



IFFCO-TOKIO GENERAL INSURANCE CO. LTD

Regd. Office: IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi-110017

Industry Protector Insurance Policy- Laghu Udyam

UIN: IRDAN106CP0003V02202122

Prospectus

PREAMBLE

This Policy is evidence of the contract between You and Us. The Proposal along with any written statement of Yours for purpose of this Policy forms part of this contract.

This Policy witnesses that in consideration of Your having paid the premium, We will insure Your interest under the Sections specified as operative in the Schedule and accordingly We will indemnify You in respect of events occurring during the Policy Period in the manner and to the extent set forth in the Policy, provided that all the terms, conditions and exceptions of this Policy in so far as they relate to anything to be done or complied with by You have been met.

The Schedule shall form part of this Policy and the term Policy whenever used shall be read as including the Schedule.

Any word or expression to which a specific meaning has been attached in any part of this Policy or of Schedule shall bear such meaning wherever it may appear.

Your Policy is based on information, which You have given Us and the truth of these information shall be condition precedent to Your right to recover under this Policy.

GENERAL CONDITIONS (These apply to the whole Policy)

1. **Reasonable Precaution and Care of Property:**
You shall take all reasonable precautions for safety and soundness of insured property and to prevent the injury, illness, disease or damage in order to minimise claims. You must comply with manufacturer's recommended actions for inspection and maintenance and shall comply with all statutory requirements or other regulations and will employ only competent employees.
2. **Notice:**
You will give every notice and communication in writing to Our office through which this insurance is effected.
3. **Misdescription:**
This Policy shall be void and all premium paid by You to Us shall be forfeited in the event of misrepresentation, misdescription or concealment / non disclosure of any material information.
4. **Changes in Circumstances:**
You must inform Us, as soon as reasonably possible, of any change in information You have provided to Us about Yourself, Your business and/or Your premises, partners, directors, employees which may affect the insurance cover provided e.g. change of address, change of activity, period of un-occupancy in the Building insured or containing the insured property for period of more than 30 days etc. You must also notify Us about any alteration made or change in information as described aforesaid whereby risk of Damage or Accident is increased. In case of such alteration or changes made and not accepted by Us in writing, all covers under this Policy shall cease.
5. **Claim Procedure and Requirements:**
An event, which might become a claim under the Policy, must be reported to Us as soon as possible. A written statement of the claim will be required and a Claim Form will be provided. This written statement of claim along with supporting documentation (estimates, vouchers, invoices, proof, investigation reports and like) prepared at Your expense along with particulars of other insurances covering the same risks must be delivered to Us within 15 days of date of Damage.

The Police must be informed of any theft, attempted theft or damage caused by rioters, strikers, malicious persons or vandals or of any other criminal act. You shall also take practicable steps to apprehend the guilty person and recover the property lost.

If any person is claiming against You or Your partners, directors or employees, every letter, claim, writ, summon, process information or any notice of claim shall be forwarded to Us without delay. You or any person on Your behalf must not attempt to negotiate any claim nor admit or repudiate any claim without Our consent. You shall give all possible assistance to enable Us to settle or resist any claim or to institute proceedings.

In the event of a claim under Personal Accident Section, You or Your personal representative must give immediate written notice within 14(fourteen) days of occurrence of injury / death. All certificates, information and evidences from a medical attendant or otherwise required by Us shall be furnished by You or Your personal representative/assignee in the manner and form as We may prescribe. In such claims, You will allow Our medical representative to carry out examination if and when We may reasonably require.

6. **Claim Control**

I. We are entitled to:-

- a) Enter any Building where Damage has occurred and take possession of the Building or any property of the Building and deal with salvage, but this does not mean that property can be abandoned to Us.
- b) Keep possession of any such property and examine, sort, arrange, remove or sell any such property or dispose of the same for Your account or deal with the same.
- c) Receive all necessary information, proof of Damage and assistance from You and any other person seeking benefit under this Policy .
- d) Take over and conduct in Your name or that of any person seeking benefit under this Policy , defence or settlement of any claim.
- e) Take proceedings at Our own expenses and for Our own benefit, but in Your name or name of any other person who is claiming or has received benefit, to recover any payment made or due under this Policy .

II. No admission offer, payment or indemnity shall be made or given by You or on Your behalf without Our written consent.

7. **Fraud:**

If a claim is fraudulent on account of fraudulent means or actions used by You or Your partners, directors or employees, all benefits and rights under the Policy shall be forfeited.

8. **Contribution**

If, when any claim arises, there is any other insurance covering the same matter (property, interest, liability, cost), We will pay only the rateable proportion. This Condition does not apply to Personal Accident, Section 8.

9. **Cancellation:**

We may cancel this Policy by sending 15 days notice in writing by Regd.A.D. to You at Your last known address. You will then be entitled to a pro rata refund of premium for unexpired period of this Policy from the date of cancellation, which We are liable to repay on demand.

You may cancel this Policy by sending written Notice to Us. We will then allow a refund after retaining the premium based on the following Short Period scale.

Short Period.

15 days	10%
1 months	15%
2 months	30%
3 months	40%
4 months	50%
5 months	60%
6 months	70%
7 months	75%
8 months	80%
9 months	85%
Exceeding 9 months	100%

The refund of premium is subject to the condition that no claim has been preferred on Us under the Policy.

10. **Arbitration:**

Should any dispute arise between You and Us on quantum of amount payable (liability being admitted by Us), such dispute will be referred to Arbitrator(s) to be appointed in accordance with statutory provisions of Our country in force at that time. Further, if/when any dispute is referable or referred to Arbitration, the making of an award by Arbitrator(s) shall be a condition precedent to any right of action or suit by You against Us.

Disclaimer Clause:

If We shall disclaim Our liability in any claim, and such claim shall not have been made subject matter of suit in a court of law within 12 months from the date of disclaimer, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable under this Policy .

11. **Reinstatement of Sum Insured:**

The Sum(s) Insured under

Section-1	(Fire and Allied Perils),
Section 2	(Burglary and Other Perils),
Section 3A	(Mechanical Breakdown),
Section 3B	(Boiler and Pressure Plant)
Section 4	(Electronic Equipment),
Section 5	(Portable Computer& Mobile Equipments),
Section 6	(Money), and
Section 9	(Business Interruption)

shall not be reduced by the amount of any Damage, but pro rata premium on the amount of Damage from the date of occurrence of Damage to expiry of Policy Period shall be payable by You. The additional premium referred hereinabove shall be deducted from the net claim amount payable under the Policy .

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of Damage in case You, immediately on occurrence of the Damage, exercise Your option not to reinstate the Sum Insured as above.

12. No sum payable under this Policy shall carry any interest/penalty.

13. The Geographical Limit of this Policy will be India except for Section 5 (Portable Computers and Mobile Equipments) and Section 8 (Personal Accident) where Geographical Limit will be worldwide. However all claims shall be settled in India in Indian Rupees. The provision of this Policy shall be governed by the laws of India for the time being in force. The parties hereto unconditionally subject to the jurisdiction of the courts in India.

GENERAL WARRANTIES

It is warranted:

1. That Our liability in respect of any item specified in the Schedule including any additional costs and expenses payable in connection with that item (unless specifically expressed as being payable in addition to the Sum Insured) shall not exceed the Sum Insured set against such item or in the whole the total Sum Insured or such other sum(s) as may be substituted for it by endorsement signed by us or on Our behalf.
2. That whenever Your premises are closed to business and left unattended, all doors and windows shall be properly secured and all keys for main doors of the premises shall be removed from the premises. Further, the keys of safe would be securely kept in a place other than where the safe is located. It is provided that breach of this Warranty shall not be a bar to any claim for loss or damage caused other than by theft, burglary etc.
3. That the Building(s) contained in Your premises are:
 - a) maintained in a good and substantial state of repair.
 - b) occupied by You as manufacturing units and associated godowns or warehouses or offices.

GENERAL EXCLUSIONS

(What is not covered by the whole Policy)

I. We will not pay for

1. **War Risk**
Damage as a consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalisation, civil commotion loot or pillage in connection therewith.
2. **Confiscation**
Any Damage due to confiscation, commandeering, requisition or destruction by order of any Government or lawfully constituted authority.
3. **Nuclear Risk**
Any Damage to property, consequential loss, legal liability or bodily injury, illness, disease directly or indirectly caused by or contributed to or arising from.
 - a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - b) The radioactive, toxic, explosive or hazardous properties of any nuclear assembly or nuclear component.
4. **Wear and Tear:**
Depreciation and Damage caused by wear and tear or gradual deterioration.
5. **Consequential Loss:**
Consequential loss of any kind or description. However this Exclusion will not apply to Section 9 (Business Interruption).
6. **Existing Damage:**
Any damage, injury, accident, disease or illness occurring before cover commences.
7. **Matching of Items:**

The cost of repair or replacement of any undamaged or unbroken items or part of item forming part of a set, suit or other articles of uniform nature, colour or design (including area of carpet) when damage or breakage occurs within a clearly identifiable area or to a specific part and replacement cannot be matched.

