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# **1 General Terms, Exceptions, Conditions and Provisions – All Coverage Sections**

IN CONSIDERATION OF the Insured named in the Schedule hereto having paid to the Tata AIG General Insurance Company Ltd. (hereinafter called the Company) the full premium mentioned in the said Schedule, THE COMPANY AGREES, (subject to the Conditions and Exclusions contained herein or endorsed or otherwise expressed hereon) that if after payment of the premium by any of the Perils Specified hereinafter during the Period of Insurance stated in the said Schedule or in 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, the Company shall, subject to the terms conditions and exclusions stated hereinafter, pay to the Insured :

- the value of the property at the time of the happening of its destruction or at its option reinstate or replace such property or any part thereof or
- the amount of such damage or liability incurred or
- the amount of benefit payable

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 or limit insured 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.

NOTE: The term Policy when appearing within a Coverage Section / extension/ Rider wording shall be interpreted as referring to the specific insurance afforded by that Coverage Section/ extension/ Rider.

(The conditions governing the insurance afforded by a specific Coverage Section shall in respect of that Coverage Section include the conditions stated as being applicable to All Coverage Sections)

## **ALL COVERAGE SECTIONS: General Conditions**

This Policy shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.

The Insured shall take all reasonable steps to safeguard the property and interests insured hereby against accident, loss or damage.

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate for the time the Policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of the cancellation.

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:

- A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
- Particulars of all other insurances, if any
- The Insured shall also (where applicable) upon becoming aware of any loss or damage in respect of which a claim is or may be made immediately notify the Police Authorities and take all practicable steps to discover and prosecute the parties responsible for the loss damage or injury and to trace and recover any property stolen.
- The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and the origin and cause of the loss and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company 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.
- 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.

On the happening of loss or damage to any of the property insured by this Policy, the Company may

- enter and take and keep possession of the building or premises where the loss or damage has happened.
- take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage.
- keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
- sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claim under the Policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the conditions of this Policy in answer to any claim.

If the Insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

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 the Policy or if the loss or damage be occasioned by the willful act, or with the connivance of the Insured, all benefits under this Policy shall be forfeited.

If the Company at its option, shall reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join 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 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 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 hereby insured, 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 if the same could lawfully be reinstated to its former condition.

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 and remedies or of 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 shall be or become necessary or required before or after his indemnification by the Company.

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 defence or settlements 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.

The Company shall in no case be bound to accept notice of any transfer of interest arising hereunder and nothing herein contained shall give any right against the Company to any person other than the Insured except to a transferee approved by the Company.

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 a 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.

Every notice and other communication to the Company required by these Conditions must be written or printed.

#### **ALL COVERAGE SECTIONS General Exclusions**

(The exclusions to the insurance afforded by a specific Coverage Section shall in respect of that Coverage Section include the exclusions stated as being applicable to All Coverage Sections)

This Policy does not cover:

1. Loss, destruction or damage or cost or expense of whatsoever nature occasioned by or through or in consequence of or directly or indirectly caused by:
  - 1.1 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.
  - 1.2 Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - 1.3 the radio active toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
2. In any action suit or other proceeding where the Company alleges that by reason of the provisions of this Exclusion any loss, damage, cost or expense is not covered by this insurance, the burden of proving that such loss, damage, cost or expense is covered shall be upon the Insured.
3. (Not applicable to Coverage Section A and if included by Rider herein Coverage Section H of the Policy) 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.
  - 3.1 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 organisation(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.
  - 3.2 It is warranted that loss, damage, cost or expenses 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 action taken in respect of any act of terrorism is also excluded.
  - 3.3 If the Company alleges that by reason of this Exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.
4. Loss, destruction, or damage caused to the insured property or interest by pollution or contamination.
5. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
6. 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.
7. Loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from;
  - 7.1 Any legal liability of whatsoever nature;
  - 7.2 Any consequential loss; directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer
  - 7.3 to treat any date before, during or after the year 2000 as the correct date or true calendar date, or correctly or appropriately to recognize manipulate interpret process store receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date or
  - 7.4 to capture save retain or correctly process any data as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date.
8. A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device or any computer software tools operating system or any computer hardware or peripherals and the information or data stored in or on any of the above, whether the property of the Insured or not.
9. Damage or consequential loss directly or indirectly caused by, consisting of, or arising from:
  - 9.1 Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
  - 9.2 Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or and kind of programming or instruction set,
  - 9.3 Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.
10. This shall not exclude subsequent damage or consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.
11. Such damage or consequential loss described in 2.2.9.1, 2.2.9.2, 2.2.9.3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

## 2 COVERAGE SECTION A: Fire and Special Perils

### 2.1 COVERAGE SECTION A: Perils Specified

#### 2.1.1 Fire

2.1.2 Excluding destruction or damage caused to the property insured by

- i. its own fermentation, natural heating or spontaneous combustion.
- ii. it's undergoing any heating or drying process.
- iii. burning of property insured by order of any Public Authority.

#### 2.1.3 Lightning

#### 2.1.4 Explosion/ Implosion

2.1.5 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.



- 2.1.6 **Aircraft Damage**
- 2.1.7 Loss, destruction or damage caused by Aircraft, other aerial or space devices and articles dropped there from excluding those caused by pressure waves.
- 2.1.8 **Riot, Strike and Malicious Damage**
- 2.1.9 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 of 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.  
If the Company alleges that the loss/damage is not caused by any malicious act, the burden of proving the contrary shall be upon the Insured.
- 2.1.10 **Terrorism Damage Exclusion Warranty:**
- Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance 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 endorsement 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 organisation(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.
- The warranty also excludes loss, damage, cost or expenses 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 action taken in respect of any act of terrorism.
- If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.
- In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 2.1.11 **Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation**
- 2.1.12 Loss, destruction or damage directly caused by Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood or Inundation.
- 2.1.13 **Impact Damage**
- 2.1.14 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 premises or
  - b) their employees while acting in the course of their employment.
- 2.1.15 **Subsidence and Landslide including Rock slide**
- Loss, destruction or damage directly caused by Subsidence of any part of the site on which the 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 groundwork's or excavations.
- 2.1.16 **Bursting and/or overflowing of Water Tanks, Apparatus and Pipes**
- 2.1.17 **Missile Testing operations**
- 2.1.18 **Leakage from Automatic Sprinkler Installations**
- 2.1.19 Excluding loss, destruction or damage caused by
- a) repairs or alterations to the buildings or premises
  - b) repairs, Removal or Extension of the Sprinkler Installation c) defects in construction known to the Insured.
- 2.1.20 **Bush Fire**
- 2.1.21 Excluding loss, destruction, or damage caused by Forest Fire.
- 2.2 COVERAGE SECTION A: General Conditions**
- 2.2.1 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 is covered up to 3% of the adjusted loss, but it is understood that this does not include any costs in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils.
- 2.2.2 Expenses incurred up to 1% of the claim amount is included in the sum insured on:
- (a) Removal of debris from the premises of the Insured;
  - (b) dismantling or demolishing;
  - (c) shoring up or propping.
- Note: (b) & (c) above are deemed deleted when neither Building nor Machinery are covered.

- 2.2.3 All insurances under this Policy shall cease on expiry of seven days from the date of fall or displacement of any building 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 by which is covered by this Policy or would be covered if such building, range of buildings or structure were insured under this Policy.
- 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.
- 2.2.4 Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the Policy by or on behalf of the Company :
- 2.2.4.1 If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by insured perils.
- 2.2.4.2 If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days.
- 2.2.4.3 If the interest in the property passes from the Insured otherwise than by will or operation of law.
- 2.2.5 This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would, but for the existence of this Policy, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.
- 2.2.6 If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
- 2.2.7 If the property hereby insured shall at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against 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, of the Policy shall be separately subject to this Condition.
- 2.2.8 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.
- 2.2.9 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.
- 2.2.10 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.

### **2.3 COVERAGE SECTION A: General Exclusions**

(Subject always to the General Conditions and General Exclusions and conditions and exclusions of respective Coverage Sections)

This Policy does not cover

- 2.3.1 a) The first 5% of each and every claim subject to a minimum of Rs.10,000 in respect of each and every loss arising out of "Act of God perils" such as Lightning, STFI, Subsidence, Landslide and Rock slide covered under the Policy  
b) The first Rs.10,000 for each and every loss arising out of other perils in respect of which the Insured is indemnified by this Policy. The Excess shall apply per event per Insured.
- 2.3.2 Loss, destruction, or damage to the stocks in cold storage caused by change of temperature.
- 2.3.3 Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an amount exceeding Rs.10,000/-, goods held in trust or on commission, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer system records, explosives unless otherwise expressly stated in the policy.
- 2.3.4 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.
- 2.3.5 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.
- 2.3.6 Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike and Malicious Damage cover.

- 2.3.7 Any loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature.
- 2.3.8 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.
- 2.3.9 Loss, destruction or damage caused to the insured property or interest by pollution or contamination excluding
- 2.3.10 pollution or contamination which itself results from a peril hereby insured against.
- 2.3.11 any peril hereby insured against which itself results from pollution or contamination.

#### **2.4 BUILDING IN COURSE OF CONSTRUCTION WARRANTY**

Warranted that notice shall be given to the Company when the building(s)/ part thereof under construction is (are) occupied and that the Insured shall pay a suitable additional premium, if required.

#### **2.5 Carpenters, Wood Wool Manufacturing, Furniture Manufacturing And Other Wood Worker Shops**

Warranted that saw mill is not used in the insured premises.

#### **2.6 CARPET AND DRUGGET MANUFACTURING (COTTON/ JUTE/ WOOL)**

Warranted that no other raw material except cotton and/ or jute and/ or wool be used in the manufacturing process or be stored in the insured premises.

#### **2.7 CARPET AND DRUGGET MANUFACTURING (OTHERS)**

Warranted that other raw materials including cotton and/ or jute and/ or wool be used in the manufacturing process or be stored in the insured premises.

#### **2.8 CIGARETTE FILTER MANUFACTURING (OTHERS)**

Warranted that no solvents having flash point below 32 C are used and/ or stored in the insured's premises.

#### **2.9 Cinematography Film Editing, Laboratory And Sound Recording Rooms Without Film Processing**

Warranted that no film processing is carried out in the insured premises.

#### **2.10 DETERGENT MANUFACTURING (OTHERS)**

Warranted that no sulphonation process is carried out in the insured premises.

#### **2.11 GRANITE FACTORIES**

Warranted that no inflammable solvents are used.

#### **2.12 HAZARDOUS GOODS WARRANTY - (DWELLINGS, OFFICES, HOTELS AND SHOPS, ETC.)**

Warranted that none of the following goods are stored or otherwise handled in the insured premises in excess of 5% of the total sum insured for stocks.

1. Celluloid Goods
2. Coir Loose
3. Crackers and fire works
4. Explosives of any kind
5. Hay/Straw
6. Hemp
7. Jute Loose
8. Matches
9. Methylated Spirit
10. Nitro-Cellulose Plastics
11. Oils, Ether, Industrial Solvent and other inflammable liquids flashing at and below 32o( Closed cup test)-Other than in sealed tins or drums
12. Paints with inflammable base having a flash point below 32o C (Closed cup test) -other than in sealed tins or drums.
13. Varnishes having a flash point below 32° C (Closed cup test) -other than in sealed tins or drums.
14. Disinfectant liquids and liquid insecticides other than in sealed tins or drums
15. Vegetable fibres of any kind including Rayon, Fibre

#### **2.13 INCIDENTAL OPEN STORAGE WARRANTY**

Warranted that incidental open storage should not exceed 2% of Sum Insured on stocks.

#### **2.14 CLASS OF CONSTRUCTION OF BUILDING WARRANTY**

Warranted that the buildings to which this insurance applies are of Kutcha construction (ie. consisting of walls and/ or roofs of wooden planks/ thatched leaves and/ or grass/ hay of any kind/ bamboo / plastic cloth/ asphalt cloth/ canvas/ tarpaulin and the like).

**2.15 MAN-MADE FIBRE MANUFACTURING (USING CELLULOSE)**

Warranted that no other raw material except Cellulose be used in the manufacturing process or be stored in the insured premises.

**2.16 METALLIZING WORKS (INVOLVING METALS ONLY)**

Warranted that metallizing operations of other than metals is prohibited in the insured premises.

**2.17 MUSHROOM GROWING PREMISES**

Warranted that Crops are not covered by this insurance

**2.18 PAINT FACTORIES (NITROCELLULOSE BASED)**

Warranted that other than water based paint and/or Nitrocellulose based paint no other paint is manufactured in the premises.

**2.19 PAINT FACTORIES (WATER BASED)**

Warranted that other than water based paint manufacturing is prohibited in the premises.

**PAINT FACTORIES (OTHERS)**

Warranted that nitrocellulose based paint manufacturing is prohibited in the premises.

**2.20 PLASTIC GOODS MANUFACTURING WARRANTY**

Warranted that foamed plastics are not manufactured in the premises.

**2.21 POULTRY FARMS WARRANTY**

Warranted that birds in the poultry farm are not covered by this insurance.

**2.22 PULVERISING PLANTS WARRANTY**

Warranted that pulverizing of other than metals and non -hazardous goods is prohibited in the insured premises.

**2.23 ROPE WORKS (OTHERS) WARRANTY**

Warranted that the use of plastics for rope manufacturing is prohibited.

**2.24 RUBBER GOODS MANUFACTURING WARRANTY**

Warranted that no spreading is carried out in the manufacturing process.

**2.25 SILENT RISK WARRANTY**

Warranted that no manufacturing/ storage activities are carried out in the risk it being a condition precedent to liability of the Company under this insurance that the Insured shall give at least 7 days advance notice in writing of the intention to change the nature of the occupancy and agreement of the Company thereof is signified by endorsement to the Policy.

**2.26 STORAGE RISK OUTSIDE THE COMPOUND OF INDUSTRIAL/ MANUFACTURING RISKS WARRANTY**

Warranted that the presence of Hazardous goods of a higher Category does not exceed 5% of the total value of the stocks.

- (i) Storage of Non-Hazardous Goods – Warranted that goods of Category I, II, III, Coir waste, Coir fibre and Caddies are not stored therein.
- (ii) Storage of Category I Goods – Warranted that goods of category II, III, Coir waste, Coir fibre and Caddies are not stored therein.
- (iii) Storage of Category II & III Goods – Warranted that Coir waste, Coir fibre and Caddies are not stored therein.

**CLASSIFICATION BY THE TARIFF ADVISORY COMMITTEE**

Materials are classified into three Categories depending on the properties indicated below:

**CATEGORY I**

Solids which are moderately or slightly combustible. Flammable liquids having flash points above 65° C. Inert and non-combustible gases. Highly toxic materials. Waste of non-hazardous materials.

**CATEGORY II**

Pyrotechnic materials. Flammable liquids having flash point between 32° C and 65° C. Moderate Oxidising Agents and Oxygen. Materials which evolve combustible gases in contact with water. Waste of Category I materials.

**CATEGORY III**

Explosives. Materials which are self-ignitable. Flammable liquids having flash point below 32° C. Strong Oxidising Agents. Combustible gases. Waste of Category II & III materials.

**2.27 TINY SECTOR INDUSTRIES WARRANTY**

Warranted that values at risk not to exceed Rs.10,00,000

## **2.28 DETERIORATION OF STOCKS IN COLD STORAGE PREMISES(I)**

- 2.28.1 (due to change in temperature arising out of loss or damage to the cold machinery in the Insured's premises following storage machinery in the Insured's premises following an insured peril)
- 2.28.2 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 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).
- 2.28.3 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 by any undertaking's systems or by the exercise 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.
- 2.28.4 Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.
- 2.28.5 Subject otherwise to the terms, extensions, conditions and limitations of this Policy.

## **2.29 DETERIORATION OF STOCKS IN COLD STORAGE PREMISES(II)**

- 2.29.1 (Due to accidental power failure consequent to damage at their premises of Power Station due to an insured peril)
- 2.29.2 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 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).
- 2.29.3 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.
- 2.29.4 Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.
- 2.29.5 Subject otherwise to the terms, extensions, conditions and limitations of this Policy.

## **2.30 EARTHQUAKE (FIRE AND SHOCK)(I)**

- 2.30.1 (when Storm, Tempest, Flood, Inundation perils are not insured)
- 2.30.2 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.
- 2.30.3 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.
- 2.30.4 Special conditions
- 2.30.4.1 Excess 5% of each and every claim subject to a minimum of Rs. 10,000 shall be borne by the Insured.
- 2.30.4.2 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).
- 2.30.4.3 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.

## **2.31 EARTHQUAKE(FIRE AND SHOCK)(II)**

(when Storm, Tempest, Flood, Inundation perils are insured)

- 2.31.1 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 the consequence of Earthquake including flood or overflow of the sea, lakes, reservoirs and rivers and/or Landslide / Rockslide resulting there from.
- 2.31.2 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 (if 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.
- 2.31.3 Special conditions

- 2.31.3.1 Excess 5% of each and every claim subject to a minimum of Rs. 10,000 shall be borne by the Insured.
- 2.31.3.2 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).
- 2.31.3.3 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 or through or inconsequence of Earthquake.

## **2.32 OMISSION TO INSURE ADDITIONS OR EXTENSIONS**

- 2.32.1 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:-
- a) at the within described premises
  - b) for use as factories
- 2.32.1.1 The liability under this Extension shall not exceed in respect of (a) above, 5% of the Sum Insured by items of the Schedule, in respect of (b) above, 5% of the Sum Insured by items of the Schedule.
- 2.32.1.2 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 date of inception.
- 2.32.1.3 Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
- 2.32.1.4 No liability shall attach to the Company in respect of any Building, Machinery Plant other or other contents while such property is otherwise insured.
- 2.32.1.5 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.

