

**PROSPECTUS
(Commercial)**

MACHINERY LOSS OF PROFITS INSURANCE

Introduction

Machinery Loss of Profits Insurance cover is issued in conjunction with Machinery Breakdown Policy/ Boiler and Pressure Plant Insurance Policy.

In the event of any interruption to the business as a result of damage to your machineries due to any peril insured under the Machinery Breakdown Policy/ Boiler and Pressure Plant Insurance Policy, this policy enables you to recover:

- Loss of Gross Profit due to a reduction in turnover
- Increased Cost of Working incurred in minimizing that loss of Gross Profit

This policy can be taken by all types of manufacturing establishments, business establishments including industrial, engineering establishments, etc which generate revenues.

Scope of the Policy:

The policy states that if at any time during the period of insurance, the business carried on by the Insured at the premises be interrupted or interfered with in consequence of an Accident which shall mean sudden and unforeseen physical damage, as defined in the Machinery Insurance/ Boiler and Pressure Plant Insurance Policy of any machinery as specified in the schedule of machinery then the Company shall in respect of each item in the Schedule indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference.

Further at the time of happening of an Accident there shall be in force an insurance covering the machinery described in the Schedule from any accidental cause indemnifiable under the Standard Machinery Insurance Policy and or Boiler & Pressure Plant Insurance Policy and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.

What the Policy does not cover?

The Company shall not be liable for any loss resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes --

- i) Willful act or willful neglect or gross negligence of the Insured or his responsible representatives.
- ii) Loss or damage to machinery or other items which are not listed in the list of machinery insured even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- iii) Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the Insured or his responsible representatives whether such faults or defects were known to the Company or not.
- iv) Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi finished or finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- v) Any restrictions on reconstruction or operation imposed by any public authority.

- vi) An extension of the normal repair period for more than 4 weeks on account of -
 - a) the inability to secure or delays in securing replacement parts, machines or technical services.
 - b) the inability to carry or delays in carrying out repairs.
 - c) the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
 - d) transport of parts to and from the Insured's premises.
- vii) Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.
- viii) Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of -
 - a) War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organisation, requisition or destruction or damage by order of any government de jure or de facto or by any public. Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimise the consequences thereof.
 - b) Nuclear reaction, nuclear radiation or radioactive contamination.

What can be additionally covered?

The following Additional covers/ Endorsements are available which may be opted by Insured on payment of additional Premium.

1. Extension to cover loss due to accidental failure of public electricity/ gas/ water supply/ Electricity Station, Gas Works and Water Works
2. Additional Increase In Cost Of Working
3. Group Interdependency
4. Professional Accountants
5. Claims Preparation Cost
6. Increased Cost of Electricity, Water, Gas or Steam Supply
7. Maximum Demand Charges
8. Additional Expenditure other than Increase in Cost of Working
9. Delay in Repair

What to Do in Event of a Claim?

In the event of any occurrence, which gives rise to or is likely to give rise to a claim under this Policy the Insured shall -

- i) Forthwith give notice thereof to the Company
- ii) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom.

- iii) as far as may be reasonably practicable without causing any increase in the period of interruption or interference take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim
- iv) discontinue the use of any damaged machinery unless the Company authorize otherwise and the Company shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the insurers
- v) in the event of a claim being made under this Policy not later than thirty days after the expiry of the indemnity period or within such further time as the Company may allow in writing at his own expense deliver to the Company a written statement setting forth particulars of his claim together with details of all other policies covering the accident or any part of it or consequential loss of any kind resulting therefrom and the Insured shall at his own expense also produce and furnish to the Company such books of accounts and other business books e.g. invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with if required – a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect any payment already made on account of the claims shall be repaid to the Company forthwith.

Grievances

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.

In case the Insured is not satisfied with the response, Insured may contact the Grievance Officer of the Company at 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 / 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 is available at Annexure I of Policy wordings.

The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Company's website: www.zurichkotak.com

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsmen: 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 website.

**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 rupee.