8. **Terrorism**

Any Damage due to an act of Terrorism under all Sections except for Section 1 (Fire and Allied Perils), Section 4 (Electronic Equipment) and Section 9 (Business Interruption), where Damage due to an act of Terrorism is covered only if You have opted for the same on payment of additional premium. The Terrorism Damage Exclusion Clause provisions are as reproduced under Section I, Extension (v)

**SECTION 1
FIRE AND ALLIED PERILS**

The Insurance Cover

In this Prospectus, You will find information about the following insurance covers:

1. **Standard Cover:** We cover physical loss or damage, or destruction caused to the building and structures, plant and machinery, stock and other assets relating to Your business. These are the Insured Properties.

If any Insured Property is lost, damaged or destroyed, We provide cover as follows-

Your loss	Condition	We pay, but not more than the Sum Insured
Any Insured Property is damaged. (Partial Loss)	You have repaired such property.	Cost of repairs
If any Insured Stock is damaged. (Partial Loss)		Extent of the loss of such Partial Loss
Any Building or Plant and Machinery or Furniture, Fixture, Fittings is completely destroyed. (Total Loss)	You have rebuilt the building or reinstated /replaced such property.	Reinstatement /Replacement Value (i.e amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation)
Stock is completely destroyed (Total Loss)		For raw material: Landed Cost at Your Premises, For stock in process: Input Cost of the stock at the time of damage, For finished stock: the Manufacturing Cost of the finished stock or the Contract Price of goods sold but not delivered.
Any Building, Plant and Machinery, Furniture, Fixture and Fittings is completely destroyed (Total Loss)	You have not rebuilt the building or reinstated other property.	Market Value (Reinstatement Value less Depreciation)

- i. You must commence the repairs, reinstatement or reconstruction within a reasonable time after the date of damage or destruction. You must complete the repairs or reinstatement within 12 months from the date of damage of destruction or within such time as We may allow.
- ii. In all cases, We will not pay more than the relevant Sum Insured.
- iii. We will pay only to the extent required to bring the Property to a condition substantially the same as, but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.
- iv. You can reconstruct the new building on the same site, or another site. If You reconstruct the new building on another site, We will not pay You more than what We would pay to reconstruct on the same site

2. **In-built Covers:** Under the Standard Cover, We also pay the following:

	In-built Cover	Details
1	Additions, alterations or extensions	Property that You erect, acquire or add during the Policy Period is covered upto 15% of the Sum Insured for that item (excluding stocks).
2	Temporary removal of stocks	Loss to stocks temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.
3	Cover for Specific Contents	Cover for Money upto ₹50,000 (Fifty Thousand Rupees) during the policy period, cover for documents such as deeds, manuscripts, business books, plans, drawings, securities etc. upto ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data upto ₹ 5 Lakh (Rupees Five Lakh) during the policy period and cover for personal effects of employees, Directors and visitors upto ₹15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 persons during the policy period.
4	Start-Up Expenses	Start-up cost incurred by You in respect of insured risk consequent upon a loss or damage due to insured events upto ₹ 5 Lakhs (Rupees Five Lakh).
5.	Professional fees	Reasonable fees of architects, surveyors and consulting engineers upto 5% of the claim amount.
6.	Costs for Removal of debris	Reasonable expenses for removal of debris upto 2 % of the claim amount.

7.	Costs compelled by Municipal Regulations	Additional cost of reconstruction of property incurred solely for complying with municipal regulations.
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Which unexpected events are covered?

We pay for the physical loss, damage or destruction caused to Insured Property by the following unforeseen events occurring during Policy Period.
The events covered are given in the Column A and those not covered in respect of these events are given in Column B.

	Column A	Column B
	We cover physical loss or damage, or destruction caused to the Insured Property by	We do not cover for loss or damage, or destruction caused to the Insured Property by
1.	Fire, including due to its own fermentation, or natural heating, or spontaneous combustion.	caused by a. its undergoing any heating or drying process, or b. burning of Insured Property by order of any Public Authority.
2.	Explosion or Implosion	a. caused to boilers, economizers or other vessels, machinery or apparatus in which steam is generated, or their contents, resulting from their own explosion or implosion, or b. caused by centrifugal forces.
3.	Lightning	-
4.	Earthquake, volcanic eruption, or other convulsions of nature	-
5.	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation	-
6.	Subsidence of the land on which Your Premises stand, Landslide, Rockslide	caused by a. 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, or e. demolition, construction, structural alterations or repair of any property, or ground works or excavations

Column A	Column B
We cover physical loss or damage, or destruction caused to the Insured Property by	We do not cover for loss or damage, or destruction caused to the Insured Property by
7. Bush fire, Forest fire, Jungle fire	-
8. Impact damage of any kind, i.e., damage caused by impact of, or collision caused by, any external physical object (e.g. vehicle, falling trees, aircraft, wall etc.),	<ul style="list-style-type: none"> a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds. b. caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in course of employment
9. Missile testing operations	-
10. Riot, Strikes, Malicious Damages,	<p>caused by</p> <ul style="list-style-type: none"> 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. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or c. temporary or permanent dispossession of any Building by unlawful occupation by any person.
11. Acts of terrorism (Coverage as per Terrorism attached)	Exclusions as per Terrorism Clause attached.
12. Bursting or overflowing of water tanks, apparatus and pipes,	-
13. Leakage from automatic sprinkler installations.	<ul style="list-style-type: none"> a. repairs or alterations in the Building in which Your Business is located, b. repairs, removal or extension of any sprinkler installation, or c. defects in the construction known to You.
14. Theft within 7 days from the occurrence of, and proximately caused by, any of the above Insured Events	<p>if it is</p> <ul style="list-style-type: none"> a) of any article or thing outside Your Premises , or b) of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.

Examples

1. *Your insured building catches fire. All its doors are opened for fighting the fire. A person takes advantage of the situation and carries away Insured electronic equipment. Since this theft follows a fire within 7 days of the occurrence of the fire, We will pay for Your loss upto the limits of the applicable Sum Insured for that equipment.*
2. *During riots, a rioter breaks a window of Your shop and takes away articles of value ₹ 95,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riots, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 95,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more than the Sum Insured.*

Standard Add-on covers

You can purchase standard Add-on covers under **Industry Protector Insurance Policy-Laghu Udyam**. You must apply for these covers, and pay additional premium.

1. Declaration policy for Stocks

You can opt for Declaration Policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Clause and understand these conditions.

2. Floater cover

You can opt for Floater cover under the Policy for physical loss or damage to Stocks at more than one location subject to certain conditions. Read the Clause and understand the conditions.

Which property can be covered under this policy?

This policy covers the following properties in Your premises, that is, the place You carry on Your business. The properties must be located in Your premises, except some properties that You declare, and the Policy covers in special situations. The **Industry Protector Insurance Policy-Laghu Udyam** covers the following properties.

1. **Any building or structure** in Your premises where You carry on Your business. It may be a shed, flat, house, unit of a building. It may be made of any material. It includes:
 - i. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc.
 - ii. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule:
 - a garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences and gates, internal roads,
 - b lifts, hoists,
 - c solar panels, wind turbines and air conditioning systems, central heating systems, security systems and cameras, electrical installations, fire alarm, fire sprinkler systems, power lines, power installations, or
 - d water, gas and sewage pipeline within the premises
 - iii. any other structure shown in the Policy Schedule.

2. Plant and Machinery, that is, all equipment, machinery, pipes and cables, spares, computers, servers and preloaded licensed system software, located within any structure or in the open area of Your premises. It includes

- i. machines under repair,
- ii. machines taken on hire or lease, or any system of purchase of goods,
- iii. foundation, bedding or setting of the machines, or
- iv. accessories of machines.

3. Stock of goods or merchandise. It may be:

- i. finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,
- ii. raw materials, packing materials,
- iii. stock accepted for job work for which You are responsible,
- iv. stock held in trust for which You are responsible,
- v. stock in Open in the Insured Premises.

4. All other assets, that is, all other tangible property located in Your premises and used for Your business. It includes

- i. furniture and fixtures, office equipment, telephone equipment, electronic equipment, computers etc,
- ii. canteen and kitchen equipment, gym and permanent sports equipment etc.

Who can purchase this Policy?

1. You can purchase the Industry Protector Insurance Policy-Laghu Udyam for the building or structure if

- i. You own it, or occupy under a lease,
- ii. You occupy it as purchaser under an agreement of sale or lease,
- iii. You are an occupier authorised under any law,
- iv. Your property is occupied by a tenant, a licensee or Your employee, or
- v. You are a tenant under an agreement in writing and are liable to repair it.

2. You can purchase the Industry Protector Insurance Policy-Laghu Udyam for plant and machinery, stock or other property if

- i. You own it, or use it under a lease in writing,
- ii. You hold it in trust or on commission or are responsible for it,
- iii. You have taken plant and machinery or other contents on hire or lease, or any other system of purchase,
- iv. You have accepted stock for job work for which You are responsible.

3. You are eligible to purchase the Industry Protector Insurance Policy-Laghu Udyam

- i. If You carry on any business of manufacturing or production of goods, or of providing or rendering services, and
- ii. if You own or are legally responsible for Your business, and

- iii. if the value of all Your insurable assets at one location is more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹ 50 Crore (Rupees Fifty Crore) at the policy Commencement Date. These include buildings, plant and machinery, stock, and all other assets, even if You have not taken insurance cover for all of them. Insurable Assets include all assets which You own, or hold as tenant or occupant, or hold in trust or on commission, or are legally responsible for.
4. If the value of all Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the policy period, this policy shall, on expiry, be replaced by the applicable policy.