## **2.33 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.

## **2.34 ESCALATION CLAUSE (FIRE)**

- 2.34.1 "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.
- 2.34.2 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.
- 2.34.3 At each renewal date the insured shall notify the Insurers:-
- (i) 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
  - (ii) 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."

## **2.35 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."

## **2.35.1 TERRORISM DAMAGE COVERAGE ENDORSEMENT**

It is hereby declared and agreed that in consideration of payment of additional premium the Terrorism Damage Exclusion Warranty attached to and forming part of the within mentioned policy, stands deleted. The expression/s "terrorism and/or act of terrorism" shall have the same meaning/s as contained in Terrorism Damage Exclusion Warranty.

- 2.35.1.1 This endorsement does not cover loss of damage to property caused by A)
- I. Total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.
  - II. Permanent or temporary dispossessions resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.
- 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.
- 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 action taken in respect of an act of terrorism.
- 2.35.1.2 B) Loss of damage, cost or expenses 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 action taken in respect of any act of terrorism.
- 2.35.1.3 If the Company alleges that by the reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the insured.
- 2.35.1.4 The limit of coverage under this endorsement shall not exceed Rs. (insert here the overall liability limit)
- 2.35.1.5 In the event of several insurances within the same location with all Indian insurers, the maximum aggregate loss payable per compound/location by all Indian insurers shall be Rs.200 crores. If the actual aggregate loss suffered at one location in respect of all Indian insurers is more than Rs.200 crores, the amounts payable under individual policies shall be reduced in the same proportion as Rs.200 crores bears to the aggregate of all losses with all Indian insurers in that location.
- 2.35.1.6 The coverage under this endorsement is subject to an excess of 0.05% of the total sum insured subject to a minimum of Rs. One lakh for each and every claim in respect of both material damage and loss of profits combined.

## **2.36 THEFT EXTENSION CLAUSE**

- 2.36.1 Extended to cover 'theft' but 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:
- 2.36.1.1 -discovered during any process of stock taking or inventory reconciliation
  - 2.36.1.2 -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.
  - 2.36.1.3 -following removal of the insured property from location it is stated as situated
  - 2.36.1.4 -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.
  - 2.36.1.5 -following the insured property being left unsecured or unattended
  - 2.36.1.6 -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.

## **2.37 GENERAL REPAIR SHOP SPECIAL CONDITIONS**

- 2.37.1 The cover provided under the Policy excludes loss of or damage to customers property in the care/ custody / control of the Insured.
- where such loss or damage is not directly caused by any of the insured perils
  - unless such properties are within the premises of the Insured at the time of occurrence of the loss or damage
  - unless the particulars of such properties including model, make etc have been originally entered into the books of the Insured including therein information on the scope of work and the extent of existing damage, the condition of the property the date and time of entry and the daily particulars of work done and materials employed
  - following from accidental impact/falling damage and/or malicious damage
  - whilst being worked upon or following from work done or arising out of work
  - which are owned by employees of the Insured or members of the Insured's household or the Insured's business partners The cover also excludes
    - a) damage to SIM card/any electronic cards unless caused by an insured peril
    - b) scratches, dent, discolouration.

- 2.37.2 In respect of any loss of or damage to customers property that is assessed as indemnifiable under the provisions of this Policy the basis of any settlement shall be :
- in the event of the hand set or accessories being assessed as a total loss, the depreciated market value of the handset prevailing at the time of loss as assessed by the Company duly reduced by
  - the amount representing the pre-existing damage before any repairs or work was carried thereon whether or not such damage was included in the scope of repairs
  - the amount assessed by the Company as being represented in the Salvage unless the Company at its option takes charge of the salvage
  - in the event of the handset being assessed as repairable, the additional amount assessed by the Company as required in carrying out the additional repairs duly reduced by
  - the amount assessed by the Company as representing ordinary wear and tear with due regard for the make, model and extent of use and depreciated market value of the subject handset
  - the amount relating costs of repairs coming within the original scope of works of the Insured
  - the amount relating to costs / expenses committed by the Insured under the terms of the contract of repair and services including standard services applicable to any customer handset

## **2.38 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - ADDITIONAL RENT CLAUSE**

- 2.38.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.38.2 Rent for alternative accommodation (Tenant or Owner -Occupant)
- 2.38.3 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.
- 2.38.4 Provided that the liability of the Company shall not exceed the sum insured (stated in the Schedule in respect of this Clause) hereby.
- 2.38.5 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.
- 2.38.6 Special Conditions
- 2.38.6.1 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 "Kutchra" Construction.
- 2.38.6.2 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.
- 2.38.7 EXPLANATION
- 2.38.7.1 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.
- 2.38.7.2 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.
- 2.38.7.3 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.

## **2.39 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - AGREED BANK CLAUSE**

- 2.39.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.39.2 AGREED BANK CLAUSE  
It is hereby declared and agreed:-



- 2.39.2.1 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.
- 2.39.2.2 That the receipts of the Bank shall be complete discharge of the Company therefor and shall be binding on all the parties insured hereunder.
- 2.39.2.3 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.
- 2.39.2.4 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.
- 2.39.2.5 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 General Condition 4 of this Coverage Section 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.
- 2.39.2.6 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.
- 2.39.2.7 Notes: The Bank shall mean the first named Financial Institution/ Bank named in the Policy.
- 2.39.2.8 In cases where the name of any Central Government or State Government owned and / or sponsored Industrial Financing or Rehabilitation Financing Corporations and /or Unit Trust of India or General Insurance Corporation of India and/or its subsidiaries or LIC of India/ any Financial Institution is included as mortgagees, the name of such institution shall be read in place of the word 'Bank'.

#### **2.40 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - DESIGNATION OF PROPERTY CLAUSE**

- 2.40.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.40.2 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.

#### **2.41 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - FLOATER CLAUSE**

- 2.41.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.41.2 Floater Clause
- 2.41.2.1 In consideration of Floater Extra charged over and above the Policy premium rate the Sum Insured in aggregate under the Policy is available for any one, more, or all locations as specified in respect of movable property.
- 2.41.2.2 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.
- 2.41.2.3 The changes in the address of locations specifically declared at inception should be communicated.

#### **2.42 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - IMPACT DAMAGE (OWN) CLAUSE**

- 2.42.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.42.2 Impact Damage due to Insured's own Rail/Road Vehicles, Fork lifts, Cranes, Stackers and the like and articles dropped therefrom.
- 2.42.3 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 Vehicles, Forklifts, cranes, stackers and the like and articles dropped therefrom.

#### **2.43 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - LOCAL AUTHORITIES CLAUSE**

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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

#### **2.44 LOCAL AUTHORITIES CLAUSE**

(Applicable only with insurances on Reinstatement Value)

- 2.44.1 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:
- 2.44.1.1 The amount recoverable under this extension shall not include :
- a) in respect of destruction or damage occurring prior to the granting of this extension in respect of destruction or damage not insured by the Policy under which notice has been served upon the Insured prior to the happening of the destruction or damage, 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, the cost incurred in complying with any of the aforesaid Regulations or Bye-laws (iv) (iii) (ii) (i)
  - 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 or Bye-laws not arisen, 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.
- 2.44.1.2 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.
- 2.44.1.3 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.
- 2.44.1.4 The total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.
- 2.44.1.5 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.

#### **2.45 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - LOSS OF RENT CLAUSE**

- 2.45.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 2.45.2 LOSS OF RENT CLAUSE
- 2.45.2.1 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.
- 2.45.2.2 The liability of the Company shall however be limited to 10% of the sum insured under Coverage Section A.
- 2.45.2.3 This extension shall not apply in case the Insured as Owner-Occupant does not insure the Building associated with the insured business premises.

#### **2.46 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - REINSTATEMENT VALUE CLAUSE**

2.46.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

2.46.2 REINSTATEMENT VALUE MEMORANDUM

2.46.2.1 (Applicable in respect of only Buildings, Machinery Furniture, Fixture and Fittings for which items of property insured it is so stated in the Schedule as being applicable)

2.46.2.2 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.

2.46.3 Special Provisions

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

2.46.3.2 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.

2.46.3.3 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 ratable 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.

2.46.3.4 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.

**2.47 COVERAGE SECTION A (FIRE AND SPECIAL PERILS) - DECLARATION CLAUSE**

2.47.1 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 Clause is included within Coverage Section A of the Policy effective the date stated in the Schedule. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

2.47.2 DECLARATION CLAUSE

2.47.2.1 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

- a) average of the values at risk on each day of the month or
- b) 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.

2.47.2.1.1 *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.*

2.47.2.1.2 *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.*

- 2.47.2.1.3 *On the expiry of each Period of Insurance the premium shall be calculated 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.*
- 2.47.2.1.4 *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.*
- 2.47.2.1.5 *Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the currency of the Policy.*
- 2.47.2.2 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.
- 2.47.2.3 If at the time of any loss, there be any subsisting insurance or insurances on other than on 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 the 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 ratable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the stocks.
- 2.47.2.4 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.
- 2.47.2.5 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 take into account in, and shall be distinct from, the final adjustment of premium.
- 2.47.2.6 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 up to 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.
- 2.47.2.7 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.
- 2.47.2.8 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.
- 2.47.2.9 It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
- 2.47.2.10 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.

## **2.48 ESCALATION CLAUSE**

- 2.48.1 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 item(s) specified in the Schedule in respect of this Clause, 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.
- 2.48.2 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.
- 2.48.3 At each Renewal Date the Insured shall notify the Company :
- 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 up to 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.

#### **2.49 BOOK KEEPING WARRANTY**

- 2.49.1 Warranted that the Insured maintains on a continuous basis during the whole currency of the Policy a complete set of books, accounts and stock sheets or stock books showing a true and accurate daily record of all
  - 2.49.1.1 inventories and stocks in trade of the Business,
  - 2.49.1.2 transactions of inventories and stocks in trade including sales and purchases and inventories and stocks in hand and
  - 2.49.1.3 monies pertaining to the Business including such being proceeds from sales as also records of such monies banked or otherwise removed from the Insured Premises and that such books, accounts and stock sheets or stock books shall be locked in a fire proof safe or removed to another secured building at night and at all times when the Insured Premises are not actually open for Business.
- 2.49.2 This warranty applies separately to each and every location out of which the Insured conducts his Business. Transfers or movements of inventories, stocks in trade and monies between the various Insured Premises or to another shall be Business within the meaning of this Warranty.
- 2.49.3 The due observance of the foregoing shall be a condition precedent to any liability of the Company to make any payment under this Policy.

#### **2.50 CO-INSURANCE CLAUSE**

- 2.50.1 It is hereby declared and agreed that this is a Co-insurance Policy subscribed by the insurers (named in the Policy Schedule in respect of this Clause) whose liabilities in respect of losses shall be limited to the amounts set against their respective names.
- 2.50.2 This Co-insurance is subject in all respects to the same terms, clauses, conditions, warranties, adjustments, and amendments, as may be authorized by the Insurer named in the Schedule as the Leading Insurer. Any alterations and/or amendments and/or adjustments agreed upon under the terms of Leading Insurer's agreement shall be automatically binding on the participating Co-insurers hereon who agree to waive advice hereunder.
- 2.50.3 The Co-insurer(s) agree to follow in every respect all settlements or other payments of whatsoever nature made by the Leading Insurer arising out of and in connection with this insurance and to bear its proportion of any expenses incurred, whether legal or otherwise in the investigation and defense of any claim hereunder.

#### **2.51 FIRE EXTINGUISHING APPLIANCES WARRANTY**

- 2.51.1 Warranted that Fire Extinguishing Appliances in respect of which discount is given on the Premium Rates applied on the buildings and/or contents therein shall conform to the Tariff Advisory Committee regulations and shall be maintained in efficient working condition and an annual maintenance contract with an external agency shall be in force at all times throughout the currency of the Policy.
- 2.51.2 Internal/Internal and External Fire Extinguishing Appliances having been installed in the premises referred to in this policy and a discount of .....% on items as permissible under the All India Fire Tariff having been allowed off the premium chargeable hereunder, it is warranted that the said appliances shall be maintained in efficient working order and conform to the norms laid down in the norms prescribed by the Tariff Advisory Committee and also the
- 2.51.3 It is further warranted that the Insurer shall be immediately apprised of any strike or lock-out in the premises.

#### **2.52 LEAKAGE AND CONTAMINATION COVER**

- 2.52.1 "In consideration of the payment of an additional premium 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 contamination by contact with foreign matter."
- 2.52.2 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.
  - (h) Consequential loss of any nature.

### 2.52.3 SPECIAL CONDITIONS

- 2.52.3.1 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.
- 2.52.3.2 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.
- 2.52.3.3 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.
- 2.52.3.4 In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- 2.52.3.5 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.
- 2.52.3.6 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.
- 2.52.3.7 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 of condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.
- 2.52.3.7.1 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.

**2.52.3.7.2** 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 ratable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

### 2.53 LEAKAGE COVER

- 2.53.1 "In consideration of the payment of an additional premium 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.
- 2.53.2 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.

**2.53.3 SPECIAL CONDITIONS:**

- 2.53.3.1 In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- 2.53.3.2 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.
- 2.53.3.3 All salvage recoveries and payments recovered or 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.
- 2.53.3.4 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 of condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.
- 2.53.3.5 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.
- 2.53.3.6 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 ratable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition

**2.54 SPOILAGE MATERIAL DAMAGE CLAUSE**

- 2.54.1 "In consideration of the payment of the an additional premium is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under 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.
- 2.54.2 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."
- 2.54.3 SPECIAL CONDITIONS
  - 2.54.3.1 For the purpose of this Endorsement but not otherwise, the following special conditions shall apply:
  - 2.54.3.2 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 ratable proportion of the loss accordingly. Every time, if more than one, of the Policy shall be separately subject to this condition.
  - 2.54.3.3 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 specified under this Policy.

**2.55 SPONTANEOUS COMBUSTION**

"In consideration of the payment by the Insured to the Company of additional premium the Company agrees notwithstanding what is stated in the printed exclusions of the policy to the contrary that the insurance by item specified under 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."

**2.56 TEMPORARY REMOVAL OF STOCK 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

**2.57 VOLUNTARY DEDUCTIBLE CLAUSE**

The following clause shall be attached to the policy(ies) in case the insured accepts the deductible and the discount therefore:  
"it is hereby declared and agreed that the insured having opted a voluntary deductible of Rs.....out of net amount of each and every admissible claim under the fire policy(ies) covering the said premises, the company has allowed a discount of -----% on the final premium payable for the policies and Add on Covers.  
It is further agreed that the above voluntary deductible opted shall be in addition to compulsory exclusion stipulated under "General exclusion" attached to the policy(ies) and/or for add-on covers."

## **2.58 ACCUMULATED STOCK CLAUSE**

It is hereby agreed and declared that in adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turn over due to the damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods in the Insured's warehouses.

## **2.59 ARCHITECTS, SURVEYORS AND CONSULTING ENGINEER'S FEE (up to 3% of the claim 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 is covered upto 3% of the adjusted loss, but it is understood that this does not include any costs in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils".

## **2.60 ARCHITECTS, SURVEYORS AND CONSULTING ENGINEER'S FEES (in excess of 3% of the claim 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 it 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 the insured perils.

## **2.61 AUTO GARAGE / WORKSHOP SPECIAL CONDITIONS**

- 2.61.1 The cover provided under the Policy excludes loss of or damage to customers vehicles in the care/ custody / control of the Insured.
- 2.61.2 where such loss or damage is not directly caused by any of the insured perils
- 2.61.3 unless such vehicles are within the premises of the Insured at the time of occurrence of the loss or damage
- 2.61.4 unless the particulars of such vehicles have been originally entered into the books of the Insured including therein information on the scope of work and the extent of existing damage, the condition of the vehicle, the date and time of entry and the daily particulars of work done and materials employed
- 2.61.5 following from impact damage and/or malicious damage
- 2.61.6 in respect of rust and oxidation following the direct operation of any of the insured perils
- 2.61.7 whilst being worked upon or following from work done or arising out of work
- 2.61.8 in respect of undercarriage, tyres, wheels and accessories mounted/contained within the vehicle
- 2.61.9 which are owned by employees of the Insured or members of the Insured's household or the Insured's business partners
- 2.61.10 In respect of any loss of or damage to customers vehicles that is assessed as indemnifiable under the provisions of this Policy the basis of any settlement shall be :
- 2.61.11 in the event of the vehicle being assessed as a total loss, the depreciated market value of the vehicle prevailing at the time of loss as assessed by the Company duly reduced by
- 2.61.12 the amount representing the pre-existing damage before any repairs or work was carried thereon whether or not such damage was included in the scope of repairs
- 2.61.13 the amount assessed by the Company as being represented in the wreck unless the Company at its option takes charge of the wreck
- 2.61.14 in the event of the vehicle being assessed as repairable, the additional amount assessed by the Company as required in carrying out the additional repairs duly reduced by
- 2.61.15 the amount assessed by the Company as representing ordinary wear and tear with due regard for the make, model and extent of use and depreciated market value of the subject vehicle
- 2.61.16 the amount relating costs of repairs coming within the original scope of works of the Insured
- 2.61.17 the amount relating to costs / expenses committed by the Insured under the terms of the contract of repair and services including standard services applicable to any customer vehicle

## **2.62 DATA CORRUPTION ENDORSEMENT – A-PROPERTY ENDORSEMENT**

- 2.62.1 It is noted and agreed that this Policy is hereby amended as follows:
  - The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:
    - 2.62.1.1 Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
    - 2.62.1.2 Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or and kind of programming or instruction set,
    - 2.62.1.3 Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business
  - 2.62.2 This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.
  - 2.62.3 Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.
  - 2.62.4 All other terms, conditions and exclusions of this Policy remain unchanged.



