

Fire Secure

PROSPECTUS

(Commercial)

Fire Insurance is used to cover damage to a property caused by fire. Fire insurance is a specialized form of insurance beyond property insurance, and is designed to cover the cost of replacement, reconstruction or repair beyond what is covered by the property insurance policy.

This Fire Insurance Policy will provide financial protection for the property against Loss or Damage by fire and other allied perils

Fire insurance primarily covers tangible properties like

- Buildings
- Electrical installation in buildings
- Machinery, plant and equipment, accessories, etc.
- Goods (RM/WIP/Finished goods, packing materials etc.)
- Goods in open
- Furniture, fixtures and fittings
- Pipelines (including contents) located inside or outside the compound

What is the scope of the cover?

1. Fire

Excluding destruction or damage caused to the property insured by

- 1.1 i) its own fermentation, natural heating or spontaneous combustion
- ii) its undergoing any heating or drying process.
- 1.2 burning of property insured by order of any Public Authority

2. Lightning

3. Explosion/Implosion

Excluding loss, destruction of or damage

- 3.1 to boilers (other than domestic boilers), economizers or other vessels, machinery or apparatus(in which steam is generated) or their contents resulting from their own explosion/implosion,
- 3.2 caused by centrifugal forces

4. Aircraft Damage

Loss, Destruction or damage caused by Aircraft, other aerial or space devices and articles dropped therefrom excluding those caused by pressure waves.

5. Riot, Strike and Malicious Damage

Loss of or visible physical damage or destruction by external violent means directly caused to the property insured but excluding those caused by

- 5.1 Total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.
- 5.2 Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.
- 5.3 Permanent or temporary dispossession of any building or plant or unit or machinery resulting from the unlawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.
- 5.4 Burglary, housebreaking, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) in any malicious act.

If the Company alleges that the loss/damage is not caused by any malicious act, the burden of proving the contrary shall be upon the insured.

Terrorism Damage Exclusion Warranty:

This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

6. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation

Loss destruction or damage directly caused by Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood or Inundation excluding those resulting from earthquake, volcanic eruption or other convulsions of nature. (Wherever earthquake cover is given as an "add on cover" the words "excluding those resulting from earthquake volcanic eruption or other convulsions of nature" shall stand deleted.)

7. Impact Damage

Loss of or visible physical damage or destruction caused to the property insured due to impact by any Rail/Road vehicle or animal by direct contact not belonging to or owned by

- 7.1 the Insured or any occupier of the premises or
- 7.2 their employees while acting in the course of their employment.

8. Subsidence and Landslide including Rock slide

Loss, destruction or damage directly caused by Subsidence of part of the site on which the property stands or Land slide/Rock slide excluding:

- 8.1 the normal cracking, settlement or bedding down of new structures
- 8.2 the settlement or movement of made up ground
- 8.3 coastal or river erosion
- 8.4 defective design or workmanship or use of defective materials
- 8.5 demolition, construction, structural alterations or repair of any property or groundwork or excavations.

9. Bursting and/or overflowing of Water Tanks, Apparatus and Pipes

10. Missile Testing Operations

11. Leakage from Automatic Sprinkler Installations

Excluding loss, destruction or damage caused by

- 11.1 Repairs or alterations to the buildings or premises
- 11.2 Repairs, Removal or Extension of the Sprinkler Installation
- 11.3 Defects in construction known to the Insured.

12. Bush Fire

Excluding loss, destruction or damage caused by Forest Fire.

Provided that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total Sum Insured hereby or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

A. GENERAL EXCLUSIONS

1. This Policy does not cover
Excess as mentioned on the policy Schedule (not applicable to policies covering dwellings with individual owners). The Excess shall apply per event per Insured.
2. Loss, destruction or damage caused by war, invasion, act of foreign enemy hostilities or war like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
3. Loss, destruction or damage directly or indirectly caused to the property insured by
 - 3.1 ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - 3.2 the radioactive toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
4. Loss, destruction or damage caused to the insured property by pollution or contamination excluding
 - a) Pollution or contamination which itself results from a peril hereby insured against.
 - b) any peril hereby insured against which itself results from pollution or contamination
5. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an amount exceeding INR 10,000/-, goods held in trust or on commission, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer systems records, explosives unless otherwise expressly stated in the policy.
6. Loss, destruction or damage to the stocks in Cold Storage premises caused by change of temperature.
7. Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so set up.
8. Expenses necessarily incurred on (i) Architects, Surveyors and Consulting Engineer's Fees and (ii) Debris Removal by the Insured following a loss, destruction or damage to the Property insured by an insured peril in excess of 3% and 1% of the claim amount respectively.
9. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
10. Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the perils covered.

11. Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike and Malicious Damage cover.
12. Any Loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature
13. Loss or damage to property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

B. GENERAL CONDITIONS

1. This Policy shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.
2. All insurances under this policy shall cease on expiry of seven days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part.

Provided such a fall or displacement is not caused by insured perils, loss or damage which is covered by this policy or would be covered if such building, range of buildings or structure were insured under this policy.

Notwithstanding the above, the Company subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

3. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtain the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company.
 - 3.1 If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.
 - 3.2 If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days (Not applicable for Dwellings).
 - 3.3 If the interest in the property passes from the insured otherwise than by will or operation of law.
4. This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would, but for the existence of this policy, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.
5. This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate for the time the policy has been in force.

A policy may be cancelled by the insurer on the grounds of misrepresentation, fraud, non-disclosure of material facts or non-cooperation of the insured by sending to the insured fifteen days' notice of cancellation by recorded delivery to the insured's last known address and the insurer will refund to the insured the pro-rata premium for the balance period of the policy.

The rates for Short period scale are as follows:

For a period not exceeding	15 days	10% of the Annual rate
For a period not exceeding	1 month	15% of the Annual rate

For a period not exceeding	2 months	30% of the Annual rate
For a period not exceeding	3 months	40% of the Annual rate
For a period not exceeding	4 months	50% of the Annual rate
For a period not exceeding	5 months	60% of the Annual rate
For a period not exceeding	6 months	70% of the Annual rate
For a period not exceeding	7 months	75% of the Annual rate
For a period not exceeding	8 months	80% of the Annual rate
For a period not exceeding	9 months	85% of the Annual rate
For a period exceeding	9 months	The full Annual rate
N.B.: Extension of short period policy (ies) shall not be permitted.		

6. 6.1 On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company
- 6.1.1 A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
- 6.1.2 Particulars of all other insurances, if any
 The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and the origin and cause of the loss and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.
 No claim under this policy shall be payable unless the terms of this condition have been complied with
- 6.2 In no case whatsoever shall the Company be liable for any loss or damage after the expiry of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
7. On the happening of loss or damage to any of the property insured by this policy, the Company may
- 7.1 enter and take and keep possession of the building or premises where the loss or damage has happened.
- 7.2 take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage.
- 7.3 keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
- 7.4 sell any such property or dispose of the same for account of whom it may Concern.

The powers conferred by this condition shall be exercisable by the Company at any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or

purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim.

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

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

8. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the willful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.
9. If the Company at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join with any other Company or Insurer(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon. If the Company so elect to reinstate or replace any property the insured shall at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

10. If the property hereby insured shall at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.
11. If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.
12. The Insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.
13. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the

dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

14. Every notice and other communication to the Company required by these conditions must be written or printed.
15. At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which upon the settlement of any loss under this policy, pro-rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the insured to the Company.

The additional premium referred above shall be deducted from the net claim amount payable under the policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which the company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to the insured subject only to the right of the company for deduction from the claim amount, when settled, of pro-rata premium to be calculated from the date of loss till expiry of the policy.

Notwithstanding what is stated hereinabove, the Sum Insured shall stand reduced by the amount of loss in case the insured immediately on occurrence of the loss exercises his option not to reinstate the sum insured as above.

ADD ON COVERS

The following Add On Covers will be applicable under the Policy only if We have received the applicable premium due for that Add On Cover in full and the Policy Schedule specifies that the Add On Cover is in force for the Insured Person.

Benefits under the Add On Covers will be applicable subject to the terms, conditions and exclusions of the Add On Covers, and subject always to any sub-limits specified in respect of that Add On Cover and any limits applicable under the Policy in force for the Insured Person as specified in the Policy Schedule.

1. Architects, Surveyors and Consulting Engineers Fees (in excess of 3% of the claim amount)

Policy may be extended to cover the above subject to following endorsement wordings.

