

**PROSPECTUS  
(Commercial)**

**ELECTRONIC EQUIPMENT INSURANCE**

**Introduction:** This Policy is an All Risk Policy and covers all perils except those which are specifically excluded. Thus, it offers Wide Cover. The cover can be taken in respect of stationery equipments installed in one place after successful testing. The cover under this can be taken in respect of equipments which are electronic in nature. Equipments such as Computers, Electronic Audio Visual equipments, VSAT, Medical and Diagnostic equipments come under this category. Now a days, every business unit or factory has number of electronic machines as most of the machines are now electronic in nature.

Broadly, the following types of industry & equipments would require this cover.

Office - Computers, Electronic Typewriters, Printers, Smoke detectors etc.

Communication - TV, Air Craft navigation, Satellite Transmission, Video phone, Modern Telecom etc.

Medical - Ultrasound, Surgical, Diagnosis, ECG, EEG, Radiotherapy, Scanning Machines etc.

Industrial - CNC machines, Process Control, Quality Control, and Instrumentation etc.

The policy can be taken by owner of the equipments and also those who have taken the same on rent provided as per their rental agreements they are responsible for accidental damage.

The items that can be included under this policy are CPU, Keyboards, Monitors, Printers, Stabilizers, UPS and System Software etc. However stabilizers, UPS etc. cannot be covered without covering the main computer equipment.

**Scope of the Policy:** The policy covers all types of unforeseen and sudden loss or damage necessitating replacement of parts and/or repairs except for specified exclusions. The coverage includes loss or damage occurring while the machineries are,

- a. Working, or
- b. At Rest, or
- c. Being dismantled for the purpose of cleaning or overhauling within the insured premise, or
- d. Being shifted within the premises for repair/erection, or
- e. Being re-erected in the same premises after cleaning or overhaul.

This is a location specific policy meaning the equipment's are covered only whilst the same are installed within the insured location.

The coverage available under this is split in to three sections as detailed below.

Section I - Equipments: Under this, broadly, the breakdown caused by following types of instances are covered.

- Location Risk - Fire, Lightning, Riot & Strike, Explosion, Burglary, House Breaking, Theft.
- Operation Risks - Electrical or Mechanical breakdown, Faulty Design, Defective Materials, Faults in Installation or during operation
- Human Errors - Carelessness while handling, Negligence in Operation, Malicious Damage
- AOG Perils - Flood, Earthquake, Subsidence, Landslide, Rockslide

It is important to give the complete identification details of the equipment being covered like, Sr. No., Make, Model etc. at the time of the effecting the insurance.

Sum Insured: The Sum Insured under this shall represent Current New Replacement/Reinstatement Value which means cost of replacing by the New, but identical equipment of the same type, same capacity and same technical specification. The same shall include customs duty, octroi, transportation cost, installation cost (all expenses incurred till the time of installation) etc.

Basis of Indemnity/Payment of Loss: In the event of any loss or damage the claim will be paid as under.

- Partial Loss - Cost of spare parts and repair costs will be paid for. However, depreciation will be deducted for parts which have limited life as specified by manufacturer. Additional costs such as dismantling cost, transportation, customs duty, erection costs etc. are also paid, to the extent the same are included in the Sum Insured. However, any extra charges incurred for overtime, night-work, work on public holidays, express freight are paid only if specifically agreed to, in writing on payment of additional premium.
- Total Loss - In the event of Total loss, the company will pay the market value of the machinery after accounting for due depreciation based on number of years of usage or service given.

However, it is to be noted that, if the actual Sum Insured is less than Current New Replacement Value at the time of loss, then the company will pay the loss after accounting for Under-insurance in the same ratio. (Actual Sum Insured/Current New Replacement Value \* Assessed Loss)

Exclusions: Faults or defects existing at the time of taking insurance, wear and tear, loss for which manufacturer or supplier is responsible, aesthetic defects such as scratch, damage to exchangeable part or operating media etc. are not paid for.

Section II - External Data Media: Under this, following indemnifiable damage to equipment, actual expenses incurred (within period of 12 months from the date of occurrence of loss) for restoring/replacing the external data media to be in working condition for working and processing of the data as it was just prior to loss, is paid for along with cost incurred for restoring the data/information, if any. However, the any loss of data or damage to Data Media due to False Programming or similar mistakes, Consequential losses etc. are excluded.

The sum insured under this should represent the cost of replacing the data media and cost of reproducing the information. This is on First Loss basis. The insured may choose any amount as they deem fit.

Section III - Increased Cost of Working: In the event of failure of insured equipment as mentioned in Section I above, this section pays for actual expenditure incurred subsequently on substitute equipment hired for the indemnity period agreed for the purpose of continuing the working/data processing.

The sum insured under this shall be in the form of Indemnity Limit per hour and Total limit for the policy period as may be required. The Limit per hour selected shall be subject to Average clause. In the event of actual expenses per hour being more than the limit per hour for which the insurance is effected, the policy will pay only on Pro-rata basis.

Insurance under Section II and Section III is available on optional basis.

**Main or other General Exclusions:** The policy will not pay for loss occurring due to,

- Terrorism Activity
- War and Allied Perils
- Nuclear Activity/Materials
- Total or Partial cessation of Work
- Mere derangement of machinery without any other indemnifiable damage
- Loss or damage covered under any Maintenance Agreement

- Loss or damage caused by Pressure wave of Aircraft or Aerial device.