## 2.63 DEPARTMENTAL CLAUSE

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (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.

## 2.64 ENDORSEMENT - ELECTRICITY STATION, GAS WORKS AND WATER WORKS

- 2.64.1 In consideration of the payment of an additional premium amounting to Rs. it is hereby agreed and declared that loss as insured by + (item nos. 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.
- 2.64.2 + Delete if inapplicable \* Omit as may be necessary
- 2.64.3 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.
- 2.64.4 For the purpose of the above extension, the 'Indemnity Period' in respect o each damage or of a series of damages consequent on or attributable to one source or original cause shall be as follows: -
- 2.64.5 "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."
- 2.64.6 Provided that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.
- 2.64.7 Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.
- 2.64.8 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.

## 2.65 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.

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 :

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 TATA AIG 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 by other declaration insurances covering the same stocks, a ratable proportion of such excess) but not exceeding the Sum Insured here, bears to the total value of the stocks.

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.

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.

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 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 80% of the provisional premium whichever is greater.

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.

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.

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.

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

## 2.66 PREMISES EXTENSION CLAUSE

### Endorsement

#### A. Spoilage Consequential Loss Cover:

Loss of Profits as a result of spoilage may be covered as an additional item by extending the Consequential Loss (fire) Insurance Policy subject to the following conditions: -

##### a) Scope of Cover

The cover shall extend to loss of Profits arising out of the spoilage, i.e. interruption of business solely as a result of (i) loss of stock-in-process; and (ii) damage to machinery containers and equipment. The following endorsement wording shall be used: -

Endorsement for Spoilage Risk Extension under the Consequential Loss (Fire) Policy

Attached to and forming part of the Policy No.

In consideration of the payment of the sum of Rs. additional premium, it is hereby agreed and declared that notwithstanding anything in the within written policy contained to the contrary, the term 'Damage' as defined under this Policy, shall extend to include loss or damage in consequence of spoilage resulting from the retarding or interruption or cessation of any process or operation cause by any of the perils covered under this Policy.

Provided that it is hereby further expressly agreed and declared that: -

- 1) The liability of the Company shall in no case under this endorsement and the policy exceed the sum insured by this policy.
- 2) 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 caused by spoilage which perils this insurance extends to include by virtue of this Endorsement.

##### b) Sum to be insured:

Consequential Loss Cover may be covered for an indemnity period selected by the insured and the sum insured being gross profit corresponding to the same indemnity period which shall not be less than one month.

##### c) Rate to be charged:

The rate to be charged shall not be less than the full 'Average Spoilage Rate' of the items covered against Spoilage Risk under the Material Damage Policy. The 'Average Spoilage Rate' shall be the percentage which the aggregate net premium in respect of items covered under the Material Damage Policy against Spoilage risks under the material damage policy. The cover to be otherwise subject to the Condition of Average.

Attached to and forming part of the Policy No.-

### Endorsement

#### 1. Insured property stored at other situations

In consideration of the payment of (the after mentioned additional premium) (an additional premium which is 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 at the undernoted 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 of the Insured thereunder.

Note:a) Property of the Insured Stored Where the extension relates solely to property of the Insured, the words "property at the undernoted situation" and the heading 'Situation' should be deleted from the wording and the former replaced by "property of the Insured while stored anywhere than at premises in the Insured's occupation".

Note:b) Suppliers' Premises Where the extension relates to more than one supplier with different limits, the proviso and 'Situation' and the heading 'Situations' should be amended to read as follows: -

"Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) No.(s) shall not exceed the percentage of the sum insured thereunder shown against each situation,

SITUATIONS LIMIT" "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".

##### c) Premises where a Contract is being carried out:

The following should be inserted under 'SITUATIONS': -  
"Any location where the Insured is carrying out work".

d) Professional Insured:

(applicable solely to items on the Gross Revenue/ Fees of a business providing professional or similar services only)

The words 'Property at the undernoted situations' and the heading 'SITUATION' should be deleted from the wording and the former replaced by 'documents belonging to or held in trust by the Insured, whilst temporarily at premises not in the occupation of the Insured, or whilst in transit by road, rail or inland waterway'.

## **2.67 BAKERIES**

It is hereby declared and agreed that any damage to whisks, dough hook and beaters of dough mixers are specifically excluded from the scope of cover.

## **2.68 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 %.

## **2.69 GENERAL EXCLUSION CLAUSE OF SOFTWARE AND YEAR 2000 PROBLEMS**

This Policy does not cover:

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom; b) any legal liability of whatsoever nature; c) any consequential loss; directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer
- (i) to treat any date before, during or after the year 2000 as the correct date or true calendar date, or correctly or appropriately to recognize manipulate interpret process store receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date or
- (ii) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with any such date.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device or any computer software tools operating system or any computer hardware or peripherals and the information or data stored in or on any of the above, whether the property of the Insured or not.

## **2.70 ENDORSEMENT - EXTENSION TO COVER CONSEQUENTIAL LOSS DUE TO OTHER SPECIAL PERILS**

In consideration of the payment of the after mentioned premium, it is hereby agreed and declared that, notwithstanding anything in the within written policy contained to the contrary, the terms 'Damage' as defined in this Policy shall (subject always to the Special Conditions hereinafter contained) extend to include:

(here insert the appropriate Special Peril)

Provided that it is hereby further expressly agreed and declared that: -

- 1) The liability of the Company shall in no case under this Endorsement and the Policy exceed the sum insured by this Policy.'
- 2) All the Conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same may be expressly varied by the above Special Conditions.
- 3) The Special Conditions herein shall apply only in all respects to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the policy as if this Endorsement had not been made thereon.

## **2.71 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.

## **2.72 REMOVAL OF DEBRIS CLAUSE (UP TO 1% OF THE CLAIM AMOUNT)**

"It is hereby declared and agreed that the expenses incurred up to 1% of the claim amount is included in the sum insured on:

- (a) Removal of debris from the premises of the Insured;
- (b) Dismantling or demolishing;
- (c) Shoring up or propping."

Note: (b) & (c) above shall not be applicable where neither Building nor Machinery are covered.

## **2.73 ENDORSEMENT - SPOILAGE CONSEQUENTIAL LOSS COVER**

Loss of Profits as a result of spoilage may be covered as an additional item by extending the Consequential Loss (fire) Insurance Policy subject to the following conditions: -

a) Scope of Cover

The cover shall extend to loss of Profits arising out of the spoilage, i.e. interruption of business solely as a result of (i) loss of stock-in-process; and (ii) damage to machinery containers and equipment. The following endorsement wording shall be used: -

Endorsement for Spoilage Risk Extension under the Consequential Loss (Fire) Policy  
Attached to and forming part of the Policy No.

In consideration of the payment of the sum of Rs. additional premium, it is hereby agreed and declared that notwithstanding anything in the within written policy contained to the contrary, the term 'Damage' as defined under this Policy, shall extend to include loss or damage in consequence of spoilage resulting from the retarding or interruption or cessation of any process or operation cause by any of the perils covered under this Policy.

Provided that it is hereby further expressly agreed and declared that: -

- 1) The liability of the Company shall in no case under this endorsement and the policy exceed the sum insured by this policy.
- 2) 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 caused by spoilage which perils this insurance extends to include by virtue of this Endorsement.

b) Sum to be insured:

Consequential Loss Cover may be covered for an indemnity period selected by the insured and the sum insured being gross profit corresponding to the same indemnity period which shall not be less than one month.

c) Rate to be charged:

The rate to be charged shall not be less than the full 'Average Spoilage Rate' of the items covered against Spoilage Risk under the Material Damage Policy. The 'Average Spoilage Rate' shall be the percentage which the aggregate net premium in respect of items covered under the Material Damage Policy against Spoilage risks under the material damage policy. The cover to be otherwise subject to the Condition of Average.

#### 2.74 STANDARD FIRE AND SPECIAL PERILS POLICY - TERRORISM DAMAGE COVERAGE ENDORSEMENT

Notwithstanding anything contained in the Policy or any of its Endorsements thereon, it is agreed and declared that in consideration of the full agreed premium being paid by the Insured to the Company the following Endorsement is included under the Policy effective the date stated. Subject always to the terms, provisions, conditions, limitations and exclusions of the Policy and any endorsements thereon.

##### TERRORISM DAMAGE COVER ENDORSEMENT

It is hereby declared and agreed that the Terrorism Damage Exclusion Warranty of the Riot, Strike, Malicious Damage provision stands deleted. The expression/s "terrorism and/or act of terrorism" shall have the same meaning/s as contained in Terrorism Damage Exclusion Warranty.

This Endorsement does not cover loss of or damage caused by

- A) I total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.
- II Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.
- III Permanent or temporary dispossession of any building or plant or unit of 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.
- IV 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 action taken in respect of an act of terrorism.
- B) loss or damage, cost or expenses 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 action taken in respect of any act of terrorism.

If the Company alleges that by reason of this Exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

The limit of coverage under this Endorsement shall not exceed the amount (being the overall liability limit for Material Damage and Loss of Profits insurances combined) stated in the Schedule in respect of this Endorsement. In respect of several insurances within the same compound / location with all the Indian insurers, the maximum aggregate loss (Material Damage and Loss of Profit combined) payable per compound / location shall be Rs.500 crores. If the actual aggregate loss suffered at one compound / location is more than Rs.500 crores, the amounts payable under individual policies shall be reduced on pro rata basis.

The coverage under this Endorsement is subject to an Excess of Re. 0.5% of the total sum insured subject to a minimum of Rs.25,000 and a maximum of Rs 10,00,00,000 for each and every claim in respect of both Material Damage and Loss of Profits combined.

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 as per Tariff.

Notwithstanding anything contained in the Policy or any of its Endorsements thereon, it is agreed and declared that in consideration of the full agreed premium being paid by the Insured to the Company the following Endorsement is included under the Policy effective the date stated. Subject always to the terms, provisions, conditions, limitations and exclusions of the Policy and any endorsements thereon.

##### TERRORISM DAMAGE COVER ENDORSEMENT

It is hereby declared and agreed that the Terrorism Damage Exclusion Warranty of the Riot, Strike, Malicious Damage provision stands deleted. The expression/s "terrorism and/or act of terrorism" shall have the same meaning/s as contained in Terrorism Damage Exclusion Warranty.

This Endorsement does not cover loss of or damage caused by A) I total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.

II Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.

III Permanent or temporary dispossession of any building or plant or unit of 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.

IV 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 action taken in respect of an act of terrorism.

B) loss or damage, cost or expenses 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 action taken in respect of any act of terrorism.

If the Company alleges that by reason of this Exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

The limit of coverage under this Endorsement shall not exceed the amount (being the overall liability limit for Material Damage and Loss of Profits insurances combined) stated in the Schedule in respect of this Endorsement. In respect of several insurances within the same compound / location with all the Indian insurers, the maximum aggregate loss (Material Damage and Loss of Profit combined) payable per compound / location shall be Rs.300 crores. If the actual aggregate loss suffered at one compound / location is more than Rs.300 crores, the amounts payable under individual policies shall be reduced on pro rata basis.

The coverage under this Endorsement is subject to an Excess of Re. 0.5% of the total sum insured subject to a minimum of Rs.25,000 and a maximum of Rs 10,00,00,000 for each and every claim in respect of both Material Damage and Loss of Profits combined.

## **2.75 CONSEQUENTIAL LOSS(FIRE) INSURANCE COVER**

Notwithstanding anything contained in the Policy or any of its Endorsements thereon, it is agreed and declared that in consideration of the full agreed premium being paid by the Insured to the Company the following Endorsement is included under the Policy effective the date stated. Subject always to the terms, provisions, conditions, limitations and exclusions of the Policy and any endorsements thereon.

## **2.76 TERRORISM DAMAGE COVER ENDORSEMENT**

It is hereby declared and agreed that the Terrorism Damage Exclusion Warranty of the Riot, Strike, Malicious Damage provision stands deleted. The expression/s "terrorism and/or act of terrorism" shall have the same meaning/s as contained in Terrorism Damage Exclusion Warranty.

This Endorsement does not cover loss of or damage caused by

A) I total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.

II Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.

III Permanent or temporary dispossession of any building or plant or unit of 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.

IV 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 action taken in respect of an act of terrorism.

B) loss or damage, cost or expenses 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 action taken in respect of any act of terrorism.

If the Company alleges that by reason of this Exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

The limit of coverage under this Endorsement shall not exceed the amount (being the overall liability limit for Material Damage and Loss of Profits insurances combined) stated in the Schedule in respect of this Endorsement. In respect of several insurances within the same compound / location with all the Indian insurers, the maximum aggregate loss (Material Damage and Loss of Profit combined) payable per compound / location shall be Rs.500 crores. If the actual aggregate loss suffered at one compound / location is more than Rs.500 crores, the amounts payable under individual policies shall be reduced on pro rata basis.

The coverage under this Endorsement is subject to an Excess of Re. 0.5% of the total sum insured subject to a minimum of Rs.100,000 and maximum Rs 10,00,00,000 for each and every claim in respect of both Material Damage and Loss of Profits combined.

## **3 COVERAGE SECTION B: Burglary**

### **3.1 COVERAGE SECTION B: Perils Specified**

3.1.1 Burglary or Housebreaking (theft following upon an actual forcible and violent entry of or exit from the premises by the person or persons committing such theft) or Hold-up;

3.1.2 Any damage falling to be borne by the Insured done to the premises described in the Schedule hereto following upon or occasioned by an actual forcible and violent entry of or exit from the premises or any attempt thereof by the person or persons committing or attempting to commit such theft.

### **3.2 COVERAGE SECTION B: General Conditions**

3.2.1 It is warranted that there shall be actual visible damage caused to the premises or part thereof or connected with violent and forcible entry in the premises.

3.2.2 It is warranted that adequate protection to the doors, windows and all other such openings in the premises are properly maintained during the currency of the Policy.

- 3.2.3 It is a condition precedent to liability under this Policy that:-
- 3.2.3.1 all protections in force at the premises at the inception of the cover or subsequently as stipulated by or agreed by the Company shall be in full operation securing the premises, whether the premises are closed for business or left unattended.
- 3.2.3.2 any keys for the premises and or intruder alarm systems or safes and or strong rooms and or any other secured area or device in which insured property is kept are removed from the premises whenever the premises are closed for business or left unattended.
- 3.2.3.3 the Insured maintains the secrecy of codes for the Intruder Alarm Installation to authorised persons and no details of the same are left on the premises.
- 3.2.4 The Insured shall take all ordinary and reasonable precautions for the safety of the property insured, and shall as far as practicable make use of all locks, bolts, fastenings and other means of securing any safes, strong-rooms and premises in which such property is contained. The Insured shall keep books of account, and in relation to any merchandise, stock-in-trade or property of a similar nature, the Insured shall keep a record of all business purchases, sales and deliveries in and out of the premises.
- 3.2.5 If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
- 3.2.6 If the property hereby insured shall at the at the commencement of any destruction 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 ratable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this Condition.
- 3.2.7 All sums which may from time to time be paid by way of indemnity under this Policy in any one Period of Insurance shall be accounted in diminution of the Total Sum Insured so that in case of any subsequent event giving rise to a claim occurring during the same period the total amount payable during that period by the Company shall not in any case exceed the Total Sum Insured. In the event of the property lost, destroyed or damaged being replaced by other property, the Company will at the Insured's request extend this insurance by endorsement to include such property upon payment of the appropriate pro-rata additional premium.

### **3.3 COVERAGE SECTION B General Exclusions**

- 3.3.1 This Policy does not cover the following unless specially mentioned in the Schedule and expressly insured by the Policy:
- 3.3.1.1 Gold or Silver articles, watches jewellery precious stones medals coins curiosities sculptures manuscripts rare books plans patterns models mould and designs.
- 3.3.1.2 Deeds, bonds, Bills of exchange, promissory notes, money or securities for money, stamps, books of accounts, business books or documents, cheques, share certificates, promissory notes, tickets, stamp collection, coin collections, medals, plans, specifications, blue prints, moulds, document of title to goods, contracts or other legal documents, or documents of any other kind.
- 3.3.1.3 Loss or damage by fire or explosion however caused.
- 3.3.1.4 Loss or damage to plate glass whether forming part of the premises or otherwise.
- 3.3.1.5 Loss or damage where any inmate or member of the Insured's household or of his business staff or any other person lawfully in the premises is concerned in the actual theft of 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.
- 3.3.1.6 Loss or damage which either in origin or extent or directly or indirectly proximately or remotely, occasioned by or contributed to by or which either in origin or extent directly or indirectly, proximately or remotely, arises out of or in connection with earthquake, volcanic eruption, typhoon hurricane, tornado, cyclone, or other convulsion of nature or atmosphere disturbance.
- 3.3.1.7 Loss or damage occasioned by loot, sack, spillage or pilferage.
- 3.3.1.8 Unexplained losses, shortages due to error or omissions losses discovered when making an inventory or a periodic stock taking or loss resulting from the Insured's voluntarily parting with title or possession of any property or induced to do so by deception.
- 3.3.1.9 Theft or attempted theft from yards, gardens, open spaces or out-buildings unless the contents thereof are specifically insured by the Policy.
- 3.3.1.10 The first amount of each and every claim stated in the Schedule as the Excess or Deductible.

3.3.2 This Policy shall cease to attach:-

3.3.2.1 If the premises shall have been left uninhabited by day and night for seven or more consecutive days and nights while the premises shall have been left uninhabited.

3.3.2.2 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; change or relax any of the safeguards for securing the premises.

3.3.2.3 To any property insured which shall be removed from the premises in which it is herein stated to be safe so far as is expressly provided for in the Policy or these conditions.

3.3.2.4 To any property the interest of the Insured 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 by a memorandum made on the Policy by or on behalf of the Company.