Sum Insured

1. The maximum claim amount: The maximum amount We pay under this Policy is the total Sum Insured. The maximum amount We pay under this Policy for any cover, or any item, or category or group of items, is the Sum Insured for that cover or item, category or group. The Sum Insured for each cover is as per Policy Schedule.

2. Basis of sum insured:

- i. For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value
- ii. For Stocks:
 - a. For raw material: Landed Cost at Your Premises.
 - b. For stock in process: Input Cost of the stock at the time of damage,
 - c. For finished stock: the Manufacturing Cost of the Finished Stock or the **Contract Price** of goods sold but not delivered and more precisely defined below.
 - d. **Contract Price** is in respect only of goods sold but not delivered, for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any damage insured under this Policy either wholly or to the extent of the damage. The Company's liability shall be based on the Contract Price.
- iii. Bullion or unset precious stones, any curios or works of art or obsolete machinery and the like are to be covered on Agreed Value basis subject to the valuation certificate being submitted and found acceptable by Us.

3. Restoration of Sum Insured:

If We have paid any loss on Your claim, it reduces the Sum Insured. When We pay You the full Sum Insured for any cover or any item covered, the Policy ends to that extent. If You pay proportionate premium for the unexpired policy period, We will restore the policy to the full original amount of Sum Insured during the Policy Period. This ensures full cover during the period of the policy. However, in case You, immediately on occurrence of loss, exercise Your option not to restore the Sum Insured, the Sum Insured shall stand reduced by the amount of loss.

Example

1. *If You repair Your air-conditioning tower insured for ₹ 45 lakhs that is damaged in a fire, and We pay Your claim of ₹ 25 lakhs You can pay proportionate premium for ₹ 25 lakhs for unexpired period in order to take benefit of full cover.*
2. *If the tower is destroyed, and We pay Your claim of ₹ 45 lakhs, the new tower that You install will not be covered under this Policy unless the premium is paid to Us for it.*
3. *If Your building insured for ₹ 20 Crore is severely damaged and We pay You ₹ 20 Crore under the Industry Protector Insurance Policy-Laghu Udyam for its repair and reinstatement, You will not be*

covered under this Policy for the new building that You construct, unless the premium is paid to Us for it.

Underinsurance

Underinsurance waiver upto 15%: This is a special feature of the **Industry Protector Insurance Policy-Laghu Udyam**, where We waive underinsurance up to 15%.

The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date of loss. If the Reinstatement/Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, except to the extent waived i.e 15%, it amounts to underinsurance and will reduce proportionate to the difference, the amount that We will pay for Your claim. Every item of Insured Property is subject to this condition separately.

If at the time of the damage the Sum Insured applying to the relevant Buildings, Plant and Machinery, Furniture, Fixture, Fittings , Stocks and other Contents is less than 85% of the value of Insurable Assets You will be responsible for the difference and the You will bear a proportionate share of the loss.

Examples (These examples only demonstrate the effect of underinsurance. Final claim payable may vary due to application of Excess and other policy terms)

1. **You have taken insurance for a Sum Insured of ₹ 50 Crore which was the value at risk at the insurance commencement date. The value at risk of insurable items at the time of loss is found as ₹ 57Crore. There is a loss of ₹ 10 Crore. Underinsurance works out to 12.28% . Since it is less than 15%, We will consider the full claim of ₹ 10 Crore for payment.**
2. **Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 25 Crore. This includes some stock that is older than 6 months. Your Industry Protector Insurance Policy-Laghu Udyam covers stock of finished goods for ₹ 30 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 32.5 Crore. The stock of finished goods with manufacturing cost ₹ 10 Crore is burnt in fire. Since underinsurance works out to less than 15% , We will consider the full claim of ₹ 10 Crore for payment.**
3. **Your shop has Industry Protector Insurance Policy-Laghu Udyam. You have insured the structure for ₹ 30 Crore and stock for ₹ 10 Crore. The actual value of structure is ₹ 32 Crore and of stock is ₹ 16 Crore. Stock of ₹ 50 Lakh is burnt in a fire. The stock has underinsurance of 37.5%and hence, we could consider your claim for payment of ₹ 31.25 lakh only (62.5% of ₹ 50 lakh) by applying underinsurance.**

Exclusions, that is, what We do not pay

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1. i. Excess of 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand). This means that We will deduct 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand) for each and every loss suffered by You under the terms of this policy.
ii For terrorism risk the Excess shall be as per the Clause attached with this policy.
2. Your deliberate, wilful or intentional act or omission, or of anyone on Your behalf, or with Your connivance.

3. Loss, damage or destruction to any electrical/electronic machine, apparatus, fixture, or fitting by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included). This exclusion applies only to the particular machine so lost, damaged or destroyed. However, any ensuing loss or damage to other insured property due to operation of an insured peril is covered.
4. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
5. 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 Insured Event.
6. Your Premises or any Insured Building remaining continuously unoccupied for a period of more than 30 days unless You have obtained prior written approval from Us and such approval is recorded as an endorsement on the Policy.
7. War, invasion, act of foreign enemy hostilities or war-like operations (whether war is declared or not), civil war, mutiny, civil commotion amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
8. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component that is part of it.
9. Pollution or contamination, unless
 - i. the pollution or contamination itself has resulted from an Insured Event, in which case only physical damage to the Insured Property is covered, or
 - ii. an Insured Event itself results from pollution or contamination.
10. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
11. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
12. Loss or damage to any Insured Property removed from Your Premises to any other place, except
 - i. Machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days,
 - ii. Stock covered under in-built Cover 'Temporary removal of stocks'.
13. Any reduction in market value of any Insured Property after its repair or reinstatement.
14. Loss or damage to any Insured Property or any claim which is covered by a marine policy in force at the time of loss or damage, except in excess of the limits of that policy.
15. Any consequential or indirect loss or damage of any description, i.e. losses or extra costs (financial or non-financial) that follow or are a consequence of an Insured Event, like, loss by delay, loss of income or wages or earnings, or of market, or of time, medical expenses, or any costs not covered by this Policy.
16. Costs, fees or expenses for preparing any claim.

Premium

The premium is the amount You pay Us for this insurance. The Policy Schedule shows the amount of premium for the Policy Period and all other taxes and levies. Your policy will commence on payment of premium in full.

Client Name	XYZ Ltd.		
Occupation	Automobiles Industries		
Location	Chennai		
Risk Premium			
Rate Table			
Risk	Premium rate per mille		
FLEXA (Automobile Manufacturing)	0.53		
STFI (Industrial)	0.25		
EQ - Zone IV	0.05		
Terrorism - Industrial	0.23		
Total Rate	1.06		
Sum Insured Breakup in ₹	Rate Per Mille	Premium in ₹	
Building including plinth, Basement and additional structures	3,00,00,000	1.06	31,800
Plant & Machinery	1,50,00,000	1.06	15,900
Furniture & Fixtures, Fittings and other equipments	75,00,000	1.06	7,950
Stocks	3,75,00,000	1.06	39,750
Base Cover Total	9,00,00,000		95,400
Standard Add-ons Sum Insured Breakup in ₹	Rate Per Mille	Premium in ₹	
Floater Cover for Stocks	3,75,00,000	5% of 1.06	1,988
Declaration Policy for Stocks	2,00,000	0.00	0.00
Add-ons Total			1,988
Premium Summary			
Description	Sum Insured in ₹	Premium in ₹	
Basic Cover	9,00,00,000	95,400	
Standard Add-ons		1,988	
Total Premium		97,388	

Changes and Cancellation

1. Changes during Policy Period.

You can choose to make changes to the covers of this Policy, for example, take additional cover, or increase or **reduce** any Sum Insured. You must make a proposal or request for any change. It will be effective only after We have accepted Your proposal, and You have paid the additional premium where applicable.

2. You can cancel the Policy.

Cancellation at any time: You can cancel the policy at any time during the policy period by giving notice to Us in writing. If You cancel the Policy, We will refund premium as follows

Time for which Policy in force	Refund of premium
15 days	90%
1 months	85%
2 months	70%
3 months	60%
4 months	50%
5 months	40%
6 months	30%
7 months	25%
8 months	20%
9 months	15%
Exceeding 9 months	No refund

Short Period Table

Time Period	% Short-period premium
15 days	10
1 months	15
2 months	20
3 months	25
4 months	30
5 months	40
6 months	50
7 months	60
8 months	70
9 months	85
Exceeding 9 months	90

3. We can cancel the policy.

We will not cancel the Policy during the policy period except on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation of the insured.

4. Policy ends automatically:

- i. If insured property is lost, destroyed or stolen, or its cost of repair is more than the Sum Insured, and We have paid You the entire Sum Insured for that property and You have decided not to restore the Sum Insured.
- ii. Change of ownership of insured property
- iii. Sale of Insured Property

Making a claim

1. If You suffer a loss **because** of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
 - i. give notice to Us immediately along with details of the event and Your loss,
 - ii. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
 - iii. take all reasonable steps to prevent further damage to Insured Property,
 - iv. You must not sell, give away or dispose of any damaged items of any property,
 - v. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
 - vi. preserve and collect evidence, take and preserve photographs,
 - vii. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
 - viii. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage,
 - ix. prove that the Insured Event has happened, and the extent of Your loss.

