersedes any previous statement, promise of representation relating to this insurance.

M Choice of Law - This Policy is governed by the Laws of India

N Arbitration -

- (a) Any disputes or differences which may arise under, out of, in connection with or in relation to this Policy, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this Policy, shall be referred to a sole arbitrator to be appointed by the parties to the dispute within 30 days of any party giving notice of arbitration to the other(s)



- (b) In the event that the parties are unable to agree upon the identity of a sole arbitrator, the disputes or differences shall be referred to the decision of 3 arbitrators of whom one shall be appointed in writing by each of the parties within a period of 30 days after the failure to appoint a sole arbitrator and the third (who shall serve as Chairman) shall be appointed by the nominated arbitrators. In case either party shall refuse or fail to appoint an arbitrator within the foresaid 30 days after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator who shall thereafter be empowered to conduct the arbitration and determine the disputes or differences referred to him as if he had been appointed a sole arbitrator with the consent of both parties.
 - (c) The parties shall share the expenses of the arbitrator or arbitral tribunal equally and such expenses, along with the reasonable costs of the parties in the arbitration, shall be awarded where no party can be said to have been wholly successful, to the party who has substantially succeeded.
 - (d) The place of arbitration shall be India, the language of the arbitration shall be English, the law applicable to and in the arbitration shall be Indian law and the arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.
 - (e) It is a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator or arbitrators shall be first obtained.
 - (f) In the event that these arbitration provisions shall be held to be invalid then all such disputes shall be referred to the exclusive jurisdiction of the Indian courts.
- O. **Financial Assurance** - Coverage I of this Policy shall not constitute evidence of financial responsibility of any **Insured** under any applicable laws, including any national or local statutes, statutory instruments, by-laws, regulations, guidance or standards having the force of law, or any notice, order of instruction of any governmental agency or body.
- P. **Acknowledgment of Shared Limits** - By acceptance of this Policy, the **Named Insureds** understand, agree and acknowledge that the Policy contains a Policy Aggregate Limit that is applicable to, and will be shared by, all **Named Insureds** and all other **Insureds** who are or may become insured hereunder. In view of the operation and nature of this shared Policy Aggregate Limit, the **Named Insureds** and all other **Insureds** understand and agree that prior to filing a **Claim** under the Policy, the Policy Aggregate Limit may be exhausted or reduced by prior payments for other **Claims** under the Policy.
- Q. **Separation of Insureds** - It is hereby agreed that except with respect to the Limit of Liability, Section IV. G (Insured vs. Insured exclusion), and any rights and duties specifically assigned to the first **Named Insured**, this insurance applies: (1) As if each **Named Insured** were the only **Named Insured**; and (2) Separately to each **Named Insured** against whom a **Claim** is made. Misrepresentation, concealment, breach of a term or condition, or violation of any duty under this Policy by one **Named Insured** shall not prejudice the interest of coverage for another **Named Insured** under this Policy. Provided, however, that this Condition shall not apply to any **Named Insured** who is a parent, subsidiary or affiliate of the first **Named Insured**.

VIII. AUTOMATIC AND OPTIONAL EXTENDED REPORTING PERIODS FOR CLAIMS ARISING UNDER COVERAGES A TO H INCLUSIVE

The **Named Insured** shall be entitled to an Automatic **Extended Reporting Period**, and (subject to certain exceptions as described in paragraph B of this Section) be entitled to purchase an



Optional **Extended Reporting Period** Endorsement for Coverages A to H inclusive, upon termination of coverage as defined in Paragraph B(3) of this Section. Neither the Automatic nor the Optional **Extended Reporting Period** shall reinstate or increase any of the Limits of Liability under this Policy

A. The Automatic Extended Reporting Period

Provided that the **Named Insured** has not purchased any other insurance to replace this Policy, and which applies to a **Claim** otherwise covered hereunder, the **Named Insured** shall have the right to the following; a period of sixty (60) days following the effective date of such termination of coverage in which to provide written notice to the Company of **Claims** arising from **Pollution Conditions** that commenced before the end of the **Policy Period** and first made and reported within the automatic **Extended Reporting Period**.

A **Claim** first made and reported within the Automatic **Extended Reporting Period** will be deemed to have been made on the last day of the **Policy Period** provided that the **Claim** arises from **Pollution Conditions** that commenced before the end of the **Policy Period** and is otherwise covered by this Policy. No part of the Automatic **Extended Reporting Period** shall apply if the Optional **Extended Reporting Period** is purchased

B. Optional Extended Reporting Period

The **Named Insured** shall be entitled to purchase an Optional **Extended Reporting Period** upon termination of coverage as defined herein (except in the event of non payment of premium), on the following terms:

1. The Company shall issue an Endorsement providing an Optional **Extended Reporting Period** of up to forty (40) months from termination of coverage hereunder for all **Insured Properties** and **Waste Disposal Sites**, if applicable, or any specific **Insured Property** or **Waste Disposal Sites**, provided that the **Named Insured**:
 - (a) makes a written request for such Endorsement which the Company receives within thirty (30) days after termination of coverage as defined herein; and
 - (b) pays the additional premium when due. If that additional premium is paid when due, the **Extended Reporting Period** may not be cancelled; provided that all other terms and conditions of the Policy are met.
2. A **Claim** first made and reported within the Optional **Extended Reporting Period**, if purchased in accordance with the provisions contained in Paragraph (2) below, will be deemed to have been made on the last day of the **Policy Period**, provided that the **Claim** arises from **Pollution Conditions** that commenced before the end of the **Policy Period** and is otherwise covered by this Policy
3. Termination of coverage occurs at the time of cancellation or non-renewal of this Policy by the **Named Insured** or by the Company, or at the time of the Company's deletion of a location, which previously was an **Insured Property** or **Waste Disposal Site**
4. The Optional **Extended Reporting Period** is available to the **Named Insured** for no more than 200% of the full Policy premium plus IPT stated in the Schedule.