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#### 4 COVERAGE SECTION C- Money insurance

##### 4.1 COVERAGE SECTION C Perils Specified

4.1.1 Money in safe

Loss or damage by any cause not excluded.

4.1.2 Definition

Money shall mean and include cash, bank notes, currency notes, bank drafts, cheques (whether open or crossed) postal orders, money orders, treasury notes, current postage and revenue stamps.

##### 4.2 COVERAGE SECTION C General Conditions

4.2.1 It is warranted that:

- a) all Money not paid out on the day on which it is received from the Bank is secured in a locked cash box, safe or strong room after business hours.
- b) a complete record of the amount of Money be kept in a secure place other than in any of the said safes and that the liability of the Company will be limited to the amount of the Money shown by such record at the time of the loss but not exceeding in all the limits as set out in the Schedule hereto.
- c) the Insured shall take all ordinary and reasonable precautions for the safety of the Money.
- d) cash boxes or till drawers after business hours to be kept with their contents in a safe or strong room.
- e) cash box, safe or strong room keys or duplicates thereof at all times be kept away from the portion of the premises in which such safe or strong room is situate and always out of sight of the public.
- f) the premises if left unattended:
  - (i) all locks, bolts and other protective devices are in full operation and the premises fully secured.
  - (ii) all keys including those relating to cash boxes, safes or strong rooms and notes of combination locks to safes or strong rooms are removed from the premises.
  - (iii) the room in which Money is kept is also securely locked.
- g) Daily reconciliation of carryings/transactions is undertaken.

4.2.2 If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.

4.2.3 All sums which may from time to time be paid by way of indemnity under this Policy in any one Period of Insurance shall be deducted from the Limit of Indemnity so that in case of any subsequent event giving rise to a claim occurring during the same period the total amount payable during that period by the Company shall not in any case exceed the Limit of Indemnity.

##### 4.3 COVERAGE SECTION C General Exclusions

- 4.3.1 The Company shall not be liable in respect of any loss:
- 4.3.1.1 of Money in transit
  - 4.3.1.2 due to robbery, theft, fraud, dishonesty or collusion by any employee or agent of the Insured;
  - 4.3.1.3 or damage insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not existed;
  - 4.3.1.4 arising out of shortages due to clerical or accounting errors, omissions, depreciation or direct or indirect consequential loss of any kind;
  - 4.3.1.5 occurring elsewhere than within the premises specified in the Policy;
  - 4.3.1.6 on premises which at the time are closed unless the Money is in a locked cash box or safe or strong-room and all openings (including all doors leading to the safe or strong-room) of the premises are fully secured;
  - 4.3.1.7 from a cash box, safe or strong-room following use of its key(s) or any duplicate thereof belonging to the Insured unless this has been obtained by threat or by violence to the person in custody of the key(s);
  - 4.3.1.8 of Money whilst unattended or due to the use of counterfeit Money;
  - 4.3.1.9 occasioned by loot, sack, spillage or pilferage.
  - 4.3.1.10 resulting from the Insured's voluntarily parting with Money or induced to do so by deception.
  - 4.3.1.11 being the first amount shown in the Schedule as the Excess or Deductible in respect of each and every claim.

#### 4.4 MONEY IN TRANSIT EXTENSION

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 and subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon, Coverage Section C (Money in Safe) is, effective the date stated herein, extended to include any loss of Money belonging to the Business of the Insured whilst such Money is in transit between either

- the named business premises of the Insured and/or
- the named business premises of the Insured and the premises of the Insured's bankers and/or
- the locations or situations specified herein

This extension of the insurance shall be subject to the following additional provisions :

##### Conditions

It is warranted that additional persons or guard(s) armed with firearms shall, in numbers specified herein, accompany any transit of Money when the amount involved is in excess of the amount specified herein.

#### 4.5 Exclusions

The Company shall not be liable in respect of any loss;

- 1 occurring elsewhere than within the Geographical Area specified in respect of the insured transits;
- 2 of Money whilst unattended or from unattended vehicles due to the use of counterfeit Money;
- 3 if, unless agreed in writing by the Company, the Money while being transported is not in a carrying case specifically designed to carry Money;
- 4 if, unless agreed in writing by the Company, the Money is consigned to any person (other than a full time permanent employee of the Insured in employment of the Insured under an express contract of employment) agency or organisation engaged in the transportation of Money for third parties.

#### 4.6 Warranted:

1. Daily reconciliation of carryings/ transactions is undertaken.

#### 4.7 Money at Till/ Counter Rider

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 and subject always to the terms and provisions of the coverage section and the General Conditions and General Exclusions of the Policy and all endorsements thereon.

4.7.1 COVERAGE SECTION C (Money at Till/ Counter) is, effective the date stated herein, extended to include

- 1) any loss of Money occasioned by holdup, robbery during the business hours belonging to the Business of the Insured lying in the till and or counter within the insured premises specified in the Schedule;
- 2) any reimbursement for reasonable cost of repairs to the till and or counter securing money subject to 5% of admissible claim or Rs. 1000 whichever is less. Liability for this clause is subject to liability being admitted by the insurance company under clause (1).



#### 4.7.2 CONDITIONS

4.7.2.1 It is warranted that:

4.7.2.1.1 all Money not paid out on the day on which it is received from the Bank is secured in a locked cash box, safe or strong room after business hours.

4.7.2.1.2 a complete record of the amount of Money be kept in a secure place other than in any of the said safe and that the liability of the Company will be limited to the amount of the Money shown by such record at the time of the loss but not exceeding in all the limits as set out in the Schedule hereto.

4.7.2.1.3 the Insured shall take all ordinary and reasonable precautions for the safety of the Money.

4.7.2.1.4 cash boxes or till drawers after business hours to be kept with their contents in a safe or strong room.

4.7.2.1.5 Till, cash box, safe or strong room keys or duplicates thereof at all times be kept away from the portion of the premises in which such safe or strong room is situate and always out of sight of the public.

4.7.2.1.6 the premises if left unattended:

4.7.2.1.6.1 all locks, bolts and other protective devices are in full operation and the premises fully secured.

4.7.2.1.6.2 all keys including those relating to till, cash boxes, safes or strong rooms and notes of combination locks to safes or strong rooms are removed from the premises.

4.7.2.1.6.3 the room in which Money is kept is also securely locked.

4.7.2.2 If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.

4.7.2.3 All sums which may from time to time be paid by way of indemnity under this Policy in any one Period of Insurance shall be deducted from the Limit of Indemnity so that in case of any subsequent event giving rise to a claim occurring during the same period the total amount payable during that period by the Company shall not in any case exceed the Limit of Indemnity.

#### 4.7.2.4 EXCLUSIONS

The Company shall not be liable in respect of any loss:

4.7.2.4.1 of Money in transit

4.7.2.4.2 due to robbery, theft, fraud, dishonesty or collusion by any employee or agent of the Insured;

4.7.2.4.3 or damage insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not existed;

4.7.2.4.4 arising out of shortages due to clerical or accounting errors, omissions, depreciation or direct or indirect consequential loss of any kind;

4.7.2.4.5 occurring elsewhere than within the premises specified in the Policy;

4.7.2.4.6 on premises which at the time are closed unless the Money is in a locked till cash box or safe or strong-room and all openings (including all doors leading to the safe or strong-room) of the premises are fully secured;

4.7.2.4.7 from a till and or counter following use of its key(s) or any duplicate thereof belonging to the Insured unless this has been obtained by threat or by violence to the person in custody of the key(s);

4.7.2.4.8 of Money whilst unattended

4.7.2.4.9 due to the use of counterfeit Money;

4.7.2.4.10 occasioned by loot, sack, spillage or pilferage.

4.7.2.4.11 resulting from the Insured's voluntarily parting with Money or induced to do so by deception.

4.7.2.4.12 being the first amount shown in the Schedule as the Excess or Deductible in respect of each and every claim.

#### DEFINITIONS

- 4.7.2.5 Money shall mean and include cash, bank notes, currency notes, bank drafts, cheques (whether open or crossed) postal orders, money orders, treasury notes, current postage and revenue stamps.

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**5 COVERAGE SECTION D Public Liability (Non Industrial)**

**5.1 COVERAGE SECTION D Perils Specified**

Claims arising out of accidents occurring in the insured premises first made in writing against the Insured during the Policy Period 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

**5.1.1 Definitions**

- 5.1.1.1 'Injury' means death, bodily injury, illness or disease of or to any person;
- 5.1.1.2 'Damage' means actual and/or physical damage to tangible property;
- 5.1.1.3 'Pollution' means pollution or contamination of the atmosphere or of any water land or other tangible property;
- 5.1.1.4 '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.
- 5.1.1.5 'Policy Period' means the period commencing from the effective date and hour and, terminating at midnight on the expiry date as shown in the Policy Schedule.
- 5.1.1.6 '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

**5.2 COVERAGE SECTION D General Conditions**

- 5.2.1 The Insured shall give notice as soon as reasonably practicable of any fact, event or circumstance which materially changes the information supplied to the Company at the time when this Policy was effected and the Company may amend the terms of this Policy according to the materiality of such change.
- 5.2.2 No claim shall be payable under this Policy unless the cause of action arises in India and the liability to pay claim is not without legal recourse to the Insured. It is further agreed and understood that only Indian Law is applicable to any such action.
- 5.2.3 This Policy does not cover liability which at the time of happening of any event resulting into such liability, be insured by or would, but for the existence of this Policy, be insured by, any other policy or policies, except in respect of any excess beyond the amount which could have been payable under such policy/policies, had this insurance not been effected.
- 5.2.4 Defence costs: The Company will pay all costs, fees and expenses incurred with their prior consent in the investigation, defence or settlement of any claim made against the Insured and the costs of representation at any inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the Insured, provided such claim or claims are the subject of indemnity by the Policy. Such costs, fees and expenses are called 'Defence Costs' and shall become payable only upon the final settlement of the claim.
- 5.2.5 Indemnity Limits: The Company's total liability to pay compensation, Claimant's costs, fees and expenses and defence costs shall not exceed the Indemnity Limit stated in the Schedule. Indemnity Limit for any one accident applies to any one claim or series of claims arising from one originating cause. Indemnity Limit shall represent the total amount of Company's liability during the Policy Period.
- 5.2.6 Claims Series Clause For the purpose of this Policy where a series of and/or several bodily injuries and/or property damages are attributable direct or indirectly to the same cause all such bodily injuries and/or property damages shall be added together and all such bodily injuries and/or property damages shall be treated as one claim and such claim shall be deemed to have been made at the point in time when the first of the claims was made in writing. There shall, however, be no coverage for claims made arising from one specific cause, which are made later than 3 years after the first claim of the series.

- 5.2.7 The Insured shall give written notice to the Company as soon as reasonably practicable of any claims made against the Insured (or any specific event or circumstances that may give rise to a claim being made against the Insured) and which forms the subject of indemnity under this Policy and shall give all such additional information as the Company may require. Every claim, writ, summons or process and all documents relating to the event shall be forwarded to the Company immediately they are received by the Insured.
- 5.2.8 Notification Extension Clause Should the Insured notify the Company during the Policy Period in accordance with General Condition 6 of this Coverage Section of any specific event or circumstance which the Company accepts may give rise to a claim or claims which form the subject of indemnity by this Policy, then the acceptance of such notification means that the Company will deal with such claim or claims as if they had first been made against the Insured during the Policy Period.
- 5.2.9 The Company will have the right but in no case the obligation, to take over and conduct in the name of the Insured the defence of any claims and will have full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over the defence of any claim may relinquish the same. All amounts expended by the Company in the defence, settlement or payment of any claim will reduce the Indemnity Limit specified in the Schedule of the Policy.
- 5.2.10 In the event the Company, in its sole discretion chooses to exercise its right pursuant to this Condition, no action taken by the Company in the exercise of such right will serve to modify or expand in any manner, the Company's liability or obligations under this Policy beyond what the Company's liability or obligations would have been had it not exercised its rights under this Condition.
- 5.2.11 The Company may at any time pay to the Insured in connection with any claim or series of claims under this Policy to which an Indemnity Limit applies the amount of such limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Company shall relinquish the conduct and control of and be under no further liability in connection with such claims.
- 5.2.12 In the event of liability arising under the Policy or the payment of a claim under this Policy, the Indemnity Limit under Policy shall get reduced to the extent of quantum of liability to be paid or actual payment of such claim. Under no circumstances it shall be permissible to reinstate the Indemnity Limit to the original level even on payment of extra premium.

### **5.3 COVERAGE SECTION D General Exclusions**

- 5.3.1 This Policy does not cover liability
- 5.3.1.1 assumed by the Insured by agreement and which would not have attached in the absence of such agreement.
- 5.3.1.2 arising out of earthquake, earth-tremor, volcanic eruption, flood, storm, tempest, typhoon, hurricane, tornado, cyclone or other similar convulsions of nature and atmospheric disturbance.
- 5.3.1.3 arising out of deliberate, willful or intentional non-compliance of any Statutory provision.
- 5.3.1.4 arising out of loss of pure financial nature such as loss of goodwill, loss of market and all consequential financial losses
- 5.3.1.5 (i) arising out of all personal injuries such as libel, slander, false arrest, wrongful detention, defamation etc., and mental injury, anguish, or shock resulting therefrom.
- 5.3.1.6 (ii) infringement of plans, copyright, patent, trade name, trade mark, registered design.
- 5.3.1.7 arising out of fines, penalties, punitive or exemplary damages or any other damages resulting from the multiplication of compensatory damages.
- 5.3.1.8 due to constitution related exposures.
- 5.3.1.9 for property under care, control and custody of the insured
- 5.3.1.10 Arising out of resident/tenants/employees and other permanent occupants of the insured premises.
- 5.3.2 This Policy does not cover liability for claims arising out of:
- 5.3.2.1 The ownership, possession of, use by or on behalf of the Insured of any motor vehicle or trailer for which compulsory insurance is required legislation other than the following:
- (i) claims caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer;
  - (ii) claims arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any other motor vehicle or trailer;
  - (iii) claims for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any motor vehicle or trailer or of the load carried therein;
  - (iv) claims arising out of any motor vehicle or trailer temporarily in the Insured's custody or control for the purpose of parking.

- 5.3.2.2 transportation of materials and/or hazardous/dangerous substances outside Insured's premises
- 5.3.2.3 the ownership, possession or use by or on behalf of the Insured of any aircraft, watercraft or hovercraft
- 5.3.2.4 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,
- (i) premises (or the contents thereof) temporarily occupied by the Insured for work thereon or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for damage to that part of the property on which the Insured is working and which arises out of such work).
  - (ii) Employees' and visitors' clothing and personal effects.
  - (iii) premises tenanted by the Insured to the extent that the Insured would be held legally liable in the absence of any specific agreement.
- 5.3.2.5 the deliberate conscious or intentional disregard of the Insured's technical or administrative management or the need to take all reasonable steps to prevent claims.
- 5.3.2.6 Injury to any person under the contract of employment or apprenticeship with the Insured their contractor(s) and/or Sub-Contractor(s) when such injury arises out of the execution of such contract.
- 5.3.2.7 liability more specifically insured elsewhere.
- 5.3.2.8 liability arising under any statute based on the doctrine of No-Fault Liability or under the Public Liability Insurance Act 1991.
- claims arising out of or in connection with
  - Pollution howsoever caused unless specifically covered
  - any product
- 5.4 Food and Beverages Rider
- 5.4.1 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 additional premium being paid by the Insured to the Company and subject always to the provisos, and exclusions of the Public Liability coverage and the General Conditions and the General Exclusions of the policy and all endorsements thereon,
- 5.4.2 Coverage Section D (Public Liability) is, effective the date stated herein, extended to include all sums, which the Insured shall become legally liable to pay consequent upon any injury and/ or damage arising out of poisoning by foreign or deleterious matter in food, beverages and/ or any edible item supplied by or on behalf of the Insured, provided always that the Insured shall take every possible precaution to prevent supply of any food/ beverages/ edible item, which are not in good condition or free from contamination or fit for human consumption.
- 5.4.3 subject to the limit of indemnity not exceeding \_\_\_% of the overall aggregate limit, mentioned in the Schedule of the policy and per person limit of Rs.\_\_\_\_, which shall form the part of over all limit as mentioned in the schedule of the Policy.
- 5.4.4 Exclusions:
- 5.4.4.1 the Company shall not be liable for any injury and/ or damage due to any pandemic and/ or epidemic diseases such as avian flu, SAARS
- 5.5 Care, Control & Custody Rider
- 5.5.1 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 additional premium being paid by the Insured to the Company and subject always to the provisos, and exclusions of the Public Liability coverage and the General Conditions and the General Exclusions of the policy and all endorsements thereon,
- 5.5.2 Coverage Section D (Public Liability) is, effective the date stated herein, extended to include all sums, which the Insured shall become legally liable to pay consequent upon any injury and/ or damage to the valuable of the residents/ bona fide guests while such valuable are in the care, control and custody of the Insured in the premises mentioned in the schedule, provided always that the valuables shall be kept in the strong room/ cloak room maintained by the Insured for safe keeping and Insured maintains proper records showing the items deposited therein by each resident/ bona fide guest.
- 5.5.3 subject to the limit of indemnity not exceeding \_\_\_% of the overall aggregate limit, mentioned in the Schedule of the policy and per person limit of Rs.\_\_\_\_, which shall form the part of over all limit as mentioned in the schedule of the Policy.
- 5.5.4 Exclusions:
- This extension does not cover liability
- 5.5.4.1 Money, securities, documents, credit/ debit cards, plans

5.6 Extra Facility Rider

5.6.1 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 additional premium being paid by the Insured to the Company and subject always to the provisos, and exclusions of the Public Liability coverage and the General Conditions and the General Exclusions of the policy and all endorsements thereon,

5.6.2 Coverage Section D (Public Liability) is, effective the date stated herein, extended to include all sums, which the Insured shall become legally liable to pay consequent upon any injury and/ or damage arising out of use of the facilities viz., Lift, Swimming Pool, Spa, Gymnasium, Salon, Valet Parking arising out of accidents (including accidents arising out of contamination of water) in the insured premises subject to the compliance of the following

5.6.2.1 The facility must be maintained in a hygienic condition within regular cleaning and maintenance by properly trained personnel

5.6.2.2 The materials used are proper and free of defects

5.6.2.3 Sanitary arrangements are proper

5.6.2.4 Qualified and adequate life guard/ instructor/ attendant/ trainer are on duty when the facilities are in use

5.6.3 subject to the limit of indemnity not exceeding \_\_\_% of the overall aggregate limit, mentioned in the Schedule of the policy and per person limit of Rs.\_\_\_\_, which shall form the part of over all limit as mentioned in the schedule of the Policy.