SECTION 2 BURGLARY AND OTHER PERILS

PROPERTY INSURED

It means the same properties described under Part A(Contents) under Section 1 (Fire and Allied Perils).

COVER

In the event of Damage directly caused by insured perils listed below subject to its not otherwise being excluded hereafter, We will indemnify You against such Damage to property insured at the insured premises.

Insured Perils

Theft or attempted theft involving violent and forcible entry into or exit from the premises, Robbery and Dacoity.

EXCLUSIONS

- We will not be liable for the
- i) Damage to livestock, money, securities, stamps, bullions, bonds, bills of exchange, promissory notes, stock and share certificates, unset precious stones, jewellery and valuables unless specifically insured under this Section.
 - ii) Damage to property insured by any of the Insured Perils by any member of Your Family, directors, partners or employees in Your business whether as principal or accessory.

EXTENSIONS

- I) **Temporary Removal Of Stock**
Damage to property insured under Item No.1 (Stock in Trade) not exceeding 10% of Sum Insured for Stock in Trade whilst temporarily removed to any other premises for purpose of fabrication or processing or finishing or other similar purpose provided that it is not otherwise insured.
- II) **Escalation**
In respect of property insured under this Section, the Sum Insured for each item shall increase each day by an amount representing $1/365^{\text{th}}$ of the specified percentage increase per annum. The specified percentage can range from 5% to 25% of the original Sum Insured chosen by You for each item of the property insured. However this provision will apply only to the Sum Insured on the property insured in force at the commencement of each Policy Period. At each renewal, the Sum Insured on the property covered shall be that as stated in the Policy (or amended by any Endorsement effective prior to the aforesaid renewal date) to which shall be added the increase which has accrued under this Extension during the Policy Period upto the renewal date and the specified percentage increase shall again apply for the Policy Period from the renewal date, unless otherwise instructed by You.
- III) **Floater Clause**
The Clause wording as given Section I (Fire and Allied Perils) will be applicable where You have insured Your Stock on Floater basis.
- IV) **Declaration Clause**
The Clause wording as given Section I (Fire and Allied Perils) will be applicable where You have insured Your Stock on Declaration basis.

ADDITIONAL BENEFITS

- I **Damage to Premises**
Damage to Your premises and/or safe resulting from any of the Insured Perils including attempt thereof, subject to maximum of 5% of Sum Insured under this Section . However the claim for the loss of Contents and Damage To Premises together shall not exceed the Sum Insured under this Section.
- II **Temporary Removal of Machines/Equipments**
Damage by an Insured Peril to machinery and equipment temporarily removed to any other Building for repair, cleaning, renovation or other similar purpose for a period not exceeding 60 days
- III **Damage caused by Fire Fighting**
Damage to Building or Contents resulting from action of civil authorities in attempting to prevent the spread of a fire.

SPECIAL PROVISIONS

a. **Claim Settlement**

In the event of Damage to property insured, We will indemnify You by payment or at Our option by repair, replacement or reinstatement. In case of reinstatement or replacement, We shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner subject to limits of Sum Insured. If We so elect to replace or reinstate any property, You shall at Your own expense furnish Us with such plans, specifications, measurements, quantities and such other particulars as We may require and no acts done or caused to be done by Us with a view to reinstatement or replacement shall be deemed as an election by Us to reinstate or replace.

If in any case We shall be unable to reinstate or repair the property hereby insured because of any regulation(s) in force affecting the alignment of streets or the construction of building or otherwise, We 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.

b. **Basis of Claim Settlement**

In the event of Damage to the property insured by insured perils during the currency of Policy, We will: -

PART A CONTENTS

Under Item 1(Stock in trade)

Pay the full cost of replacing stocks at prices current at the time, when Damage occurs.

Under Item 2,3 and 4 (Business and office furniture, Interior decoration and All other contents)

Pay the full cost of repair or replacement to a condition equal to but not better or more extensive than its condition when new, provided that such cost has been incurred. However, in case such cost has not been incurred in respect of any item and also in case of Item 4 (All other Contents), We will pay amount of Damage less due allowance for wear and tear and depreciation

PART B BUILDINGS

Pay the full cost of repair or reinstatement on the same site or upon another site in any manner suitable to a condition equal to but not better or more extensive than its condition when new, provided that such cost has been incurred.

In case the reinstatement is not carried out or the cost has not been incurred, then We will pay the amount of Damage less due allowance for wear and tear and depreciation.

APPLICABLE TO BOTH PART A AND B

It is also provided that reinstatement is carried out with reasonable dispatch and within 12 months from the date of Damage or within such extended period as We may allow.

c. **Basis of Claim Settlement**

The provisions relating to the basis of claim settlement will be the same as described under Section 1(Fire and Allied Perils), Part A (Contents).

SPECIAL CONDITIONS

Average (UNDER INSURANCE)

The Sum Insured of each Item under this Section is separately subject to Average (Under-Insurance) as detailed below.

a) **IN CASE OF REINSTATEMENT:**

If at the time of replacement or re-instatement, the sum representing the total cost which would have been incurred in reinstatement if the whole property covered had been destroyed exceeds the Sum Insured thereon at the commencement of Damage, You will be considered as Your own Insurer for the difference between the Sum Insured and the sum representing cost of reinstatement of the whole property i.e. Reinstatement Value of the property and shall bear a rateable proportion of the Damage accordingly. Each item, if more than one, shall be separately subject to this condition.

b) IN CASE OF NON-REINSTATEMENT:

If in respect of the property insured at the commencement of any Damage by an insured peril, the sum representing the Market Value of the property insured exceeds the Sum Insured thereon, then You shall be considered as being Your own Insurer for the difference and shall bear a rateable portion of the Damage accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

SECTION 3
MACHINERIES AND BOILERS
PART A
MACHINERY BREAKDOWN

DEFINITION:

Breakdown

It means the actual burning out of or the failure of any part of machineries or installations specified in the Schedule due to any cause which is sudden, unforeseen and not excluded under this Section of the Policy or General Exclusions resulting into stoppage of functions and necessitating the repair or replacement of such parts before normal working can commence.

COVER

If the Plant and Machineries belonging to You are Damaged whilst contained in the insured premises due to electrical or mechanical breakdown, then We will pay for the Damage or if We choose, effect its repair or replacement.

We will also pay for: -

1. cost of dismantling and installation for purpose of repair / replacement
2. freight, custom duties and other dues payable on replacement of the Machineries;

provided that these have been included in the Sum Insured.

This cover is applicable during the period when after successful completion of their performance/acceptance test, such plant, machineries, parts or accessories are at work or at rest or being dismantled for the purpose of cleaning, overhauling or in course of aforesaid operation themselves or when being shifted within the premises or during the subsequent re-erection.

Exclusions

We will not be liable for:

1. An Excess for each and every Damage as per Schedule given below for each equipment covered under this Section of the Policy:

S No.	Particulars of Equipment	Excess for each claim
a)	Glass lined vessels, Glass & Graphite equipments	10% of Sum Insured
b) i)	Furnace Transformers	2% of Sum Insured subject to minimum of Rs 250/-

ii)	Photo Copiers	5% of Sum Insured subject to minimum of Rs 1000/-
c)	For items other than (a) and (b) above	
i)	Sum Insured up to Rs 2.5 crores	1% of Sum Insured subject to minimum of Rs 250/-
ii)	Sum Insured more than Rs 2.5 crores and up to Rs 5 crores	0.8% of Sum Insured subject to minimum of Rs 2,50,000/-
iii)	Sum Insured more than Rs 5 crores and up to Rs 10 crores	0.6% of Sum Insured subject to minimum of Rs 4,00,000/-
iv)	Sum Insured more than Rs 10 crores	0.5% of Sum Insured subject to minimum of Rs 6,00,000/-

2. Damage to any insured item due to perils insurable under other Sections of this Policy.
3. Damage for which the manufacturer or supplier of the property is responsible by law or contract or any amount recoverable under Maintenance Agreement.
4. Damage resulting from overload experiment or test requiring imposition of abnormal conditions.
5. Damage due to deterioration of or wearing away of any item caused by or as a result of normal use or exposure.
6. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or replacement of parts affected may be necessary.
7. Damage due to wilful act or negligence of You or Your employee, partner or director.
8. Damage to consumables such as ropes, rubber items, dies, moulds, blade, cutters, knives, exchangeable tools, engraved or impression cylinders or rolls, glass and porcelain items, ceramics, operating media ,felts, belts or wires, sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material , parts not made of metal (except insulating material) and non metallic linings or coating of metal parts.
9. Damage to any insured item occasioned by permanent or temporary dispossession of any Building resulting from confiscation, commandeering or requisition by any lawful authority or resulting from unlawful occupation by You of the Building.

SPECIAL PROVISIONS

i. **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 as new of the same kind, type and capacity including freight, custom duties and other dues, if any, and erection cost.

- ii. Any property covered under this Section has to be necessarily insured under Section 1 (Fire and Allied Perils)

Basis of Claim Settlement:

If the insured equipment is Damaged, We will pay for expenses necessarily incurred to restore the Damaged equipment to its former state of serviceability (Repair Basis) or pay the Market Value of the equipment if the cost of its repair exceeds or equals the Market Value of the equipment immediately before the Damage (Total Loss Basis). We will also pay the following to the extent these expenses have been included in the Sum Insured.