#### **Additional Covers/ Endorsements:**

The following Additional covers/ Endorsements are available which may be taken by Insured based on individual exposure by payment of additional Premium.

1. Escalation - To ensure that, there is no Under-Insurance at any point of time during the currency of Policy
2. Extra charges for Express Freight, Overtime and Holiday Wages - In case if the damaged equipments are required to be repaired urgently by incurring these expenses
3. Air Freight – In case if the damaged equipments are required to be repaired urgently for which air freight is paid
4. Additional Customs Duty - To cover for additional Customs Duty paid in respect of import of any spare part (as compared to customs duty paid for entire machinery earlier)
5. Third Party Injury/Death or Damage - Compensation payable to Third Parties for injury/death or property damage arising out of indemnifiable damage to insured machinery
6. Owners Surrounding Property - Damage to property owned by Insured arising out of indemnifiable damage to insured machinery
7. Floater Clause-Under this, the loss or damage happening to insured machinery or equipment is paid for, even if such loss or damage happens outside the insured location. However, the perils covered/scope of the policy remains unaltered.
8. Waiver of Betterment-In the event of loss or damage to insured item requiring replacement of parts, The company will allow the replacement of next higher version or technically superior part if the part which has suffered damage is not available any more in view of technological advancement.
9. Omission to Insure additions, alterations-In case of loss or damage to any new equipment or machinery that is not specifically informed or declared to the company, the company shall consider payment of claim in respect of such machinery/equipment subject to maximum limit of 5% of sum insured mentioned in the policy schedule
10. Non Vitiating Clause / Multiple Insured Clause: In policies, where there are more than one insureds, the actions or inactions (other than fraud) of any one of them will not prejudice rights of other insureds to stake a claim against the company.
11. Omission to Insure/ Inadvertent Omission: In case of loss or damage to any equipment or machinery that is not specifically informed or declared to the company or for which the insured is responsible, the company shall consider payment of claim in respect of such machinery/equipment, subject to maximum limit of 5% of sum insured as may be specifically mentioned in the policy schedule.
12. Professional Fee-Under this, subject to prior approval from the company, the additional expenses incurred for Professional advice of Architects, Engineers, Surveyors, etc. are paid for.
13. Claims Preparation Cost- Under this, subject to prior approval from the company, the expenses incurred in preparing detailed bill, estimate, Proforma invoice or for obtaining documents in support of cause of claim or quantum of the claim, is paid for.
14. Cover for mobile and portable equipment outside the premises-Under this, the scope of the policy stands extended to include even such equipments/machineries/instruments which are mobile or portable in nature. The loss or damage occurring outside the insured location also stands covered subject to territorial limits as mentioned in the policy, however the perils or nature of damage remaining the same as in original policy or schedule.
15. Parts Undamaged Clause-Under this subject to prior approval from the company, the insured is indemnified even in respect of replacement of parts which are undamaged if such replacement is essential to prevent the recurrence of loss and by such replacement there is no technological improvement in terms of functioning, capacity etc.

16. Claims Investigation Cost-Under this, subject to prior approval from the company, the expenses incurred by the insured in investigating & ascertaining the nature, cause or exact location of loss is also, paid for.
17. Terrorism Damage Inclusion Endorsement – Terrorism cover can be provided by way of this endorsement

**Policy Excess:**

The Policy is subject to excess under all the three sections, including excess in the form Time excess for Section III.

**Conditions:** The following are the important conditions which the insured should comply with

- The insured shall comply with any special condition such as Annual Maintenance etc., as may be mentioned in the Printed Policy wording or Policy schedule.
- There shall be no change in risk, modification of the risk or location as was informed to insurer at the time of effecting the insurance.
- In the event of any loss, the insured shall inform the insurer forthwith and also give the detailed estimate for insurer to survey the loss.
- In the event of change in ownership of equipment by sale (other than through will or law), the same needs to be informed to the insurance company for necessary approval
- At the time of claim if there are more than one policy covering the same equipment, then the claim will be paid in the ratio of Sum Insured by respective Insurance Companies.
- The policy may be cancelled by insured after giving written notice, in which case, the premium will be retained on Short Period Basis.

**Grievance:**

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free number 1800 266 4545 or may write an e- mail at [care@zurichkotak.com](mailto:care@zurichkotak.com)

In case the Insured is not satisfied with the response, Insured may contact the Grievance Officer of the Company at [grievanceofficer@zurichkotak.com](mailto:grievanceofficer@zurichkotak.com) . In case if the Insured is not satisfied with the solution the Grievance Officer has provided, Insured can write to [seniorgrievanceofficer@zurichkotak.com](mailto:seniorgrievanceofficer@zurichkotak.com) / [chiefgrievanceofficer@zurichkotak.com](mailto:chiefgrievanceofficer@zurichkotak.com)

However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Company's website: [www.zurichkotak.com](http://www.zurichkotak.com)

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsman: [www.cioins.co.in/Ombudsman](http://www.cioins.co.in/Ombudsman)

**NOTE:**

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

**STATUTORY WARNING - PROHIBITION OF REBATES  
(Under Section 41 of Insurance Act 1938)**

- 1) No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.