5.6.4 Exclusion:

It is agreed that no coverage afforded by this policy shall apply to any damages for which the insured may be held liable:

5.6.4.1 As a person or organization engaged in the business of manufacturing, distributing, selling or servicing alcohol beverages, by reason of the selling, servicing or giving of any alcohol beverage:

5.6.4.1.1 *In violation of any statute, ordinance, or regulation;*

5.6.4.1.2 *To a minor, as defined by law;*

5.6.4.1.3 *To a person under the influence of alcohol, or*

5.6.4.1.4 *Which causes or contributes to the intoxication of any person; or*

5.6.4.2 If not so engaged as an owner or lessor of premises used for such purposes, by reason of the selling, servicing or giving of any alcohol beverage in violation of any statute, ordinance or regulation.

5.6.5 Act of God extension

5.6.5.1 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 additional premium being paid by the Insured to the Company and subject always to the provisos, and exclusions of the Public Liability coverage and the General Conditions and the General Exclusions of the policy and all endorsements thereon,

5.6.5.2 Coverage Section D (Public Liability) is, effective the date stated herein, extended to include all sums, which the Insured shall become legally liable to pay consequent upon any injury and/ or damage arising out of Act of God perils, namely earthquake, earth-tremor, volcanic eruption, flood, storm, tempest, typhoon, hurricane, tornado, cyclone or other similar convulsions of nature and atmospheric disturbance.

5.6.5.3 subject to the limit of indemnity not exceeding \_\_\_% of the overall aggregate limit, mentioned in the Schedule of the policy and per person limit of Rs.\_\_\_\_, which shall form the part of over all limit as mentioned in the schedule of the Policy.

- 6.1.1 The insurance here under 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 addition 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 that proportion (the Indemnity Period bears to 12 months) of the Annual Turnover, the amount payable shall be proportionately reduced.
- 6.1.2 **Departmental Clause**  
If the Business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (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.
- Accumulated Stocks 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 in the Insured's warehouses.
- 6.1.3 **Definitions**
- 6.1.3.1 **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.
- 6.1.3.2 **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 all 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.
- 6.1.3.3 **INSURED STANDING CHARGES** - Per listing of Charges stated in the Schedule to the Policy.
- 6.1.3.4 **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.
- 6.1.3.5 **INDEMNITY PERIOD** -the period beginning with the occurrence of the Damage and ending not later than the number of months (stated in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.
- 6.1.3.6 **RATE OF GROSS PROFIT** -the Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.
- 6.1.3.7 **ANNUAL TURNOVER** -the Turnover during the twelve months immediately before the date of the Damage.
- 6.1.3.8 **STANDARD TURNOVER** -the Turnover during that period in the twelve months immediately 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 before the date of the Damage which corresponds / the relative period after the Damage. 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 account 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.  
New Business Clause (Applicable if so declared in the Schedule)

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.

- 6.1.3.9 RATE OF GROSS PROFIT - The rate of Gross Profit to which such adjustments shall be made earned on the Output/ Turnover during the period \ as may be necessary to provide for the between the date of the commencement of the trend of the Business and for variations Business and the date of the Damage in or special circumstances affecting the Business either before or after the
- 6.1.3.10 ANNUAL OUTPUT/ TURNOVER - The proportional Damage or which would have affected equivalent for a period of twelve months or the the Business had the Damage not Output/ Turnover realized during the period between occurred so that the figures thus adjusted the commencement of the Business and the date of the shall represent as nearly as may be Damage. reasonably practicably, the results which, but for the Damage, would have been
- 6.1.3.11 STANDARD OUTPUT/ TURNOVER -The obtained during the relative period after proportional equivalent for a period equal to the the Damage. Indemnity Period of the Output/ Turnover realized / during the period between the commencement of the Business and the date of the Damage

## **6.2 SPECIFICATION B- Insurance on Gross Profit on Output Basis**

- 6.2.1 The insurance here under 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 addition 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 that proportion (the Indemnity Period bears to 12 months) of the Annual Turnover, the amount payable shall be proportionately reduced.
- 6.2.2 Departmental Clause
- If the Business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (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.
- Accumulated Stocks 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 in the Insured's warehouses.

6.2.3 Definitions

- 6.2.3.1 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.
- 6.2.3.2 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 all 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.
- 6.2.3.3 INSURED STANDING CHARGES - Per listing of Charges stated in the Schedule to the Policy.
- 6.2.3.4 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.
- 6.2.3.5 INDEMNITY PERIOD -the period beginning with the occurrence of the Damage and ending not later than the number of months (stated in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.
- 6.2.3.6 RATE OF GROSS PROFIT -the Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.
- 6.2.3.7 ANNUAL TURNOVER -the Turnover during the twelve months immediately before the date of the Damage.
- 6.2.3.8 STANDARD TURNOVER -the Turnover during that period in the twelve months immediately 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 before the date of the Damage which corresponds / the relative period after the Damage. with the Indemnity Period
- 6.2.3.9 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.
- 6.2.3.10 Memo 2. If any Standing Charges of the Business be not insured by this Policy then in computing the account 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.
- 6.2.3.11 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.
- 6.2.3.12 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.
- 6.2.3.13 New Business Clause (Applicable if so declared in the Schedule)
- 6.2.3.14 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.
- 6.2.3.15 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
- 6.2.3.16 ANNUAL OUTPUT/ TURNOVER - The proportional equivalent for a period of twelve months or the Output/ Turnover realized during the period between the commencement of the Business and the date of the Damage.
- 6.2.3.17 STANDARD OUTPUT/ TURNOVER -The proportional equivalent for a period equal to the 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 practicably, the results which, but for the Damage, would have been obtained during the relative period after the Damage.
- 6.2.3.18 Indemnity Period of the Output/ Turnover realized / during the period between the commencement of the Business and the date of the Damage



### 6.3 SPECIFICATION C- Difference Basis Insurance on Gross Profit on Turnover Basis

- 6.3.1 The insurance here under 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 addition 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 that proportion (the Indemnity Period bears to 12 months) of the Annual Turnover, the amount payable shall be proportionately reduced.
- 6.3.2 Departmental Clause  
If the Business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (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.
- 6.3.3 Accumulated Stocks 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 in the Insured's warehouses.
- 6.3.4 Definitions
- 6.3.4.1 GROSS PROFIT - The amount by which the sum of turnover and the amount of Closing Stock shall exceed the sum of the amount of the Opening Stock and the amount of Specified Working Expenses. Note: The amounts of the Opening and Closing Stock shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.
- 6.3.4.2 SPECIFIED WORKING EXPENSES - Per listing of Expenses stated in the Schedule to the Policy.
- 6.3.4.3 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.
- 6.3.4.4 INDEMNITY PERIOD -the period beginning with the occurrence of the Damage and ending not later than the number of months (stated in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.
- 6.3.4.5 RATE OF GROSS PROFIT -the Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.
- 6.3.4.6 ANNUAL TURNOVER -the Turnover during the twelve months immediately before the date of the Damage.
- 6.3.4.7 STANDARD TURNOVER -the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds 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. 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 account 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.  
New Business Clause  
(Applicable if so declared in the Schedule)

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.

## 6.4 SPECIFICATION D–Wages

### 6.4.1 Dual Basis

The Insurance under this specification is limited to loss in respect of "Wages" and the amount payable as indemnity there under shall be

#### 6.4.1.1 In Respect of Reduction in Turnover

- II. during the portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than the number of weeks specified in the schedule attached hereto, thereafter the sum produced by applying the Rate of Wages to the Shortage in Turnover/ Output during the said portion in the Indemnity Period.
- III. Less any saving during the said portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid 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.
- IV. 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 the specified Percentage 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) 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 savings effected during the said increased number of weeks.
- V. here insert the equivalent numbers of weeks ascertained from the conversion table x) provided in Section II - rule 3 A)

6.4.1.2 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 Clause (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.

### 6.4.2 Definitions

6.4.2.1 WAGES - total wages of all employees other than those whose wages are insured as standing charge. Note: - The above definition may be altered to suit the requirements of individual clients.

6.4.2.2 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.

6.4.2.3 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.

#### 6.4.2.4 Pro Rate Basis

The insurance under this specification on the number of weeks Wages on sum insured equal to the amount specified in the attached schedule is limited to the loss incurred by the Insured by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than number of weeks specified in the 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 utilized 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 utilized by the Insured to the 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 number of Weeks per attached 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 the definition given in the schedule attached

## 6.5 SPECIFICATION E - Lay-off and/ or retrenchment Compensation with or without Notice Wages Liability

6.5.1 The Insurance here under is limited to the amount which the Insured shall become legally liable to pay and shall pay to employees as\* under the provisions of the Industrial Disputes Act, 1947 and all subsequent amendments thereto.

6.5.2 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.

6.5.3 Provided also that if the sum insured by this policy shall be less than the aggregate amount of \* to the said employees the amount payable shall be proportionately reduced.

6.5.4 "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 charges 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.

**6.6 SPECIFICATION F - Auditors' Clause.-(Modifying the Co.'s liability under condition 3)**

The Insurance here under 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.

**6.7 SPECIFICATION G – New Business Clause -(Modifying the Co.'s liability under condition 3)**

- 6.7.1 The Insurance here under 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.
- 6.7.2 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
- 6.7.3 ANNUAL OUTPUT/ TURNOVER -The proportional equivalent for a period of twelve months or the Output/ Turnover realized during the period between the commencement of the business and the date of the damage.
- 6.7.4 STANDARD OUTPUT/ TURNOVER -The proportional equivalent for a period equal to the Indemnity Period of the Output/ Turnover realized during the period between the commencement of the business and the date of the damage
- 6.7.5 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 practicably, the results which, but for the damage, would have been obtained during the relative period after the damage.

**6.8 SPECIFICATION H - Solicitors' and Professional Mens' Fees**

- 6.8.1 THE INSURANCE UNDER ITEM Gross Profit is limited to loss of Gross Fees and Increase in Cost of Working and the amount payable as indemnity thereunder shall be: -
- 6.8.2 1.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.
- 6.8.3 1.b) In respect of increase in cost of working:
- 6.8.4 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.
- 6.8.5 Provided that if the sum insured by this Item be less than the Annual Gross Fees or a the specified multiple where the indemnity period exceeds 12 months, the Amount payable shall be proportionately reduced.
- 6.8.6 THE INSURANCE UNDER ITEM "Additional Expenditure" 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.
- 6.8.7 THE INSURANCE UNDER ITEM "legal, clerical and other charges" 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 of Rs. 5,000/-
- 6.8.8 Definitions
- 6.8.8.1 GROSS FEES - the money paid or payable to the Insured for services rendered in course of the business at the premises.
- 6.8.8.2 INDEMNITY PERIOD - the period beginning with the occurrence of the damage and ending not later than the specified months thereafter during which the results of the business shall be affected in consequence of the damage.

\* Here is inserted the appropriate multiple if the Indemnity Period exceeds 12 months.

- 6.8.8.3 ANNUAL GROSS FEES - the gross fees earned during the twelve months immediately before the date of the damage
- 6.8.8.4 STANDARD GROSS FEES -the gross fees earned during that period in the twelve months immediately 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.
- 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 amount of the Gross Fees during the Indemnity Period.

- Memo 2. The Insurance by item "legal, clerical and other charges" 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 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 Sum Insured thereon, a pro-rata 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 such damage.

Note: As regards the rate for covering Professional Mens' Fees, the standard percentage scale of the basis rate provided in the Consequential Loss (Fire) Tariff would be applicable to such covers.

## 6.9 SPECIFICATION I- Insurance on Gross Revenue Basis

6.9.1 The insurance here under is limited to (a) loss of Gross Revenue and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be: -

6.9.1.1 IN RESPECT OF LOSS OF GROSS REVENUE: the amount by which the Gross Revenue during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Gross Revenue.

6.9.1.2 IN RESPECT OF INCREASE IN COST OF WORKING: the addition 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 Damage, provided that if the Sum Insured by this Item be less than that proportion (the Indemnity Period bears to 12 months) of the Annual Gross Revenue, the amount payable shall be proportionately reduced.

6.9.2 Definitions

6.9.2.1 GROSS REVENUE -The money paid or payable to the Insured for the work done or services rendered (as specified in the Schedule) in the course of Business at the premises.

6.9.2.2 INDEMNITY PERIOD -the period beginning with the occurrence of the Damage and ending not later than the number of months (stated in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

6.9.2.3 ANNUAL GROSS REVENUE -the Gross \ to which such adjustments shall be made as may be Revenue during the twelve months necessary to provide for the trend of the Business and immediately before the date of the Damage.for variations in or special circumstances affecting the business either before or after the Damage or which

6.9.2.4 STANDARD GROSS REVENUE -the would have affected the Business had the Damage not Gross Revenue during that period in the occurred so that the figures thus adjusted shall twelve months immediately before the date represent as nearly as may be reasonably practicable of the Damage which corresponds with the Indemnity Period / the results which, but for the Damage, would have been obtained during the relative period after the Damage.

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 his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Memo 2. If the event of the Gross Revenue 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, being 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 provided the Insured's declaration is received by the Company within nine months of the expiry of the Period of Insurance.

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.

## 7 COVERAGE SECTION F EMPLOYEE FIDELITY RIDER

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.

COVERAGE SECTION F (Employee Fidelity)

the Insured shall sustain Direct Financial Loss

### 7.1 PERILS SPECIFIED

All such Direct Financial Loss as the Insured shall sustain by all acts of Fraud or Dishonesty committed by any of the Employed

- (a) during the Period of Indemnity and

- (b) during the uninterrupted continuance of employment of such Employed and
- (c) in connection with his occupation and discovered during the Period of Indemnity or within six months thereafter or within six months after the termination of such employment whichever shall happen first.

## 7.2 Definitions

Fraud or Dishonesty Employed shall mean either

-any employee named herein of the Insured or

-all employees of the Insured occupying a position named herein. Employee shall mean any person who has entered into a express contract of employment (other than employment of a temporary or casual nature) with the Insured. Employee shall not include any person with a proprietary or partnership interest of any nature in the Business of the Insured.

Period of Indemnity Period of Indemnity shall mean -in respect of named employees the dates stated herein as the Period of Insurance or in any subsequent amendatory endorsement thereto. -in respect of named positions from the date upon which the employee is engaged by the Insured in the position guaranteed up to the date of expiry of the Policy. -any subsequent period for which the Insured shall pay and the Company shall agree to accept the renewal Premium.

Direct Financial Loss Direct Financial Loss shall mean the loss of monies and or stock at prime cost belonging to the Insured proved to have been criminally misappropriated and disposed of by the Employed excluding any consequential loss of any kind.

Employed Fraud or Dishonesty shall mean the act of stealing misappropriation embezzlement or fraudulent conversion on the part of the Employed.

## 7.3 CONDITIONS

1. The liability of the Company shall in no case exceed

- (i) in respect of each Employed during the Period of Insurance, the Amount of Guarantee stated herein and
- (ii) in respect of more than one Employed acting in collusion, the maximum amount stated for Any One Occurrence defined as one loss or a series of losses arising out of one or more acts of Fraud or Dishonesty committed by one or more such Employed during the Period of

- (iii) Insurance and the amount remaining after deduction, from the amount stated herein as the Annual Aggregate Limit of Indemnity, for all other losses occurring during the same Period of Insurance. The Annual Aggregate Limit of Indemnity is defined as the maximum liability of the Company in respect of all losses from all occurrences during the Period of Insurance.

1 The Company shall not be liable to make any payment hereunder should there be any breach of any of the Warranties stated herein.

2 The Company shall not be liable to make any payment hereunder if the nature of the Business of the Insured or the duties or conditions of service of any of the Employed shall be changed or the remuneration of any of the Employed reduced without the sanction of the Company or if the precautions and checks for securing accuracy of the accounts mentioned in the Proposal and correspondence relative thereto shall not be duly observed.

3 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 Employed 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 Employed shall not exceed the Amount of Guarantee set against the name of such Employed in the Schedule or the amount guaranteed under any other such Policy as aforesaid whichever is the greater.

4 No amount shall be payable under this Policy in respect of any Employed by reason of any act committed after knowledge of any act of fraud or dishonesty on the part of the Employed or reasonable cause for suspicion thereof or any improper conduct shall have come to the Insured or of any representative of the Insured to whom is entrusted the duty of superintendence over any of the Employed.

5 The Company shall not be liable to pay more than one claim in respect of any of the Employed.

6 Any monies of any of the Employed in respect of whom a claim is made in the hands of the Insured and any monies which but for any act of fraud or dishonesty committed by such one of the Employed would have been due to that Employed from the Insured shall be deducted from the amount of the loss before a claim is made under this Policy. The Insured and the Company shall share any other recovery (excluding insurance and reinsurance and any counter security taken by the Company) made by either on account of any loss in the proportions that the amount of the loss borne by each bears to the total amount of the loss.