- I Cost of dismantling and re-erection for the purpose of repairs.
- II Ordinary freight to and from the repair shop.
- III Custom duties and other dues.

Repair Basis: - In Repair Basis settlement, the following points will be taken into account while setting the claims:

- I. No deduction will be made for depreciation in respect of parts replaced except those with limited life.
- II. If the repairs are executed at a workshop owned by You, We will pay the cost of materials and wages incurred for the purpose of repairs plus a reasonable percentage to cover overhead charges.
- III. The cost of any provisional repair will be borne by Us if such repairs constitute part of the final repairs and do not increase the total repair expense.
- IV. We 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.
- V. Value of salvage is to be taken into account for both Repair Basis and Total Loss Basis settlement of claims.

Total Loss Basis: - In Total Loss Basis settlement, the following points will be taken into account while settling the claim.

- I. Market Value of item is to be calculated by deducting proper depreciation from the Replacement Value of item as new of same kind, type and capacity.
- II. We may not insist for bills and documents in case You are unable to replace the Damaged equipment for any reason.

If the insured items subject to Total Loss become obsolete, then all cost necessary to replace the Damaged item with a follow up model (similar type) of similar structure and configuration (similar quality) i.e. low, average or high capacity will be reimbursed

SPECIAL CONDITIONS

1. Average (Under – Insurance)

If at the time of Damage, the Sum Insured is less than the amount required to be insured as described above, then We 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.

After giving Notice to Us as described under General Condition No. 5 , You may carry out the repair or replacement of any minor Damage not exceeding Rs. 2500/- (Rupees two thousand five hundred) provided that carrying out of such repairs is without prejudice to any question of Our liability and that any Damaged part requiring replacement is kept for inspection by Us.

Further Our liability under this Section of the Policy in respect of any item sustaining Damage shall cease if the said item is kept in operation after a claim without being repaired to Our satisfaction or if temporary repairs are carried out without Our consent.

2. D.G. Set Endorsement :

- (i) Any loss or damage payable under the Policy to the cylinder head, liner and pistons of the diesel/oil engine insured hereunder will be indemnified subject to depreciation to be calculated on each part separately at the rate of 25% per year or part thereof. However the maximum depreciation to be deducted will not exceed 75%.
- (ii) Turbo charger shall not be insured in isolation.
- (iii) Any loss or damage payable under the Policy to the turbo charger of the D G Set/ Diesel Engine insured hereunder will be subject to depreciation to be calculated at the rate of 15% per year or part thereof. However the maximum depreciation to be deducted will not exceed 75%.
- (iv) For claims on Diesel Generator Sets necessitating replacement of crankshaft, 20% of the cost of crankshaft replacement will be borne by You in addition to the normal excess.

3. Reduction Gear Box Endorsement

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%.

4. Plastic Extruder/Injection Moulding Machines Endorsement

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.

Part B
BOILER AND PRESSURE PLANT INSURANCE

DEFINITIONS

1. Boiler

It means any fired closed vessel or combined container piping system in which steam is generated under pressure.

2. Pressure Plant

It means any unfired closed container under steam gas or fluid pressure

3. Explosion

It means the sudden and violent rending or tearing apart of the permanent structure of a Boiler or Pressure Plant or any part or parts thereof by force or internal steam gas or fluid pressure causing bodily displacement of the said structure and accompanied by the forcible ejection of its content.

4. Collapse

It means the sudden and dangerous distortion of any part of a Boiler or Pressure Plant by bending or crushing caused by steam gas or fluid pressure whether attended by rupture or not. It shall not mean any slowly developing deformation due to any cause.

COVER:

During the currency of Policy, We will indemnify You against :

Damage (other than by fire) to the Boilers and or Pressure Plants insured under this Section of the Policy.

EXTENSIONS

I Surrounding Property

Damage (other than by fire) to Your surrounding property or property held by You in trust or commission for which You are responsible, caused by and solely due to Explosion or Collapse of Your Boiler or other Pressure Plant, subject to an Excess of 1% of the Sum Insured chosen by you for this Extension.

II Third Party Liability

Your legal liability on account of

a. Death of or bodily injury to any person other than Your Family, employees, partners or directors

b. Damage to property not belonging to You nor for which You are responsible

caused by and solely due to Explosion or Collapse of Your Boiler or other Pressure Plant occurring in the course of ordinary working. This Extension is subject to an Excess of 1% of the Sum Insured (limit of liability) chosen by You for this Extension.

EXCLUSIONS

We will not be liable for:

1. Loss, damage and/or liability caused by or arising from or in consequences, directly or indirectly of fire (arising from explosion or collapse or any other cause whatsoever) including extinguishments of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lighting, theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Act of God perils, impact of land borne, waterborne, or airborne craft or other aerial devices and/or articles dropped therefrom.
2. Accidental loss, damage and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
3. 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 part affected may be necessary.

4. Defects due to the wearing away or wasting of the materials of a Boiler or Pressure Plant whether by leakage, corrosion or by action of the fuel or otherwise, the grooving or fracturing of any of the parts of a Boiler or Pressure Plant, or for deterioration generally or the development of cracks, blisters, lamination and other flaws or fractures, failures of joint within the range of steam or feed pipes, or for bulging and deformation due to overheating of tubes (unless such defects, fracture, failure or bulging result in Explosion or Collapse) or for the cracking of section of cast-iron heating Boilers or other vessels constructed of cast iron.
5. The failure of individual tubes in Boilers of the water tube locomotive or other multi-tubular types, in super heaters or in economizers (unless such defects result in Explosion or Collapse).
6. Loss, damage and/or liability caused by or arising out of the wilful act or wilful negligence or gross negligence of You or Your responsible representatives.
7. Liability assumed by You by Agreement, unless such liability would have attached to You notwithstanding such Agreement.
8. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this Insurance and known to You or Your responsible representatives but not disclosed to Us.
9. Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or under contract.

WARRANTIES

It is hereby warranted that during the currency of the Policy :

1. The Boilers and Pressure Plant are annually inspected by Inspectors appointed by the appropriate Government except where there is no statutory requirement for Government inspection, the inspections are to be carried out by an independent competent person.
2. The Boilers and Pressure Plant described in the Schedule shall only be operated by attendants holding a valid certificate of competency issued under the appropriate Boiler Act.
3. You shall be in possession of the unqualified permission in writing of the competent inspecting authority to operate the said Boilers and Pressure Plant. If the maximum pressure or load upon safety valve immediately prior to any Explosion or Collapse was in excess of that stipulated by the said authority, You shall not be entitled to any compensation or indemnity under this Policy in respect of such Explosion or Collapse.

SPECIAL PROVISIONS

Sum Insured:

- i. It is a requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the insured property as new of the same kind, type and capacity including freight, custom duties and other dues if any and erection cost.
- ii. Any property covered under this Section has to be necessarily insured under Section 1 (Fire and Allied Perils)

Basis of Claim Settlement

The basis of claim settlement will be the same as described in Section 3 A (Machinery Breakdown Insurance)

SPECIAL CONDITIONS

Average (Under-Insurance)

If at the time of Damage, the Sum Insured is less than the amount required to be insured as described above, then We 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.

After giving Notice to Us as described under General Condition No. 5 , You may carry out the repair or replacement of any minor Damage not exceeding Rs. 2500/- (Rupees two thousand five hundred) provided that carrying out of such repairs is without prejudice to any question of Our liability and that any Damaged part requiring replacement is

kept for inspection by Us.

Further Our liability under this Section of the Policy in respect of any item sustaining Damage shall cease if the said item is kept in operation after a claim without being repaired to Our satisfaction or if temporary repairs are carried out without Our consent.

SECTION 4 Electronic Equipments

DEFINITIONS

1. **Electronic Equipment**
It means all electronic equipments like computers, fax machines and other electronic equipments and it includes the entire computer system consisting of central processing unit, keyboards, monitors, printers, stabilizers, UPS and system software etc.
2. **Electronic Data**
It means the information stored on the Data Carrying Material.
3. **Software**
It means collection of programmes which cause a computer to perform a desired operation or series of operations.
4. **Data Carrying Material**
It means the discs or tapes used in the computer to store the information.

COVER

If the Electronic Equipment installation including accessories and/or Data Carrying Material belonging to You or for which You are responsible is Damaged whilst contained in the insured premises by any cause other than those excluded under this Section of the Policy or under General Exclusions, We will pay for the cost of repair or replacement or at Our option repair, reinstate or replace such Damaged equipment or items, accessories and Data Carrying Material.

This cover is applicable during the period when after successful completion of their performance/acceptance test, such equipments, parts, accessories are at work or at rest or being dismantled for the purpose of cleaning, overhauling or in course of aforesaid operation themselves or when being shifted within the premises or during subsequent re-erection.

EXCLUSIONS

1. We will not be liable for:
 - a) In respect of Personal Computers, 5%(five percent) of the claim amount subject to a minimum of Rs.2,500/- (Rupees two thousand five hundred).
 - b) In respect of other Electronic Equipments with value upto Rs. 100,000/- (Rupees one lakh).