"It is hereby declared and understood that the expenses incurred towards Architects, Surveyors and Consulting Engineers fees for plans, specification tenders, quantities and services in connection with the superintendence of the reinstatement for the Building, Machinery, Accessories and equipment insured under this policy upto 7.5% of the adjusted loss is covered, but it is understood that this does not include any cost in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils".

2. Removal of Debris (in excess of 1% of the claim amount)

Policy may be extended to cover the above subject to following endorsement wordings.

It is permissible to cover cost necessarily incurred by an insured in the removal of debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril by incorporating the following clause

“On costs and expenses necessarily incurred by the insured

2.1 In the removal of debris from the premises of the Insured;

2.2 Dismantling or demolishing;

2.3 Shoring up or propping

of the portion or portions of the property insured by (Items.....of) this policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate INR.....”

Note: 1. (1.2) & (1.3) above should be deleted when neither Building nor Machinery are covered.

Note: 2. The cover may be given by separate item in the policy for an amount not exceeding 10% of the total Sum Insured.

3. (A) Deterioration of Stocks in Cold Storage premises due to accidental power failure consequent to damage at the premises of Power Station due to an insured peril.

Policy covering stocks in cold storage premises may be extended to cover the above subject to following endorsement wording:

“In consideration of the payment of additional premium of INR. _____ it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions, this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply at the terminal ends of electric service feeders from which the Insured obtains electric supply directly due to damage caused by any peril insured against under this policy to property at insured premises or any Electric Station or Sub-Station of Public Electric Supply undertaking from which the Insured obtains electric supply.

Provided that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, Municipal or Local Authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's systems or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the Supply Undertaking's generating or supply equipment by an insured peril

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.”

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

(B) Deterioration of stocks in cold storage premises due to change in temperature arising out of loss or damage to the cold storage machinery (ies) in the Insured's premises due to operation of insured peril.

Policy may be extended to cover the above subject to following endorsement wording.

“In consideration of the payment of additional premium, it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply following damage to Insured's property due to insured peril(s).

Provided that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, Municipal or Local Authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's systems or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the Supply Undertaking's generating or supply equipment by an insured peril.

Provided further that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, Add On Covers, conditions and limitations of this Policy".

In any action, suit or other proceedings where the company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the Insured.

4. Forest Fire

Policy may be extended to cover the above subject to following endorsement wordings.

"In consideration of the payment of additional premium the insurance under item of the policy shall extend to include loss of or damage to the property insured directly caused by burning, whether accidental or otherwise, of forest, bush and jungles and the clearing of lands by Fire."

Note 1: Where loss experience for previous 5 years excluding the expiring policy period is less than 30%, a 50% discount on the rate may be considered.

Note 2: Where loss experience is above 60%, the rate shall be adjusted in such a way that the loss experience for policy period worked out as given in Note 1 above be adjusted to 60% subject to a maximum rate of Rs.15%o.

5. Impact Damage due to Insured's own Rail/Road Vehicles, Fork lifts, Cranes, Stackers and the like and articles dropped therefrom.

Policy may be extended to cover the above subject to following endorsement wordings.

"In consideration of an additional premium , it is hereby agreed and declared that the policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicles, Fork lifts, cranes, stackers and the like and articles dropped therefrom."

6. Spontaneous Combustion

Policy may be extended to cover the above subject to following endorsement wordings.

"In consideration of the payment by the Insured to the Company of additional premium, Company agrees notwithstanding what is stated in the printed exclusions of this policy to the contrary that the insurance by (items) of this policy shall extend to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion."

7. Omission to Insure additions, alterations or extensions

Policy may be extended to cover the above subject to following endorsement wordings.

The Insurance by this Policy extends to cover Buildings and/or Machinery, Plant and other Contents as defined in Columns..... hereof which the insured may erect or acquire or for which they may become responsible:

- a. at the within described premises
- b. for use as factories

7.1 The liability under this Add On Cover shall not exceed in respect of (a) above, 5% of the Sum Insured by each item, in respect of (b) above, 5% of the Sum Insured by item No.....