1 The Company shall not be liable to make any payment hereunder if the nature of the Business of the Insured or thThe Company may at any time determine and cancel this Policy in respect of any person or persons specified in the Schedule hereof by registered letter to the Insured at his place of business last known to the Company provided that the Company shall in that event on demand return to the Insured a proportionate part of the premium corresponding to the unexpired term of the Policy in respect of such person(s).

2 The Company shall not be bound to notice or be affected by any notice of any trust charge or alienation relating to any payment under this Policy but the receipt of the Insured or his legal personal representatives shall in any event be effectual discharge for the Company of its liabilities under the Policy.

**Any one Occurrence:** means one claim or series of claims arising out of one or more acts of fraud/ dishonesty on the part of one or more employees acting in collusion involving one or more business locations.

Warranties:

Record of employees in insured positions to be maintained.

## 8 COVERAGE SECTION G PLATE GLASS

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.

COVERAGE SECTION G (Plate Glass)

any Plate Glass described herein be accidentally Damaged

### 8.1 PERILS SPECIFIED

Accidental Damage ("Damage" as hereinafter defined) by any cause not excluded by the Policy.

Definitions

Plate Glass shall mean completely and securely fixed flat glass within the Insured Premises (including Plate Glass of display/show windows of the Premises) and described in the Schedule excluding its glazing and/or lettering and /or ornamentation and /or any surface treatment or surfacing unless specifically described and declared for insurance. Plate Glass shall not include

- external signboards but if specifically declared can include Plate Glass of doors to the Premises
- glass that constitutes or is part of the building façade.

Damage shall mean sudden and accidental fracture visible to the naked eye extending through the entire thickness of the Plate Glass and shall not (unless specifically declared herein) include

- any other disfiguration or damage to the Plate Glass
- any disfiguration or damage only to the glazing or lettering or ornamentation and /or any surface treatment or surfacing thereon.

## 8.2 CONDITIONS

- 1 The Insured shall take all due and proper precautions for the safety of the Plate Glass insured.
- 2 The Insured shall give the Company immediate notice of all or any circumstances which materially affect the risk covered by this Policy and in particular if any alterations be made to any of the insured Plate Glass or its framework or if any repairs or alterations take place in or about the Insured Premises or if the Business of the Insured changes or ceases or if the Insured Premises shall become unoccupied.
- 3 All insurance insofar as it pertains to an Insured Premises shall cease immediately upon the fall or displacement by any cause of the building in which the whole or part of the Insured premises are located or upon the occurrence of any event that either damages such building or renders the Insured Premises either exposed or inaccessible unless due written notice has been received by the Company from the Insured requesting continuation of the insurance and the Insured has paid such additional Premium as may be deemed necessary by the Company with due regard for the increased hazards.
- 4 Upon the happening of Damage the Sum Insured shall stand reduced by the amount of such Damage. The Sum Insured shall be reinstated only upon the Insured paying to the Company the pro-rata premium for the unexpired Period of Insurance from the date of such Damage to the Expiry Date of the Policy for the amount of such Damage.
- 5 If at the time of any Damage, the Plate Glass (inclusive of, if insured, any lettering or ornamentation and /or any surface treatment or surfacing thereon) hereby insured 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 of the Policy shall be separately subject to this Condition.
- 6 If at the time of the happening of any loss or damage covered by this Policy there shall be subsisting any other insurance of any nature whatsoever covering the same, whether effected by the Insured or not, then the Company shall not be liable to pay or contribute more than its ratable proportion of any loss or damage.

## 8.3 EXCLUSIONS

The indemnity granted shall neither extend to nor cover :

- 1 Damage arising directly or indirectly from or in consequence of fire, heat, gas, lightning, explosion, burglary (or attempt thereat), storm (understood for the purpose of this insurance as any action of wind or any thing carried by it), flood, inundation, earthquake, strike, riot or civil commotion.
- 2 Damage arising from the Plate Glass being worked upon in any manner or during its removal or replacement or arising out of or in course of alterations to the Premises.
- 3 Frames or framework of any description or the cost of removal of any fittings, fixtures or other obstructions.
- 4 Scratched, cracked or imperfect glass
- 5 Damage as a result of faulty workmanship and/or defective design of frames or framework or fittings or fixtures of any description.
- 6 Costs of recreating any glazing and/or lettering and /or ornamentation and /or any surface treatment or surfacing on the Damaged Plate Glass unless such is specifically declared for insurance hereon.

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## 9 COVERAGE SECTION H ELECTRONIC EQUIPMENT (MATERIAL DAMAGE)

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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.

### COVERAGE SECTION H (Electronic Equipment)

#### Sub-Section A

the items or any part thereof entered in the Schedule shall suffer any unforeseen sudden physical loss or damage

#### Sub-Section B

the external data media entered in the Schedule inclusive of the information stored thereon, which can be directly processed in EDP systems, shall suffer any material damage caused

### 9.1 PERILS SPECIFIED Sub-Sections A and B

The Policy 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 or during subsequent re-erection.

#### 9.1.1 Sub-Section A

Any unforeseen sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement.

#### 9.1.2 Sub-Section B

Any material damage caused by peril covered under Sub-Section A. This cover applies while the insured data media are kept on the Premises. Coverage against restoration of data hereunder is granted only if back-up system is available.

### 9.2 CONDITIONS

#### 9.2.1 Sub-Sections A and B

- 1 The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers recommendations.
  2.
    - a) 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.
    - b) The Insured shall immediately notify the Company by Telegram and in writing of any material change in the risk and cause at his own expenses such additional precautions to be taken as circumstances may require to ensure safe operation of the Insured items and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.
  - 2 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 in writing giving an indication as to the nature and external of loss or damage;
- b) Take all steps within his power to minimize the extent of the loss or damage;
- c) Preserve the parts affected and make them available for inspection by a representative or Surveyor of the Company;
- d) Furnish all such information and documentary evidence as the Company may require;
- e) Inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

Upon notification being given to the Company under this Condition, the Insured may carry out the repair or replacement of any minor damage not exceeding Rs. 5,000/- provided that the carrying out of such repairs without prejudice to any question of liability of the Company and that any damaged part requiring replacement is kept for inspection by the Company, but in all other cases a representative shall have the opportunity of inspecting the loss or damage before any repairs or alteration are effected.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is kept in operation after a claim without being repaired in the satisfaction of the Company or if temporary repairs are carried out without the Company's consent.

Sub-Section A

### 9.3 PROVISIONS

#### 9.3.1 1. SUM INSURED

It is a requirement of this insurance that the sum insured shall be equal to the cost of replacement of the insured property 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 equipment insured under this section shall include the value of 'System Software'.

#### 9.3.2 2 BASIS OF INDEMNITY

a) In cases where damage to an insured item can be repaired the Company will 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 an 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 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 herein above 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 an insured item is destroyed - the Company will pay the actual value of the item 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 item. The Company will also pay any normal charges for the dismantling of the machinery 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 Maker's 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

c) In cases where the insured item is subjected to total loss and meanwhile it becomes obsolete, all cost necessary to replace the loss or damaged insured item 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-1 herein above, 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 equipment for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

#### 3. WARRANTY

It is warranted that the Maintenance Agreement in force at the inception of this Policy and no variation in their 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: a) Safety checks, b) Preventive maintenance c) Rectification of loss or damage of faults arising from normal operation as well as from aging.

### 9.3.3 Sub-Section B

#### PROVISIONS

##### 1. Memo 1-Sum Insured

It is a requirement of this insurance that the sum insured shall be the amount required for restoring the insured external data media by replacing lost or damaged data media by new material and reproducing lost information.

##### 2 Memo 2-Basis of Indemnity

The Company will indemnify any expenses that can be proved to have been incurred by the Insured within a period of 12 months as from the date of the occurrence strictly for the purpose of restoring the insured external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner.

If it is not necessary to reproduce lost data or information, or if such reproduction is not effected within 12 months after the occurrence, the Company shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an indefinable occurrence the sum insured shall be reduced for the remaining Period of Insurance by the amount of indemnity paid, unless the sum insured is reinstated.

### 9.4 EXCLUSIONS

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

#### 9.4.1 Sub-Sections A and B

##### PROVISIONS

- 1 Willful act or willful negligence of the Insured or his representative;
- 2 Cessation of work whether total or partial.
- 3 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 replacement, for machinery lost or damaged.
- 4 Derangement of the Insured property not accompanied by damage otherwise covered by this Policy.
- 5 Loss of or damage to the property covered under this Policy falling under the terms of the Maintenance Agreement.
- 6 Loss destruction or damage directly occasioned by pressure wave caused by aircraft and other serial devices traveling at sonic or supersonic speeds.

7. Confiscation, commandeering by 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 any public, municipal or local authority

In any action, suit or other proceeding where the Company allege 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.

#### 9.5 COVERAGE SECTION H (ELECTRONIC EQUIPMENT) - TERRORISM DAMAGE ENDORSEMENT

9.5.1 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 Endorsement is included within Coverage Section H under the Policy. Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

##### 7 TERRORISM DAMAGE EXCLUSION WARRANTY:

Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance 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 warranty 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 organisation(s) or governments(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.

The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or to in any way relating to action taken in respect of an act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

##### 9. 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-

- I. Fire (including losses arising out of fire fighting and rescue work).
- II. Lightning
- III. Explosion / implosion.
- IV. Riot, strike and Malicious Damage.
- V. 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.
- VI. Impact by any rail / road vehicle or animals.
- VII. Aircraft and other aerial and / or space devices and / or articles dropped therefrom.
- VIII. Storm, cyclone, typhoon, tempest, hurricane, tornado, flood, and inundation.
- IX. Subsidence and Landslide including Rockslide.
- X. Earthquake Fire and shock.

#### 9.5.2 Sub-Section A

The Company shall not be liable for

- a) 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;
- b) Loss or damage caused by any faults or defects existing 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;
- c) 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.
- d) 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 insured items.
- e) Any cost incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchanged in the course of such maintenance operations;
- f) Loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract.
- g) 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.
- h) 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, sleeves or fabrics, or any operating media (e.g. lubricating oil, fuel; chemicals).
- i) Aesthetic defects, such as scratches on painted polished or enameled surfaces.

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

#### 9.5.3 Sub-Section B

The Company shall, however, not be liable for:

- 1 the Excess stated in the Schedule to be borne by the Insured in any one occurrence;



2 any cost arising from false programming, punching, labeling or inserting, inadvertent canceling of information or discarding of data media, and from loss of information caused by magnetic fields;  
 3 consequential loss of any kind or description whatsoever.

**9.6 COVERAGE SECTION H (ELECTRONIC EQUIPMENT) - EXCESS CLAUSE**

**EXCESS CLAUSE**

- a) For equipments with value upto Rs. 1 lakh -
  - i) Equipments (other than Winchester Drive and/or/ Hard Disc drives)
  - ii) Winchester Drive/and/or/ Hard Disc drives
 5% of claim amount subject to a minimum of Rs. 1,000/-  
 10% of a claim amount subject to a minimum of Rs. 2,500/-
- b) For equipments with value more than Rs. 1 lakh -
  - i) Equipments (other than Winchester Drive and/or/ Hard Disc drives)
  - ii) Winchester Drive/and/or/ Hard Disc drives
 5% of claim amount subject to a minimum of Rs. 2,500/-  
 25% of a claim amount subject to a minimum of Rs. 10,000/-
- c) In case of computers, the term equipment shall include the entire computer system comprising of CPU, keyboard, Monitors, Printers, Stabilisers, UPS, System Software etc."  
 The excess for Personal Computers would be 5% of the claim amount subject to a minimum of Rs 2,500.

**10 COVERAGE SECTION I Personal Accident**

**Personal Accident Rider**

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.

Injury is sustained by the Insured Person(s) anywhere in the world

**10.1 PERILS SPECIFIED**

Injury sustained by an Insured Person anywhere in the world including such Injury sustained while the Insured Person is riding as a passenger (but not as a pilot, operator or member of the crew) in or on, boarding or alighting from any civilian aircraft and shall not apply while such Insured Person is riding in any civilian aircraft other than as expressly described herein.

**Definitions**

Accident -means a sudden, unforeseen, uncontrollable and unexpected physical event caused by external, violent and visible means occurring during the Insured Period.

Acquired Immune Deficiency Syndrome -means the meanings assigned to it by the World Health Organization. Acquired Immune Deficiency Syndrome shall include HIV (Human Immune-deficiency Virus), encephalopathy (dementia), HIV Wasting Syndrome, and ARC (AIDS Related Condition).

Age - means the Age of the Insured Person on their most recent birthday, regardless of the actual time of birth.

Disease -means an illness or affliction of the body having a defined and recognized pattern of symptom(s) which causes more than temporary indisposition and which illness or affliction first manifested itself and was contracted during the Trip.

Injury - means bodily Injury caused solely, independently and directly by Accident (as defined in the Policy) and occurring during the Insured Period.

Insured Period(s)- means with respect to the Policy, the period commencing with the Effective Date of the Policy and terminating with the Expiration Date of the Policy as stated in the Policy Schedule and any subsequent period for which the Policy may be renewed.

Insured Person - means the Insured Person up to Age 65 who resides permanently in India named in the Policy Schedule as being eligible to become insured under this Policy

Physician -means a licensed medical practitioner of the healing arts acting within the scope of his license and who holds a degree of a recognized institution and is registered by the Medical Council of the respective country. The attending Physician may not be (a) an Insured Person or (b) an Insured Person's Immediate Family Member. The term Physician would include specialist and surgeon.

Policy -means the insurance contract, the Policy Schedule, and any attached enrollment forms, endorsements, papers or riders.

Policy Schedule - means the Policy Schedule attached to and forming part of the Policy.

Pre-existing Condition -a condition for which care, treatment, or advice was recommended by or received from a Physician or which was first manifested or contracted <<within a two year period>> preceding the Policy Effective Date of Coverage, or a condition for which hospitalization or surgery was required <<within a five year period>> preceding the Policy Effective Date specified in the Schedule.

Professional Sports -means a sport, which remunerates a player in excess of 50% of his or her income as a means of their livelihood.

Sickness -means illness first manifested and contracted, and commencing after the Effective Date of the Policy Schedule.

**10.2 CONDITIONS**

1. The Company will pay a percentage of the Principal Sum shown in the Schedule if Injury to the Insured Person results in one of the losses shown in the Table of Losses below. The loss must occur during the Insured Period within 180 days from the date of the Accident which caused Injury.

If more than one loss results from any one Accident, only one amount, the largest, will be paid.

**Table of Losses**

Loss of: % of Principal Sum

Life .....	100%
Both Hands or Both Feet .....	100%
Sight of Both Eyes .....	100%
One Hand and One Foot .....	100%
Either Hand or Foot and Sight of One Eye .....	100%
Speech and Hearing in Both Ears .....	100%
Either Hand or Foot .....	50%
Sight of One Eye .....	50%
Speech.....	50%
Hearing in Both Ears.....	50%
Thumb and Index Finger of Same Hand .....	25%

"Loss" with regard to:

- (a) hand or foot means actual severance through or above the wrist or ankle joints respectively;
- (b) eye means entire and irrecoverable loss of sight;
- (c) thumb and index finger means actual severance through or above the joint that meets the hand at the palm;
- d) speech or hearing means entire and irrecoverable loss of speech or hearing of both ears.

**Disappearance**

The Company will pay the benefit for Loss of Life if the Insured Person's body cannot be located within 180 days after the forced landing, stranding, sinking or wrecking of a conveyance in which the Insured Person were a passenger or as a result of any Acts of God, in which case it shall be deemed, subject to all other terms and provisions of the Policy, that the Insured Person shall have suffered loss of life within the meaning of the Policy

1 Medical Examination The Company, at its own expense, shall have the right and opportunity to examine the Insured Person when and as often as the Company may reasonably require during the pendency of a claim hereunder, and also the right and opportunity to make a post mortem examination of the Insured Person's body as permitted by law. Compliance with this examination by Insured Person or the Insured Person's estate is a condition precedent to the Company assuming liability under the Policy.

3. Indemnity Indemnity, if any, in case of Insured's loss of life is payable to the nominee named in the Schedule provided such nominee survives the Insured Person by thirty days; otherwise, indemnity is payable to Insured Person's estate. All other indemnities of this Policy are payable to the Insured Person.

All payments by the Company in good faith pursuant to this provision shall fully discharge the Company to the extent of the payment.

2 Consent of Nominee Consent of the nominee, if any, shall not be requisite for change of nominee or to any other changes in this Policy.

3 Change of Nominee No change of nominee under this Policy shall bind the Company, unless consent thereto is formally endorsed thereon by the Constituted Attorney.

4 Change of Occupation If the Insured Person sustains a loss after having changed occupation to one the Company classifies as more hazardous or while doing for compensation anything pertaining to an occupation so classified, the Company will pay such portion of the indemnities provided in this Policy as the premium paid would have purchased at the rates and within the limits the Company has fixed for such more hazardous occupation.

5 Misstatement of age If the Insured Person's age has been misstated, the Company shall not be liable to pay any all amounts otherwise payable under this Policy in respect of an Insured Person who is actually over the age of 65 as at inception of the insurance.