- I. 5% (five per cent) of the claim amount subject to a minimum of Rs.1,000/- (Rupees one thousand), if Electronic Equipment is other than Winchester drive/ hard disk drive.
 - II. 10% (ten percent) of the claim amount subject to a minimum of Rs.2,500/- (Rupees two thousand and five hundred), if Electronic Equipment is Winchester drive/ hard disk drive.
- c) In respect of other Electronic Equipments with value more than Rs.100,000/- (Rupees one lakh).
- I. 5% (five per cent) of the claim amount subject to a minimum of Rs.2,500/- (Rupees one thousand), if Electronic Equipment is other than Winchester drive/ hard disk drive.
 - II. 25% (twenty five percent) of the claim amount subject to a minimum of Rs.10,000/- (Rupees two thousand and five hundred), if Electronic Equipment is Winchester drive/ hard disk drive.
2. Damaged caused by act of Terrorism unless specifically covered on payment of additional premium.
 3. Damage due to faults / defects existing at the commencement of this insurance and known to You ,Your partners, directors or Your employees, whether such faults/defects were known to Us or not and any wilful act or negligence of You ,Your employees, directors, partners or representatives.
 4. Damage due to continuous influence of operation (e.g. wear and tear, cavitations, erosion, corrosion, incrustation) gradual deterioration and climatic condition other than those described and covered as insured perils in Section 1 (Fire and Allied Perils)
 5. Any cost incurred in connection with elimination of functional failures unless such failures were caused by Damage covered under this Section of the Policy .
 6. Damage for which the manufacturer or supplier is responsible either by law or under contract or any amount recoverable under terms of the Maintenance Agreement.
 7. Damage to rented or hired equipments to You for which owner is responsible either by law or under lease and/or Maintenance Agreement.
 8. Cost incurred/time involved in the movement of equipment and/or other property and/or personnel outside Geographical Limits, other than cost of delivery for equipment parts Damaged.
 9. Damage to consumable items (e.g. bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, exchangeable tools, objects made of glass, porcelain or ceramics) and operating media as well as aesthetic defects like scratches etc. unless such parts are affected by an indemnifiable Damage to the insured item itself.
 10. Damage arising through fitting, adjustment, repair or dismantling of any part of said equipment/installation other than by an authorised representative of an Electronic Equipment manufacturer, dealer or that of a reputed repairer.
 11. Any cost required for alteration, improvement or overhaul or for making drawings, patterns and core boxes.
 12. Any extra cost for overtime, night work, work on public holiday, express freight etc for repairs or replacement.

EXTENSIONS

Terrorism Damage

Coverage is granted as per the provisions detailed under Extension (v) Clause of Section I (Fire and Allied Perils)

WARRANTIES

Maintenance Agreement

It is warranted that a Maintenance Agreement for the Electronic Equipment installations shall be kept in force throughout the currency of insurance under this Section of the Policy and no variation in the term of Agreement shall be made without Our written consent. For the purpose of this Warranty, Maintenance Agreement shall mean an agreement which provides for:

- I. Maintenance services of the Electronic Equipment installations including preventive treatment or adjustment of mechanical or moving parts, safety checks and
- II. Rectification of damage or faults arising from any cause during normal operation as well as from ageing.

Provided that this Warranty shall not apply if the additional premium as required by Us is paid by You for deletion of this Warranty or there is competent in-house maintenance facility for all equipments covered under this Section. The Warranty is also not applicable for Personal Computers with Sum Insured upto Rs.100,000/- (Rupees one lakh)

SPECIAL PROVISIONS

I **Sum Insured**

It is a requirement under this Section of the Policy that the Sum Insured shall be equal to cost of replacement of Electronic Equipment as new of same kind, type and capacity including freight, dues and custom duties and also cost of dismantling and re-erection. It shall include the value of system software also.

II **Basis of Claim Settlement**

The basis of claim settlement will be the same as described in Section 3 A (MachineryBreakdown Insurance)

SPECIAL CONDITIONS

AVERAGE (UNDER-INSURANCE)

If at the time of Damage, the Sum Insured is less than the amount required to be insured as described above, then We 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.

After giving Notice to Us as described under General Condition No.5, You may carry out the repair or replacement of any minor Damage not exceeding Rs. 2,500/- (Rupees two thousand and five hundred) provided that carrying out of such repairs is without prejudice to any question of Our liability and that any Damaged part requiring replacement is kept for inspection by Us.

Further Our liability under this Section of the Policy in respect of any item sustaining Damage shall cease if the said item is kept in operation after a claim without being repaired to Our satisfaction or if temporary repairs are carried out without Our consent.

Section 5
PORTABLE COMPUTER AND MOBILE EQUIPMENTS

COVER:

We will indemnify You against Damage during currency of this Policy to Portable Computer and Mobile Equipments as specified in the Schedule and belonging to You or for which You are responsible whilst in personal custody of You, Your partners, directors or authorised representatives anywhere in the world for the purpose of Your business in accordance with coverage of Section 4 (Electronic Equipment) subject to following Exclusions in addition to Exclusions of Section 4. However, all repairs/ replacement of parts/items covered under this Section have to be carried out in India only.

We will also pay for loss or damage to Data Carrying Material being carried for normal functioning of such portable equipment.

EXCLUSIONS

We will not be liable for

1. An Excess of 10% (ten percent) of the claim amount subject to a minimum Rs.2,500/- (Rupees two thousand five hundred). This replaces Exclusion (1) of Section 4.
2. Theft not reported to Police within 24 hrs of discovery thereof and a written Report obtained.
3. Theft from any unattended vehicle except from car of fully enclosed saloon type having all its doors, windows and other openings securely locked and properly fastened.
4. Mysterious or unexplained disappearance of insured items.
5. Damage caused by arising from the leakage, spilling or exploding of liquid oils or materials of a like nature or articles of a dangerous or damaging nature.

SPECIAL PROVISIONS

It is provided that this Sub-Sections is subject to same perils, terms, exclusions (except as stated above), warranties and provisions as that of Section 4 (Electronic Equipment) provided however that the Maintenance Agreement

Warranty provisions shall apply only in case of Portable Computers having Sum Insured more than Rs.100,000/- (Rupees one lac) and not to other items.

SPECIAL CONDITIONS

The Special Conditions listed in Section 4 (Electronic Equipment) will apply to this Section coverage also.

SECTION 6 MONEY

DEFINITIONS

1. **Money**
It means and includes cash, bank drafts, bank and currency notes, current coins, cheques, postal orders, money orders and current postage stamps.
2. **Bank**
It means and includes bank of every description, post office, government treasury.
3. **Business Hours**
It means the period during which You or Your partners, directors or any employee authorised to handle the Money of Your business are on the premises for the purpose of the business.
4. **Authorised Representative**
It means Your employees, partners and directors, employees of Your sister concerns operating from the same premises or employees of any other concern who is engaged in the work of carrying Your Money through a specific Contract or Agreement executed by You.

COVER:

In the event of loss of Money relating to Your business happening during the currency of the Policy in accordance with Circumstance(s) or Situation(s) described below, We will indemnify You against such loss subject to limits stated in the Schedule.

Circumstance(s) or Situation(s):

- i) Loss of Money due to accident or misfortune whilst in direct transit in connection with Your business from or to the insured premises provided that such Money is in personal custody of You or Your Authorised Representatives.
- ii) Loss of Money due to accident or misfortune whilst in direct transit in connection with Your business between any collection/payment centre and Bank provided such Money is in personal custody of You or Your Authorised Representatives.
- iii) Loss of Money due to house breaking, robbery, dacoity, hold-up whilst in insured premises during business hours.
- iv) Loss of Money due to house breaking, robbery, dacoity, hold-up whilst in locked safe or strong-room, locked steel almirah /standard cash box inside the insured premises outside business hours.

EXCLUSIONS

We will not be liable for payment of:

- i) Shortage of Money due to error or omission.
- ii) Loss of Money entrusted to any person other than You, Your partners, directors or Your Authorised Representatives.
- iii) Loss arising from fraud or dishonesty of Your employee or Authorised Representative unless such loss is discovered within 48 hours of its occurrence.
- iv) Loss of Money extracted from safe, strong-room, almirah or cash box following the use of key to the said safe or strong-room, unless such key has been obtained by assault or violence or threat thereof.
- v) Loss of Money insured by any other Policy except in respect of any excess beyond the amount which would have been payable under such Policy or Policies had this insurance not been affected.
- v) Theft from any unattended vehicle except from car of fully enclosed saloon type having all its doors, windows and other openings securely locked and properly fastened.
- vi) Loss of Money in transit outside the limits of the city/town where the insured premises are located.
- vii) Loss suffered due to counterfeit Money.

ADDITIONAL BENEFITS

In the event of Damage to any:

- a) Safe or strong-room, steel almirah or cash box.
- b) Case, bag, waistcoat when used for the carriage of Money, directly associated with Circumstance(s) or Situation(s) as described hereinabove.
We will indemnify You against such Damage upto an amount not exceeding Rs.10,000/- (Rupees ten thousand) only in any one Policy Period.

SPECIAL CONDITIONS

- a) You shall keep a complete account of Money contained in safe, strong-room, almirah or cash box under lock and key on daily basis. This complete account shall be deposited in a secured place other than the safe / strong-room or the said place where the Money is kept and be produced as documentary evidence for admissibility of claim under this Policy. Our liability shall be limited to the amount actually shown by records of books of accounts, not exceeding the amount stated in the Schedule.
- b) It is provided that the Money in the premises is deposited in safe, strong-room, steel almirah or standard cash box under lock and key out of business hours.

