

UNIVERSAL SOMPO - BHARAT LAGHU UDYAM SURAKSHA

Details of additional covers (add-ons) offered with the policy

You can buy the following additional covers (add-ons) that will be added to Your **Bharat Laghu Udyam Suraksha** Policy:

1. Obsolete Parts

When insured spares parts become obsolete following a loss covered under the Policy to the insured unit(s) to which they belong, such spare parts shall be deemed a constructive total loss provided always that such parts cannot be used as spares for any other units within the premises of the Insured. The Company shall retain salvage rights over such parts.

2. Accidental Damage Cover

This policy is extended to cover direct physical loss or damage to Building and Contents situated in the insured premises due to accident from any fortuitous cause including accidental discharge, leakage, or overflow of water or steam from plumbing, septic tanks and cylinders, stand pipes for fire hose, industrial and domestic appliances, refrigerating system, air-conditioning system and rain (or snow) admitted through defective roof, headers spouting or by open or defective windows, show windows, picture windows, doors, transoms, ventilators or skylights; subject to the terms, conditions, warranties and exclusions herein.

3. Loss of Rent and Additional Expenses of Rent for an Alternate Premises

a. For Owners (Loss of Rent)

b. For Owners and Tenants (Additional Expenses of Rent for an Alternate Premises)

- a. If the insured building 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".
- b. 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 premises, the Company shall subject to conditions, 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 as opted by you and mentioned in Policy Schedule whichever is earlier.

EXPLANATION

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

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

4. Escalation Clause

This clause provides automatic pro-rata increase in the sum insured from the date of inception till expiry of the policy. The increase in the sum insured shall be $1/365$ the of the above-specified percentage for each day since inception up to the date of the loss.

5. Involuntary Betterment

In the event of damage to Insured property wherein replacement property of like kind and quality is not obtainable due to technological obsolescence or statutory/regulatory requirements, new property which is as similar as possible to the damaged property and which is capable of performing the same function, shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment to the Insured.

The Company will also pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment suffering damage and undamaged existing equipment at the same or an interdependent location.

6. Contract Works

This policy is extended to include the permanent works and temporary works erected or in the course of erection in performance of the Contract and the materials and all other property of whatsoever nature or description for incorporation therein but excluding contractors plant, fines and penalties assumed under contract and losses more specifically insured.

Contract shall mean any Contract with the Insured as Employer for the extension or refurbishment of existing Buildings with a construction period not exceeding twelve months in duration within the Territorial Limits.

7. Additional Removal of Debris Including Foreign Debris

The insurance under this policy is extended to cover cost necessarily and reasonably incurred by an insured in the removal of debris incl. foreign debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril. The coverage will be (in excess of 2% and maximum of 5% of the claim amount).

8. Protection and Preservation of Property

This policy extends to cover expenses for loss minimization necessarily and reasonably incurred by the Insured to prevent any aggravation of an insured loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving or shifting of property if this contributes to loss minimization.

9. Cost of Clearing Drains Cover

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

10. Extra Expense

This extend the policy towards expenses which are reasonable and necessary incurred by the Insured towards:

- i. extra expenses to temporarily continue as nearly normal as practicable the conduct of the Insured's business;
- ii. extra costs of temporarily using property or facilities of the Insured or others
- iii. less any value remaining at the end of the period of liability for property obtained in connection with the above.