**10.3 EXCLUSIONS**

This Policy does not provide benefits for any loss resulting in whole or in part from, or any other loss, directly or indirectly caused by or contributed to by or arising from :

- 1 intentionally self inflicted injury, suicide or any attempt thereof while sane or insane;
- 2 any period the Insured Person is serving Armed forces of any country or international authority, whether in peace or war;
- 3 loss sustained or contracted in consequence of the Insured Person being under the influence of alcohol or any drugs unless administered on the advise of a physician;
- 4 for any loss of which a contributing cause was the Insured Person's attempted commission of, or willful participation in, an illegal act or any violation or attempted violation of the law or the Insured Person's resistance to arrest;

1 any loss sustained while flying in any air craft or device for aerial navigation except as specifically provided herein;

2 any Pre-Existing Condition;

3 congenital anomalies and conditions arising out of or resulting therefrom;

4 for any opportunistic infection and/or malignant neoplasm, if at the time of the accident or sickness the insured person had an Acquired Immune Deficiency Syndrome (AIDS) or having an antibody positive blood test to HIV (Human Immune-Deficiency Virus). Opportunistic infection shall include but will not be limited to pnueomosystis carinii pneumonia, organism of Kaposi's Sarcoma, central nervous system lymphoma, and/or other malignancies not known or which become known as causes of death in the presence of Acquired Immune Deficiency Syndrome;

5 any loss sustained while the Insured Person is participating in any professional sports;

6 any loss sustained while the Insured Person is participating in contest of speed using a motorized vehicle or bicycle;

7 participating in sky diving/ parachuting hand gliding , bungee jumping, scuba diving, mountain climbing, pot-holing;

8 for Injury or Disease directly or indirectly caused by or contributed by ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel;

9 for Injury or Disease directly or indirectly caused by or contributed by the radioactive, toxic, explosive or other dangerous properties of any explosive nuclear equipment or any part of that

14. equipment;

any loss resulting directly or indirectly, contributed or aggravated or prolonged by childbirth or from

10 pregnancy;

loss caused directly or indirectly, wholly or partly by:

- (a) bacterial infections (except pyogenic infections which shall occur through an accidental cut or wound) or any other kind of disease;
- (b) medical or surgical treatment except as may be necessary solely as a result of Injury.

**11 COVERAGE SECTION M MACHINERY BREAKDOWN**

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.

**COVERAGE SECTION M (Machinery Breakdown)**

any insured property specified in the attached Schedule(s) shall sustain unforeseen and sudden physical damage whilst in the premises therein mentioned necessitating its immediate repair or replacement

**11.1 PERILS SPECIFIED**

Unforeseen and sudden physical damage by any cause not herein excluded to any insured property after successful completion of their performance/acceptance tests, whether they are at work or at rest, or being dismantled for the purpose of clearing or overhauling, or in the course of the aforesaid operations themselves or when being shifted within the premises, or during subsequent re-erection.

**ENDORSEMENTS**

The following shall apply in respect of any insured item of the type/situation referred herein. Subject otherwise to the terms, conditions and exceptions of the Policy.

1 It is hereby declared and agreed that notwithstanding anything stated in the Policy to the contrary, any loss or damage to Card Fillets, Needles and Magnetic Tapes of Knitting Machines is excluded under the Policy.

## 2 Furnaces

### a) Induction Furnace

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

### b) Electrical Furnace

(i) It is hereby declared and agreed that any damage to crucibles and refractory linings due to any cause is specifically excluded.

(ii) 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%.

(iii) 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.

## 3. DG sets

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

(i) 15 % depreciation per annum be made applicable to the Turbo-charger subject to a maximum of 75 %.

(ii) Turbo-charger cannot be insured in isolation.

## 4. 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 %.

## 5. Patterns And Core-Boxes

It is hereby declared and agreed that in the event of an accident, for which the Company 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 Company's liability being for the making of the casting itself.

## 2 Expellers/Expeller Gears

### a) Expellers

It is hereby declared and agreed that any damage to the following parts of Oil Expellers viz., ball bearing, roller bearing, thrust bearing and bush bearing of all types are specifically excluded from the scope of cover.

### b) Expeller Gears

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

## 7. Plastic Extruders/Injection Moulding Machines

It is hereby understood and agreed that the insurance by this Policy does not cover any loss or damage to the dies, moulds and heating elements used on the Plastic Extruder/Injection Moulding Machines.

## 2 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 Company and pay such additional premium as may be required by the Company failing which the Company's liability thereon shall cease.

## 9. Bakeries

It is hereby declared and agreed that any damage to whisks, dough hook and beaters of dough mixers are specifically excluded from the scope of cover.

## 2 All Types Of Imported Machinery

The indemnity provided by the Policy does not extend to include cost incurred/time involved in the movement of machinery and/or any other property insured hereunder and/or personnel outside the territorial limits of India other than the cost of delivery or replacements for machinery lost or damaged.

## 11. Glass And Graphite Equipments /Glass Lined Vessels

### a) Glass And Graphite Equipments

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon indemnity granted by this Policy in respect of equipment/apparatus made out of Glass/Graphite is restricted to cover losses due to accidental damage or external impact and not any loss or damage arising out of wear and tear, general usage and/or cracking of the insured item due to continuous working and/or fatigue.

### b) Glass Lined Vessels

It is hereby declared and agreed that the indemnity granted by this Policy in respect of glass lined production plant is restricted to cover losses due to accidental damage or external impact and not any loss or damage arising out of wear and tear, general usage and/or cracking of the glass lining due to continuous working and/or fatigue.

Provided, however, that depreciation at the rate of 10% for every year of operation shall be deducted in respect of all claims arising out of perils covered by this Endorsement subject to maximum depreciation of 75% in addition to other terms and conditions.

## 12. 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 %.

## 13. 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 Company shall indemnify the Insured for loss of or damage to refractory materials 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.

## 2 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.

The Insured shall arrange at his own expense an overhaul (the Insured shall inform the Company of such an overhaul in good time so that the Company's representatives may be present during the overhaul at the Company's 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 Company 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 Company the risk is not aggravated thereby.

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

15. Overhaul Of Electric Motors (Above 750 Kw for Motors with 2 Poles and above 1,000 Kw for Motors with 4 and more Poles)

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.

The Insured shall arrange at his own expense an overhaul (the Insured shall inform the Company of such an overhaul in good time so that the Company's representatives may be present during the overhaul at the Company's expense) in a completely opened-up state after 8,000 hours of operation or after 500 start-ups or at least after two years following the last overhaul.

New electric motors shall be overhauled after 2,000 hours or at least after one year of operation. The Insured shall supply the Company with reports on this overhaul.

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 Company the risk is not aggravated thereby.

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

## 11.2 CONDITIONS

### 1. PROVISIONS :

a) **SUM INSURED** It is a requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the insured property 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.

b) **BASIS OF INDEMNITY**

(i) In cases where damage to an insured item can be repaired, the Company will pay expense 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, custom 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 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 :

-wear and tear of parts and -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 herein above 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 (ii) below.

(ii) In cases where an insured item is destroyed the Company will pay the actual value of the item 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 item. The Company will also pay any normal charges for the dismantling of the machinery 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 drawing, 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 drawing 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.

If the Sum Insured is less than the amount required to be insured as per Provision 1.a) 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 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 damages equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

c) **INSPECTION OF TURBINES AND TURBO-GENERATORS** All Mechanical and Electrical parts of any steam turbine, gas turbine, water turbine generators shall be inspected and overhauled thoroughly under the supervision of Maker's representatives, or any competent agency in the field in a completely opened up state as per manufacturer's recommendations but in no case later than completion of 32,000 hrs of operation or four years whichever is earlier. The cost of inspection and overhauling shall be borne by the Insured and a copy of the Report issued by the Maker's representatives or competent agency on such inspection and overhauling shall be furnished to the Company immediately after the work has been carried out.

The Insured shall arrange for these regular inspections in such a way as to enable the Company's representative to be present at the inspection at their own expenses. The Company shall be notified at least seven days in advance of the commencement of any overhauling necessary according to expert opinion.

If the Insured fails to comply with the requirements of this Condition the Company shall be free from all liability for loss or damage caused by any circumstance whatsoever.

The Insured may apply for any extension of the period between any two regular inspections and such extension may be considered if in the opinion of the Company the risk is not aggravated thereby.

### 2. 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 in force concerning the operation and maintenance of the insured plant and machinery.

b) The Company's officials shall at all reasonable times have the right to inspect and examine 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

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) change in the Insured's interest (such as discontinuation or liquidation of the business or being placed in receivership), taking place,

the Policy shall be void unless its continuance is agreed by endorsement signed by the Company.

### 3. DUTIES FOLLOWING AN ACCIDENT

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

- (i) immediately notify the Company by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage.
- (ii) take all reasonable steps within his power to minimise the extent of the loss or damages or liability.

(iii) preserve the damage or defective parts and make them available for inspection by an official or surveyor of the Company.

(iv) 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 no notice and completed claim form have been received by the Company within Fourteen days of its occurrence.

Upon notification of a claim being given to the Company, the Insured may process 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 that 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 alteration, repairs, 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 this Policy in respect of any item of property sustaining damage, for which indemnity is provided shall cease if the said item is kept in operation without being repaired to the satisfaction of the Company.

### 4. POSITION AFTER A CLAIM

a) As from the day of loss the Sum Insured for the remainder of the Period of Insurance is reduced by the amount of the compensation. To prevent under-insurance during the remainder of the current Period of Insurance the amount insured must be reinstated. The premium will be calculated pro-rata from the day the repaired item is again put to work. For subsequent periods of insurance the original indemnity and premium are again in force unless circumstances justify an alteration.

2 If at the time any claim arises under this Policy there is any other insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its ratable proportion of such loss damage or liability.

## 11.3 EXCLUSIONS

1. The Company shall not be liable under this Policy in respect of: a) 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, lighting, 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 building, 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 serial 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 (lighting 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.

b) Accident, loss, damage and/or liability resulting from overload experiments or test requiring the imposition of abnormal conditions.

c) 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.

d) Deterioration of or wearing away or wearing out of any machine caused by or naturally resulting from normal use of exposure.

e) Loss damage and/or liability caused by or arising out of the willful act or willful neglect or gross negligence of the Insured or his responsible representatives.

f) Liability assumed by the Insured by agreement unless such liability would have attached to the Insured notwithstanding such agreement.

g) 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 representatives but not disclosed to the Company.

h) Loss, damage and/or liability due to explosions in Chemical Recovery Boilers, other than pressure explosions for eg. Smelt, chemical, ignition, explosions etc.

### 2. SPECIAL EXCLUSIONS

The Company shall not be liable for :

a) 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 lost or 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.

b) Loss of or damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives, or exchangeable tools, engraved of impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubrication oil, fuel, catalyst, refrigerant, dowtherm), felts, endless conveyor belts or wires, sleeves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal, (except insulation material), and non-metallic lining or coating of metal parts; unless loss or damage to the equipments/machinery is indemnifiable in terms of the Policy.

c) Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or under contract.

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

## 11.4 MACHINERY BREAKDOWN RIDER - AIR FREIGHT CLAUSE

- 11.4.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.4.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 11.4.3 AIR FREIGHT
- 11.4.3.1 In consideration of the Insured having paid the agreed extra premium, 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.
- 11.4.3.2 The total indemnification during Period of Insurance shall not exceed the Limit of Indemnity stated in the Schedule in respect of this Clause.
- 11.4.3.3 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.

#### **11.5 MACHINERY BREAKDOWN RIDER - ESCALATION CLAUSE**

- 11.5.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.5.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 11.5.3 ESCALATION CLAUSE
- 11.5.3.1 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 item(s) specified in the Schedule in respect of this Clause, 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.
- 11.5.3.2 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.
- 11.5.3.3 At each Renewal Date the Insured shall notify the Company :
- iii. 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 up to that renewal date, and
  - iv. 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.

#### **11.6 MACHINERY BREAKDOWN RIDER - EXPRESS FREIGHT CLAUSE**

- 11.6.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.6.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 11.6.3 EXPRESS FREIGHT
- 11.6.3.1 It is agreed and understood that otherwise 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).
- 11.6.3.2 Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the Policy.
- 11.6.3.3 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.

#### **11.7 MACHINERY BREAKDOWN RIDER - ADDITIONAL CUSTOMS DUTY CLAUSE**

- 11.7.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.7.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.

### 11.7.3 ADDITIONAL CUSTOMS DUTY

- 11.7.3.1 In consideration of the Insured having paid the agreed 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 Clause) 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.
- 11.7.3.2 Each and every claim payable hereunder 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.
- 11.7.3.3 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.
- 11.7.3.4 For computation of indemnity hereunder, the exchange rate applicable on date of occurrence of loss shall be considered.

### 11.8 MACHINERY BREAKDOWN RIDER - OWNER'S SURROUNDING PROPERTY CLAUSE

- 11.8.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.8.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 11.8.3 OWNERS SURROUNDING PROPERTY
  - 11.8.3.1 In consideration of Insured having paid the agreed extra premium it is hereby agreed and declared that this insurance 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 this Policy.
  - 11.8.3.2 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 :
    - (i) the liability of the Company shall in no case exceed the amount stated (in respect of this Clause) in the Policy Schedule as the Limit for any one accident or series of accidents arising out of any one event and in the whole currency of the Policy the Limit so stated in the Schedule.
    - (ii) the Insured shall bear the same Excess as mentioned in the Schedule of the Policy.
    - (iii) 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, the 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.

### 11.9 MACHINERY BREAKDOWN RIDER - THIRD PARTY LIABILITY CLAUSE

- 11.9.1 Notwithstanding anything contained in the Policy or any of its Endorsements or Riders hereto, it is agreed and declared that the following is included within Coverage Section M (Machinery Breakdown) under the Policy.
- 11.9.2 Subject always to the terms and provisions including the General Conditions and General Exclusions of the Policy and all endorsements thereon.
- 11.9.3 THIRD PARTY LIABILITY
  - 11.9.3.1 In consideration of the payment of the agreed additional premium 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 subject to the liability of the Company being limited to amount stated (in respect of this Clause) in the Policy Schedule as the Limit of Indemnity for any one accident/for any one Period of Insurance.
- 11.9.4 CONDITIONS

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 Clause.
- 11.9.5 EXCLUSIONS

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

  - a) The first amount of the Excess of each claim for any one occurrence related to property damage within this Coverage Section.
  - 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.

#### **11.10 COVERAGE SECTION M (MACHINERY BREAKDOWN)**

EXCESS CLAUSE : Equipment

a) Excess applicable for Glass, Graphite and Glass line Vessels

b) For other items -

i) Furnace Transformers ii) Photo Copiers

c) For items other than (a) and (b) above-

i) Sum insured (SI) upto Rs. 2.5 Crores

ii) Sum insured more than Rs. 2.5 Crores and upto Rs. 5.0 Crores

iii) Sum insured more than Rs. 5 crores and upto Rs. 10.0 Crores.

iv) Sum insured more than 10.0 Crores

Excess against each claim

Excess shall be 10% of Sum insured for each claim. subject to minimum of Rs. 250/-

Excess shall be 2% of Sum insured subject to minimum of Rs. 250/- Excess shall be 5% of Sum insured subject to minimum of Rs. 1000/-

1.0% of Sum insured subject to a minimum of Rs. 250/-

0.8% of Sum Insured subject to a minimum of Rs. 2,50,000/-

0.6% of Sum insured Subject to a minimum of Rs. 4,00,000/-

0.5% of Sum Insured subject to a minimum of Rs. 6,00,000/-

#### **11.11 CARDING MACHINES IN TEXTILE INDUSTRY**

It is hereby declared and agreed that notwithstanding anything stated in the policy to the contrary, any loss or damage to card fillets, Needles and Magnetic tapes of Knitting Machines is excluded under the policy.

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

#### **11.12 FURNACE ENDORSEMENT**

a) 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'.

b) ELECTRICAL FURNACES -

i) 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. ii) 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. iii) 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.

#### **11.13 DG SET ENDORSEMENT for ' Loss Minimisation'**

It is 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 -

(i) 15 % depreciation per annum be made applicable to the Turbo-charger subject to a maximum of 75 %.

(ii) Turbo-charger cannot be insured in isolation.

#### **11.14 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.

#### **11.15 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.

#### **11.16 EXPELLERS/EXPELLERS GEARS**

a) Expellers -It is hereby declared and agreed that any damage to the following parts of Oil Expellers viz., ball bearing, roller bearing, thrust bearing and bush bearing of all types are specifically excluded from the scope of cover.

Subject otherwise to the terms and conditions of the policy.



- b) Expeller Gears - It is hereby declared and agreed that all claims pertaining to Gears will be subject to depreciation at the rate of 15 % for every year or part thereof subject to a maximum depreciation of 75 %. Subject otherwise to the terms and conditions of the policy.

#### **11.17 PLASTIC EXTRUDERS/INJECTION MOULDING MACHINES**

It is hereby understood and agreed that the Insurance by this policy does not cover any loss or damage to the dies, moulds and heating elements used on the Plastic Extruder/Injection Moulding Machines. Subject otherwise to the terms, conditions and exceptions of the policy.

#### **11.18 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.

#### **11.19 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.

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### **12 COVERAGE SECTION R PORTABLE EQUIPMENT**

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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.

COVERAGE SECTION R (All Risks - Portable equipment)  
the insured items be lost, destroyed or damaged

#### **12.1 PERILS SPECIFIED**

- Fire
- Riots, Strikes
- Theft by visible physical forcible and violent means
- an accidental occurrence not excluded by the Policy.

#### **12.2 CONDITIONS**

- 1 Where any item insured hereunder consists of articles being a pair or set, the Company's liability in respect of any particular part or parts of such pair or set which may be lost or damaged shall not exceed either the value of the particular part or parts without reference to any special value which such article or articles may have as part of such pair or set or the proportionate part of the sum insured of the pair or set.
- 2 Unless specifically and separately stated, the Company's liability in respect of each article or pairs or sets of articles shall not exceed 5% of the Total Sum Insured under this Rider.
- 3 Upon the happening of any event giving rise or likely to give rise to a claim under this Rider, the Insured must also notify within the time limitations prescribed by the contract of services /carriage or regulations and seek full recovery of the loss or damage from the railways, steamship company, airline, hotel proprietors or the authority in whose care the insured property was at the time of the happening of any loss or damage.
- 4 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 ratable proportion of the loss or damage accordingly. Every item, if more than one, shall be separately subject to this Condition.
- 5 If at the time of the happening of any loss or damage covered by this Policy there shall be subsisting any other insurance of any nature whatsoever covering the same, whether effected by the Insured or not, then the Company shall not be liable to pay or contribute more than its ratable proportion of any loss or damage.
- 6 The Company may at any time cancel this Rider by giving 7 days notice in writing to the Insured at his last known address, in which case the Company shall return to the Insured a proportion of the last Premium corresponding to the unexpired Period of Insurance.