Section 7
FIDELITY GUARANTEE

COVER:

We will indemnify You against direct pecuniary loss caused by an act of fraud or dishonesty committed by any person employed by or with You in the premises upto the amount(s) stated in the Schedule.

Provided that the loss shall have occurred in connection with occupation and duties of Your employee during the uninterrupted continuance of his/her employment and be discovered within six months after the death, resignation, dismissal or retirement of such person or six months after this Policy shall have ceased to exist, whichever of these events shall happen first.

SPECIAL CONDITIONS

- i) We will not pay more than one claim in respect of acts or defaults of any one employee and We will indemnify You only in respect of act and defaults committed since date of commencement of risk in the Schedule hereto for such employee.
- ii) It is also provided and declared that We shall not be liable for any act or default of any employee done or omitted to be done after the discovery by You of any act of forgery, embezzlement, larceny or fraudulent conversion on the part of such employee.
- iii) You shall, if and when required by Us at Our expense, if a conviction be obtained, use all diligence in prosecuting the employee to conviction for any act or default done by the said employee in consequence of which a claim shall have been made under the Policy and You will at Our expense give all information and assistance to enable Us to sue for and obtain reimbursement from any such employee by reason of whose acts or default a claim has been made or from the estates of such employee all the moneys which We shall have become liable to pay in respect thereof.
- iv) Any sum of money which but for the act or default on the part of an employee would have become payable or due to him by You shall be deducted from the amount payable under this Policy .

SECTION 8
PERSONAL ACCIDENT

DEFINITIONS

1. Injury

It means accidental bodily injury solely and directly caused by external, violent and visible cause. This definition includes accidental bodily injury resulting from exposure to elements of the cause.

2. Loss of Limbs

It means physical separation of one or more hands or feet or permanent and total loss of use of one or more hands or feet.

3. Physical Separation

It means separation of the hand at or above the wrist and/or of the foot at or above the ankle respectively.

4. Permanent Total Disablement

It means the bodily injury which as its direct consequence immediately or in foreseeable future will prevent the Insured Person from engaging in any kind of occupation, profession or business for which the Insured Person is reasonably qualified by education, training or experience.

5. Temporary Total Disablement

It means the bodily injury which as its direct consequence will prevent the Insured Person from engaging in all types of occupation or any employment whatsoever for a period not exceeding 104 (one hundred and four) Weeks from the date of injury to the time when the Insured Person is fit enough to resume duty or engage in any kind of occupation, as certified by a Medical Practitioner.

6. Insured Person

It means You, Your partners, directors, employees (including their Families) aged between 18 and 70 years working with You and named in the Schedule relating to this Section.

COVER

If following bodily injury which solely and directly causes Insured Person's death or disablement within 12 months of injury as stated in the Table of Benefits, We shall pay to You or to Insured Person's legal representative the sum or sums hereinafter set forth in Table of Benefits.

EXCLUSIONS

We will not be liable for

1. Compensation under more than one of the benefits mentioned in the Table of Benefits in respect of the same period of disablement.
2. Any other payment after a claim under any of the benefits under Items 1,2,3 or 4 in the Table of Benefits has been admitted and becomes payable.

3. Any payment in case of more than one claim under this Section during any one Policy Period by which Our liability in that period would exceed the sum payable under Benefit 1 of this Section.
4. Payment of compensation in respect of death or injury as a direct consequence of
 - a.) Committing or attempting suicide or intentional self injury
 - b.) Being under influence of intoxicating liquor or drugs
 - c.) Engaging in aviation other than travelling as a bona-fide passenger in any duly licensed standard type of aircraft anywhere in the world.
 - d.) Pregnancy or childbirth.
 - e.) Venereal disease or insanity.
 - f.) Contracting any illness directly or indirectly arising from or attributable to HIV and/or any HIV related illness including AIDS and/or any mutant derivative or variation of HIV or AIDS.
 - g.) Committing any breach of law with criminal intent.

TABLE OF BENEFITS	% OF CAPITAL SUM INSURED
1. 1. Death	100
2. a.) Loss of sight (both eyes)	100
b.) Loss of two limbs	100
c.) Loss of one limb and one eye	100
3. a.) Loss of an arm	
i) At the shoulder joint	70
ii) At a point above elbow joint	65
iii) At a point below elbow joint	60
iv) At the wrist	55
b.) Loss of a leg	
i) Above the centre of the femur	70
ii) Upto a point below the femur	65
iii) Upto a point below the knee	60
iv) Upto the centre of tibia	55
v) At the ankle	50
c.) Loss of sight of one eye	50
4. Permanent total and absolute disablement	100
5. a.) I) Loss of toes-all	20
ii.) Great-both phalanges	5
iii.) Great-one phalanx	2
iv.) Other than great, if more than one toe lost-each	1
b.) I.) Loss of hearing – both ears	50
ii.) Loss of hearing – one ear	15
c.) Loss of speech	50
d.) Loss of four fingers and thumb of one hand	40
e.) Loss of four fingers	35
f.) Loss of thumb	

i.) Both phalanges	25
ii.) One phalanx	10
g.) Loss of index finger	
i.) Three phalanges	10
ii.) Two phalanges	8
iii.) One phalanx	4
h.) Loss of middle finger	
i.) Three phalanges	6
ii.) Two phalanges	4
iii.) One phalanx	2
i.) Loss of ring finger	
i.) Three phalanges	5
ii.) Two phalanges	4
iii.) One phalanx	2
j.) Loss of little finger	
i.) Three phalanges	4
ii.) Two phalanges	3
iii.) One phalanx	2
k.) Loss of metacarpals	
i.) First or second (additional)	3
ii.) Third, fourth or fifth (additional)	2
l.) Loss of toe	
i.) Big toe	5
ii.) Some other toe	3
m.) Sense of smell	10
n.) Sense of taste	5
o.) i.) Fracture of any bone above ankle in either leg with established and permanent non union	10
ii.) Fracture of one or more bones above wrist with established and permanent non union	5
p.) Shortening of the leg by 5 cm or more	7.5
q.) Loss of at least 50% of all sound and natural teeth, including capped or eroded teeth	2
r.) Any other permanent partial disablement	% as assessed by Doctor
6. Temporary total disablement	1% of C.S.I or Rs. 5000/- (Rupees five thousand) per Week whichever is lower.

ADDITIONAL BENEFITS

COVER	BENEFIT
1. In the event of death of Insured Person outside his/her Home, transportation cost for carriage of dead body to Home including funeral charges is payable.	2% of Capital Sum Insured or Rs.2,500/- (Rupees two thousand and five hundred) whichever is lower, in addition to C.S.I.
2. Cost of clothing of Insured Person Damaged in the Accident for which liability is admitted by Us.	Rs. 1000/- (Rupees one thousand) or actual expenses whichever is lower, in addition to C.S.I.
3. Ambulance charges for transportation of Insured Person to hospital following Accident for which liability is admitted by Us.	Rs. 1000/- (Rupees one thousand) or actual expenses whichever is lower, in addition to C.S.I.
4. Education Fund In the event of death or permanent total disablement (i.e. Items 1 to 4 of Table of Benefits) of Insured Person following Accident for which liability is admitted by Us, We will pay compensation towards Education Fund for dependent children as below a) For one child upto the age of 23 yrs. b) For more than one children upto the age of 23 yrs.	-10% (ten percent) of C.S.I subject to a maximum of Rs. 5000/- (Rupees five thousand), in addition to C.S.I. -10% (ten percent) of C.S.I subject to a maximum of Rs. 10000/- (Rupees ten thousand) , in addition C.S.I.
5. Loss of Employment In the event of loss of limbs or permanent total disablement (i.e. Items 2 to 4 of Table of Benefits) of Insured Person following Accident for which liability is admitted by Us, We will pay compensation for loss of his/her employment.	- 10% (ten percent) of C.S.I. subject to a maximum of Rs.15,000/- (Rupees fifteen thousand), in addition to C.S.I.
6. If the Insured Person is entitled to compensation for a permanent total disablement benefit under this Section (i.e. Items 2 to 4 of Table of Benefits), then We will pay upto 10% of the C.S.I. or Rs.50,000/- (Rupees fifty thousand) whichever is lower, in addition to C.S.I. for the following: a. The costs incurred by Insured Person to undergo a rehabilitation programme to adjust to Injuries sustained b. Any costs incurred for the modification of his house or car that is required as a result of the Injuries sustained Provided that the Insured Person obtains Our consent before undertaking any rehabilitation programme or carrying out any modification in his house or car.	