#### **12.3 EXCLUSIONS**

The Company shall not be liable in respect of: -

- 1 Damage caused by a process of cleaning, dyeing or bleaching, restoring, repairing or renovation or deterioration arising from wear and tear, moth, vermin, insects or mildew or any other gradually operating cause.
- 2 Breakage, Cracking or Scratching of Crockery, Glass, Cameras, Binoculars, Lenses, Sculptures, Curious, Pictures, Musical Instruments, Sports Gear and similar articles of brittle or fragile nature, unless caused by fire or accident to the means of conveyance.
- 3 Loss or damage caused by mechanical or electrical derangement/breakdown of any article unless caused by accidental external means.
- 4 Overwinding, denting or internal damage including of watches and clocks.
- 5 Loss or damage to Money, Securities, Manuscripts, Deeds, Bonds, Bills of Exchange, Promissory Notes, Stocks or Share Certificates, Stamps and Travel Tickets or Traveler's' Cheques, business books or documents.
- 6 Theft from any car except from a car which is a fully enclosed type passenger carrying motor car

with a permanent top and glass windows (not being a convertible) and then unless -such theft is by visible physical and forcible means and -such Baggage was stored concealed in the boot of the motor car and the motor car had all the

doors, windows and other openings securely locked and properly fastened and -the Insured was in the course of a Travel and at the time of the theft was not resident in any hotel, guesthouse or other accommodation.

1 Any loss or damage arising through delay, detention or confiscation by Customs or other authorities.

2 Consequential loss or legal liability of any kind.

3 Loss or damage due to or contributed to by the Insured having caused or suffered anything to be done whereby the risks hereby insured against were unnecessarily increased.

#### **12.4 Warranties:**

Insured items to be personally hand carried whilst in transit.

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### **13 COVERAGE SECTION S NEON SIGN**

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.

COVERAGE SECTION S (All Risks - Signs)

the insured items be destroyed or damaged

#### **13.1 PERILS SPECIFIED**

-Fire

-Riots, Strikes

-Theft by visible physical forcible and violent means

-an accidental occurrence not excluded by the Policy.

#### **13.2 CONDITIONS**

1 Where any item insured hereunder consists of articles being a pair or set, the Company's liability in respect of any particular part or parts of such pair or set which may be lost or damaged shall not exceed either the value of the particular part or parts without reference to any special value which such article or articles may have as part of such pair or set or the proportionate part of the sum insured of the pair or set.

2 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 ratable proportion of the loss or damage accordingly. Every item, if more than one, shall be separately subject to this Condition.

3 If at the time of the happening of any loss or damage covered by this Policy there shall be subsisting any other insurance of any nature whatsoever covering the same, whether effected by the Insured or not, then the Company shall not be liable to pay or contribute more than its ratable proportion of any loss or damage.

4 The Company may at any time cancel this Rider by giving 7 days notice in writing to the Insured at his last known address, in which case the Company shall return to the Insured a proportion of the last Premium corresponding to the unexpired Period of Insurance.

#### **13.3 EXCLUSIONS**

The Company shall not be liable in respect of: -

1 Damage caused by a process of cleaning, dyeing or bleaching, restoring, repairing or renovation or deterioration arising from wear and tear, moth, vermin, insects or mildew or any other gradually operating cause.

2 Breakage, Cracking or scratching of Glass or similar material/articles of brittle or fragile nature, unless caused by fire or accident.

1 Loss or damage caused by mechanical or electrical derangement/breakdown of any article unless caused by accidental external means.

2 Overwinding, denting or internal damage including of watches and clocks.

3 Consequential loss or legal liability of any kind.

4 Loss or damage due to or contributed to by the Insured having caused or suffered anything to be done whereby the risks hereby insured against were unnecessarily increased.

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### **14 COVERAGE SECTION T TRAVEL BAGGAGE**

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.

COVERAGE SECTION T (Travel Baggage)

the accompanied personal Baggage of the Insured be lost, destroyed or damaged

#### **14.1 PERILS SPECIFIED**

-Fire,

-Riots, Strikes,

-Theft by visible physical forcible and violent means,

-an accidental occurrence not excluded by the Policy

whilst the Insured is in course of Travel for business and / or for pleasure

Definitions

Baggage shall mean articles and / or personal effects of the Insured (other than property of the Business) in packing or in containers suitable and standard to the mode of Travel that is accompanied by the Insured or whilst such Baggage is lodged either

in a locked private room of a hotel or guest house or any other accommodation occupied by the Insured during the Insured's stay at that location or in a public locker facility availed by the Insured during the course of or at any intermediate stage of the Travel.

Travel shall mean any travel extending beyond the limits of the usual city of residence of the Insured other than Travel that is a daily routine of the Insured.

Insured shall mean -the Insured and named family members of the Insured if such Insured is an individual person -the named persons being employees or directors or partners of the Insured if the Insured is a firm or other legal entity.

#### 14.2 CONDITIONS

1 Where any item insured hereunder consists of articles being a pair or set, the Company's liability in respect of any particular part or parts of such pair or set which may be lost or damaged shall not exceed either the value of the particular part or parts without reference to any special value which such article or articles may have as part of such pair or set or the proportionate part of the sum insured of the pair or set.

2 Unless specifically and separately stated, the Company's liability in respect of each article or pairs or sets of articles shall not exceed 5% of the Total Sum Insured under this Policy.

3 Upon the happening of any event giving rise or likely to give rise to a claim under this Policy, the Insured must also notify within the time limitations prescribed by the contract of services /carriage or regulations and seek full recovery of the loss or damage from the railways, steamship company, airline, hotel proprietors or the authority in whose care the Baggage was at the time of the happening of any loss or damage.

4 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 ratable proportion of the loss or damage accordingly. Every item, if more than one, shall be separately subject to this Condition.

5 If at the time of the happening of any loss or damage covered by this Policy there shall be subsisting any other insurance of any nature whatsoever covering the same, whether effected by the Insured or not, then the Company shall not be liable to pay or contribute more than its ratable proportion of any loss or damage.

6 The Company may at any time cancel this Rider by giving 7 days notice in writing to the Insured at his last known address, in which case the Company shall return to the Insured a proportion of the last Premium corresponding to the unexpired Period of Insurance.

#### 14.3 EXCLUSIONS

There shall be no indemnification under the provisions of this Policy in respect of the following:

1 Loss destruction or damage caused by any process of cleaning, dyeing or bleaching, restoring, repairing or renovation or deterioration arising from wear and tear, moth, vermin, insects or mildew or any other gradually operating cause.

2 Breakage, cracking or scratching of crockery, glass, cameras, binoculars, lenses, sculptures, curios, pictures, musical instruments, sports gear and similar articles of brittle and fragile nature, unless caused by fire or accident to the means of conveyance.

3 Loss destruction or damage caused by mechanical or electrical derangement / breakdown of any article unless caused by external accidental means.

4 Loss destruction or damage caused by overwinding and denting or internal damage including of watches and clocks.

5 Loss destruction or damage to Money, Securities, Manuscripts, Deeds, Bonds, Bills of Exchange, Promissory Notes, Stocks or share certificates, Stamps and travel tickets or Travellers' Cheques, Business Books or Documents.

6 Loss destruction or damage caused by or arising from the leakage, spilling or exuding of liquids, oils or materials of a like nature or articles of dangerous or damaging nature.

7 Theft of Baggage from any motor vehicle unless such is a fully enclosed type passenger carrying motor car with a permanent top and glass windows (not being a convertible) and then unless

- such theft is by visible physical and forcible means and

-such Baggage was stored concealed in the boot of the motor car and the motor car had all the doors, windows and other openings securely locked and properly fastened and

-the Insured was in the course of a Travel and at the time of the theft was not resident in any hotel, guest house or other accommodation.

1 Loss destruction or damage to articles which did not form part of the Baggage when the Travel commenced unless specifically declared and accepted by the Company

2 Loss destruction or damage to articles of consumable and perishable nature.

3 Undamaged article(s) being part of a pair or set, loose articles such as Sticks, Umbrellas, Sun Shades, Fans, Deck Chairs, property in use during the Travel or articles whilst being worn on the Insured's person or carried about.

4 Any loss destruction or damage arising through delay, detention or confiscation by Customs or other authorities.

5 Consequential loss or legal liability of any kind.

6 Loss destruction or damage due or contributed to by the Insured having caused or suffered anything to be done whereby the risks hereby insured against were unnecessarily increased.

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### 15 COVERAGE SECTION W (WORKMEN'S COMPENSATION AND EMPLOYER'S LIABILITY)

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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.

#### COVERAGE SECTION W (Workmen's Compensation and/or Employer's Liability)

any employee in the Insured's immediate service shall sustain personal injury and if the Insured shall be liable to pay compensation for such injury under either :

-Workmen's Compensation Act 1923 and/or

-Fatal Accidents Act 1855 and/or

-at Common Law

### 15.1 PERILS SPECIFIED

Personal injury sustained by any employee in the Insured's immediate service by accident or disease arising out of and in the course of his employment by the Insured in the Business and for which the Insured shall be liable to pay compensation.

### 15.2 CONDITIONS

1 PROVIDED ALWAYS that in the event of any change in the Law(s) or the substitution of other legislation therefor 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

2 The Insured shall take reasonable precautions to prevent accidents and disease and shall comply with all statutory obligations

3 In the event of any occurrence which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Company with full particulars. Every letter claim writ summons and process shall be notified or forwarded 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 in connection with any such occurrence as aforesaid.

4 The first premium and all renewal premiums that may be accepted are to be regulated by the amount of wages and salaries and other earnings paid by the Insured to employees during each Period of Insurance. The name of every employee together with the amount of wages salary and other earnings shall be properly recorded and the Insured shall at all times allow the Company to inspect such records and shall supply the Company with a correct account of all such wages salaries and other earnings paid during any period of Insurance within one month from expiry date of such Period of Insurance. If the amount so paid shall differ from the amount on which premium has been paid the difference in premium shall be met by a further proportionate payment to the Company or by a refund by the Company as the case may be.

5 The Company may cancel this Policy by sending seven days notice by registered letter to the Insured at his last known address and in such event the premium shall be adjusted in accordance with Condition 4.

### 15.3 EXCLUSIONS

The Company shall not be liable under the Policy in respect of:

1 the Insured's liability to employees of contractors to the Insured

2 any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement

3 any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured any such party

4 any liability under Fatal Accidents Act 1855 and/or at Common Law unless specified as insured in the Policy Schedule

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## 16 Miscellaneous

### 16.1 ATM Withdrawal Protection Rider

16.1.1 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 additional premium being paid by the Insured to the Company, the following Coverage Section is included under the Policy effective the date stated herein and subject always to the provisos, and exclusions of the coverage section and the General Conditions and the General Exclusions of the policy and all endorsements thereon,

16.1.2 ATM Withdrawal Protection is, effective the date stated herein, extended to include any loss of Money occasioned by holdup, robbery, mugging up to a maximum of rupees as stated in the schedule during the period of insurance (herein after referred to as Total Sum Insured), belonging to the Business of the Insured whilst such Money has been withdrawn from an Automated Teller Machine is in transit to the insured premises as mentioned in the schedule.

This extension of the insurance shall be subject to the following additional provisions:

#### 16.1.2.1 Conditions:

16.1.2.1.1 *The liability of the company shall not exceed Rs.25,000/- in any one incidence of claim.*

16.1.2.1.2 *The money must be withdrawn only by the owner(s)/ director(s) of the firm*

16.1.2.1.3 *The route taken to reach the insured premises shall be the usual and the shortest route*

16.1.2.1.4 *The cover shall cease to operate once the money reaches the insured premises*

16.1.2.1.5 *All sums which may from time to time be paid by way of indemnity under this rider in any one Period of Insurance shall be deducted from the Total Sum Insured so that in case of any subsequent event giving rise to a claim occurring during the same period the total amount payable during that period by the company shall not in any case exceed Total Sum Insured.*

#### 16.1.2.2 Exclusions

The Company shall not be liable in respect of any loss;

16.1.2.2.1 *occurring elsewhere than within the Geographical Area specified in respect of the insured transits;*

16.1.2.2.2 *of Money whilst unattended or from unattended vehicles*

16.1.2.2.3 *due to the use of counterfeit Money;*

- 16.1.2.2.4 *if, unless agreed in writing by the Company, the Money while being transported is not in a carrying case specifically designed to carry Money;*
- 16.1.2.2.5 *if, unless agreed in writing by the Company, the Money is consigned to any person (other than a full time permanent employee of the Insured in employment of the Insured under an express contract of employment) agency or organisation engaged in the transportation of Money for third parties.*
- 16.1.2.2.6 *due to robbery, theft, fraud, dishonesty or collusion by any employee or agent of the Insured;*
- 16.1.2.2.7 *or damage insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not existed;*
- 16.1.2.2.8 *arising out of shortages due to clerical or accounting errors, omissions, depreciation or direct or indirect consequential loss of any kind;*
- 16.1.2.2.9 *any loss of money occasioned by technical failure of the ATM machine*
- 16.1.2.2.10 *occasioned by loot, sack, spillage or pilferage*
- 16.1.2.2.11 *resulting from the Insured's voluntarily parting with Money or induced to do so by deception.*
- 16.1.2.2.12 *loss due to or contributed to by Insured or Insured's agent having caused or done anything whereby the risk hereby insured against were unnecessarily increased.*
- 16.1.2.2.13 *being the first amount shown in the Schedule as the Excess or Deductible in respect of each claim.*

## **16.2 Purchase Protection extension**

- 16.2.1 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 additional premium being paid by the Insured to the Company, the following Coverage Section is included under the Policy effective the date stated herein and subject always to the provisos, and exclusions of the coverage section Fire and the coverage section Burglary of the aforementioned policy and the General Conditions and the General Exclusions of the policy and all endorsements thereon,
- 16.2.2 Purchase Protection is, effective the date stated herein, extended to include
  - 16.2.2.1 any loss of or damage to any new item or stock of trade, belonging to the Business of the Insured within the insured premises specified in the Schedule, purchased during the currency of the policy by operation of a peril insured under coverage section Fire or coverage section Burglary of the policy for 90 consecutive days from the date of purchase or till the policy expiry date whichever is earlier;
  - 16.2.2.2 Further, if the insured chooses to inform the Company in writing within 90 days of date of purchase and pays the Company additional premium due for insuring the purchased item and/ or stock under coverage section Fire and coverage section Burglary, then such purchased items and/ or stock shall be held covered for remaining period of the policy (i.e., balance period after the expiry of the 90 days from the date of purchase) as well and the sum insured under this section will be restored till the expiry of the policy period.
- 16.2.3 Conditions:
  - 16.2.3.1 It is warranted that:
    - 16.2.3.1.1 The insured must take all reasonable care to protect and maintain all the items insured under the policy and protect them against any loss or damage
    - 16.2.3.1.2 In event of a claim, the insured shall submit conclusive proof of purchase in respect of the new items claimed to be lost or damage due to an insured peril,
    - 16.2.3.1.3 The liability of the Company shall not exceed – the actual net amount paid by the insured as per the sale receipt, credit invoice or the sum insured under this extension, whichever is less,
    - 16.2.3.1.4 Where the purchased item is part of a pair or set, the Company shall indemnify no more than the value of the particular part lost, damaged or destroyed regardless of any special value that the item may have by way of being part of such pair or set.
    - 16.2.3.2 If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
    - 16.2.3.3 All sums which may from time to time be paid by way of indemnity under this coverage section in any one Period of Insurance shall be deducted from the Limit of Indemnity so that in case of any subsequent event giving rise to a claim occurring during

the same period the total amount payable during that period by the Company shall not in any case exceed the sum insured under this coverage section.

16.2.3.4 for any liability to become payable under this coverage section, the liability must have been admitted and paid by the Company under coverage sections Fire or Burglary of the within mentioned policy.

16.2.4 Exclusions:

The Company shall not be liable in respect of any loss or damage to/ by:

16.2.4.1 Computer software or intangible items.

16.2.4.2 Animal and/ or plant life

16.2.4.3 Consumable or perishable items (including but not limited to food, drugs, fuel or oil)

16.2.4.4 Any motorized vehicle and/ or their integral parts and installed accessories.

16.2.4.5 Second hand items including antiques

16.2.4.6 Real estate and fixed or movable fixtures or fittings, which are intended to form part of any real estate

16.2.4.7 Normal wear and tear or damage arising from inherent defect in the purchased item.

16.2.4.8 Disappearance of the purchased items in circumstances, which cannot be explained by the Insured to Company's reasonable satisfaction

16.2.4.9 Confiscation by authorities.

16.2.4.10 Fraud or abuse or deceit

16.2.4.11 Consequential loss or damage or punitive damage

16.2.4.12 Any event that is intentionally caused by insured.

16.2.4.13 Goods whilst being transported under a freight agreement or by postal or courier service.

16.2.4.14 Goods being left unattended in a public place or unlocked car or in an unattended car overnight

16.2.4.15 being the first amount shown in the Schedule as the Excess or Deductible as per either the coverage section Fire or Burglary respectively as the case may be for in respect of each and every claim

16.2.4.16 Exclusions as mentioned under coverage section Fire and Burglary of the policy.