Note: C.S.I means Capital Sum Insured

**SECTION 9
BUSINESS INTERRUPTION**

DEFINITIONS

1. **Gross Profit**
It means the sum produced by adding to the Net Profit the amount of 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.
2. **Net Profit**
It means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from Your business at the insured premises after due provision has been made for all Standing and Other Charges including depreciation, but before the deduction of any taxation chargeable on profit.
3. **Insured Standing Charges**
It means those charges which will continue to be incurred by You irrespective of the occurrence of the Damage, and such charges have no impact on the turnover. The list of all such charges will be provided by You.
4. **Turnover**
It means money paid or payable to You for goods sold and delivered and for work done or services rendered in the course of Your business at the premises.
5. **Indemnity Period**
It means the period beginning with occurrence of the Damage and ending not later than 12(twelve) months thereafter during which the results of Your business shall be affected in consequence of the Damage.
6. **Rate of Gross Profit**
It means the rate of gross profit earned on the Turnover during the financial Year immediately before the date of Damage.
7. **Annual Turnover**
It means the Turnover earned during 12 months immediately before the date of Damage.
8. **Standard Turnover**
It means the Turnover earned during that period in the 12(twelve) months immediately before date of Damage, which corresponds with Indemnity Period.

Adjusted as may be necessary to provide for the trends of the business and for variations in or other circumstances affecting the business so that the adjusted figures shall represent as far as possible the results, which but for the Damage would have been obtained during the relative period (Indemnity Period) after the Damage.

COVER:

If there is interference or interruption to Your business during the Policy Period by Damage occurring at premises for which liability has been admitted by Us under Section 1(Fire and Allied Perils) , then We will pay to You the amount of loss following interference or interruption to Your business in respect of items listed in accordance with the provisions described below:

1. Loss of Gross Profit.
2. Auditor's Fees

Limit of Liability

Our liability shall in no case exceed in respect of each item the Sum Insured stated in the Schedule or in the whole the total Sum Insured hereby or such other sum(s) as may hereafter be substituted thereof by endorsement duly signed by or on Our behalf.

EXTENSION

i. Terrorism Damage

Coverage is granted as per the provisions detailed under Extension (v) Clause of Section I (Fire and Allied Perils).

ii. Earthquake (Fire and Shock)

Coverage is granted as per the provisions detailed under Extension (iv) Clause of Section I (Fire and Allied Perils).

SPECIAL PROVISIONS

Basis of Claim Settlement

1. Loss of Gross Profit:

The amount payable under this item shall be limited to Loss of Gross Profit due to:

a) Reduction in Turnover:

In respect of reduction in turnover, the amount payable shall be the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during Indemnity Period shall in consequence of Damage fall short of the Standard Turnover.

b) Increased Cost of Working:

In respect of increase in cost of working, the additional expenditure 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 Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided.

2. Auditor's Fees:

The reasonable charges payable by You to Your professional accountants or auditors for producing and certifying such particulars and details, documents contained in Your books of accounts or other business books, any other proofs, information as We may require in connection with a claim under this Section for the purpose of investigation or verification of such claim. The certificate to this effect given by Your auditors shall be prima facie evidence of the particulars and details to which such certificate relates.

We will take into account following factors in calculating the claim amount:

- I. Any sum saved during the Indemnity Period in respect of such Insured Standing Charges as may cease or be reduced in consequence of the Damage.
- II. Any Gross Profit earned from conducting the business away from the premises during the Indemnity Period.
- III. If any Standing Charges of the business be not insured by this Policy, then in computing any amount recoverable hereunder as Increased Cost of Working, that proportion only of the additional expenditure shall be brought into account which the sum of Net Profit and the Insured Standing Charges bears to the sum of Net Profit and all Standing Charges.

SPECIAL CONDITIONS

i. The insurance under this Section shall be of no effect if:

- a) the business be wound up or carried on by a liquidator or receiver or permanently discontinued.

OR

- b) Your interest ceases other than by death.

ii. **Average (Under-Insurance):**

If the Sum Insured by this Section be less than the sum produced by applying the Rate of Gross Profit to Annual Turnover, the amount payable shall be proportionately reduced.

iii. **New Business Clause**

In the event of Damage occurring before the end of the first financial year of the business, the results of the business to the date of Damage shall be used as a basis upon which to assess any loss subject to all terms and conditions of this Policy. Accordingly the Rate of Gross Profit, Annual Turnover, and Standard Turnover will be taken as proportional equivalent for the period between the commencement of the business and the date of the Damage with suitable adjustments made for trend of the business and for variations in or special circumstances affecting the business irrespective of the Damage.

SECTION 10
LIABILITY

PART A : PUBLIC LIABILITY

DEFINITIONS

1. **Accidental Injury**
It means bodily injury, illness or disease including death of or to any person as a result of Accident.
2. **Accidental Damage:**
It means actual and/or physical loss of or damage to tangible property of any person as a result of Accident.
3. **Property:**
It means material property.
4. **Event**
It means one occurrence or number of occurrences arising directly or indirectly from one source or original source.
5. **Insured Person**
It means You, Your partners, director and employee(s) working with You in connection with Your business described in the Schedule.
6. **Business**
It means the business specified in the Schedule and includes:
 - a) the ownership, maintenance and repair of the insured premises.
 - b) provision and management of canteens, social sports or Welfare organisations for benefit of employee(s) and Your ambulance, first aid and fire services at the insured premises.
7. **Accident**
It 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.
8. **Pollution**
It means pollution or contamination of the atmosphere or of any water, land or other tangible property.

COVER

We will indemnify You against all sums which an Insured Person shall become legally liable to pay as compensation for

1. Accidental injury to any person other than any Insured Person or his/her Family member.
 2. Accidental Damage to property belonging to any person other than any Insured Person or his/her Family member.
- Provided that the accident has taken place in connection with Your Business during the Period of Insurance for which the Insured Person is held responsible and the claim is lodged on the Insured Person during the Policy Period.

We will pay in respect of Your liability towards:

- a) Compensation payable of to third parties
- b) Third party legal costs awarded by the Court.
- c) Your defence costs.

Exclusions

We will not be liable for:

1. 0.50% (half per cent) of limit of liability subject to a minimum of Rs.2,000/- (Rupees two thousand) for any one accident.
2. Injury or Damage to property caused by products (except while remaining in Your custody or control) other than food or beverages sold or supplied by You or on Your behalf to visitors for consumption on Your premises.
3. Accidents directly or indirectly caused by traceable to or arising out of the ownership, possession or the custody by You or on Your behalf of animals, vehicles, aircraft, ships, boats or craft of any kind.
4.
 - a. Any compensation for death of or bodily injury to Insured Person or Your contractor's employee or Damage to property belonging to or in the custody, care, control of Insured Person or Your contractor's employees.
 - b. Damage to property owned, leased and hired or under hire-purchase or on loan to You or otherwise in Your control, care, custody other than the premises (or contents thereof) temporarily occupied by You for work therein (but no indemnity is granted for Damage to that part of the property on which You are working and which arises out of such work.)
5. Accidents arising out of transportation of materials outside Your premises.
6. Accidents arising out of alteration, addition, repairs or decoration to the premises specified in the Schedule.
7. Any claim arising out of infringement of plans, copyright, patents, trade marks and registered design.
8. Any claim arising from or in connection with:
 - a. The giving of advice by or on Your behalf.
 - b. The designs, plans, formula or specification of products or work for a fee.
9. Accidents arising out of Act of God perils like earthquake, flood, cyclone etc.
10. Any pollution liability
11. Accident arising out of any wilful or deliberate act or omission

Part B: Workmen Compensation

COVER

If You are liable at law for Accidental injury to any of Your employee mentioned in the Schedule relating to this Sub-Section happening during the Policy Period arising out of and in the course of employment with You in respect of Your business mentioned in the Schedule under the Fatal Accident Act 1855, Workmen's Compensation Act 1923 or any amendment thereto or under Common Law,

We will pay for -

1. Damages or compensation legally payable by You to the employees for their accidental injury or death.
2. Their legal costs to the extent awarded by the Court.
3. Your defence costs..

Exclusions

We will not be liable for

1. Any interest and/or penalty imposed on You on account of failure to comply with requirements laid down under Workmen's Compensation Act 1923 and subsequent amendments of the said Act.
2. Liability in respect of any employee who is not a Workman within the meaning of the Workmen's Compensation Act.

GENERAL EXCEPTIONS

(Applicable to both Part A and B)

We shall not indemnify You for:

- 1) Any fine, penalty or liquidated damages.
- 2) Any liability assumed by You under Agreement unless such liability would have attached to You notwithstanding such Agreement.
- 3) Damage to property or any consequential loss as a result of such damage to property
 - a) owned by or hired by You or any Insured Person
 - b) held in trust by You or any Insured Person, other than visitor's personal effects.
- 4) Any sum awarded by way of punitive or exemplary damages.
- 5) Liability arising out of loss of financial nature such as loss of goodwill, loss of market etc.
- 6) Liability arising out of infringement of plans, copyrights, patents and trademark registered design.
- 7) Liability arising out of all personal injuries such as libel, slander and defamation.

This Prospectus

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the **Industry Protector Insurance Policy-Laghu Udyam** document. You must read the policy document to know the insurance cover fully. You can get a copy of the **Industry Protector Insurance Policy-Laghu Udyam** from Our branch or from Our website www.iffcotokio.co.in. For legal interpretation, the policy document will hold.

Grievances

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with

1. Our Grievance Redressal Officer,
2. The Consumer Affairs Department of Insurance Regulatory and Development Authority of India (IRDAI) – You can lodge Your grievance in the Integrated Grievance Management System (IGMS).
3. The Insurance Ombudsman, depending on the nature of grievance and the financial implications, if any.
4. The Consumer Protection Forum or the Court.

About Our Company

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