7.2 The Insured shall notify the Insurer of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.

7.3 Following the advice of any additional insurance as aforesaid, cover by this Add On Cover shall be fully reinstated.

- a. No liability shall attach to the insurers in respect of any Building, Machinery, Plant or other Contents while such property is otherwise insured. All new additions to Buildings and/or Machinery and Plant not specifically insured/included during the currency of the policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of completion of the construction /erection of additions may be suitably adjusted.
- b. If the insured fails to declare the values of such additions within 30 days after the expiry of the policy, there shall be no refund of the advance premium collected.
- c. Other Contents' in the above clause shall mean 'Furniture and Fittings' and does not include 'Stocks'.
- d. This clause should be incorporated at the time of issuing the policy.

8. Earthquake (Fire and Shock)

Policy may be extended to cover the above subject to following endorsement wordings:

If option to delete STFI peril is exercised

"In consideration of the payment by the Insured to the Company of the sum of _____ additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by earthquake including Landslide / Rockslide resulting therefrom but excluding flood or overflow of the sea, lakes, reservoirs and rivers caused by Earthquake.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement."

If option to delete STFI peril is not exercised

" In consideration of the payment by the Insured to the Company of the sum of _____ additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by or through or in consequence of earthquake including flood or overflow of the sea, lakes, reservoirs and rivers and/or Landslide / Rockslide resulting therefrom.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement."

Special conditions

1. Excess clause
The Excess as mentioned on the policy Schedule
2. Extension cover shall be granted only if the entire property in one complex / compound / location covered under the policy is extended to cover this risk and the Sum Insured for this extension is identical

to the Sum Insured against the risk covered under main policy except for the value of the plinth and foundations of the building(s).

3. Onus of proof

In the event of the Insured making any claim for loss or damage under this policy he must (if so required by the Company) prove that the loss or damage was occasioned by or through or in consequence of earthquake.

9. Spoilage Material Damage Cover

Policy may be extended to include spoilage risk subject to the following conditions:-

The cover shall extend to material damage, i.e.

- Loss of stock in process; and
- Damage to machinery, containers and equipment (including cost of removal of debris and cleaning) and shall be provided by a separate item of the SFSP Policy subject to the Conditions that the perils causing the spoilage should be the same as those covered under the Policy.

The following wording shall be used.

“In consideration of the payment of an additional premium, it is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under Item No..... of this policy shall extend to cover loss or damage by Spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils covered under this Policy, provided that liability for destruction of or damage to the property insured described in the schedule to this policy, or any part of such property, is first admitted by the Company.

Provided always that all the conditions (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and that any reference therein to the loss or damage caused by insured perils shall be deemed to apply also to loss or damage caused by Spoilage which peril this insurance extends to include by virtue of this Endorsement.”

Special Conditions:

For the purpose of this Add On Cover but no otherwise, the following special conditions shall apply:

Average: If the property hereby insured against spoilage shall, at the time of occurrence of any loss or damage, be collectively of greater value than the sum insured on machinery, containers, equipment and stocks in the specified blocks, then the Insured shall be considered as being his own insurer for the difference and shall bear rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition

Provided that it is hereby further expressly agreed and declared that the liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured by item Nos. _____ of this Policy

Sum to be insured:

The cover must be for all stocks and machinery, container and equipment in specified blocks, specified sums being declared for each block and must be made subject to ‘Average’

10. Leakage and Contamination Cover

Policy may be extended to include the risks of (a) accidental leakage and contamination or (b) accidental leakage.

The Add On Cover will apply to oils and chemicals only. It will not apply to any other commodity

Endorsements

It shall be obligatory to use one of the following endorsement wordings:

A. WHERE LEAKAGE AND CONTAMINATION COVER IS GRANTED:

“In consideration of the payment of an additional premium of INR..... it is hereby agreed and declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of

oil/chemical by leakage from its container by accidental means and all accidental contaminations by contact with foreign matter

Provided always that this policy does not cover:

- Loss by Contamination through Improper Handling or Controls by Insured's own Employees;
- Loss resulting from loss of use, loss of earnings, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- Loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory shortage, mysterious disappearance or unexplained loss;
- Loss by burglary or theft or any attempt thereat;
- Loss resulting from processing or faulty workmanship;
- Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- Any legal and/or contractual liability arising from any cause whatsoever; and
- Consequential Loss of any nature.

B. WHERE LEAKAGE COVER ALONE IS GRANTED:

"In consideration of the payment of an additional premium of INR..... it is hereby agreed and declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this Policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of oil/chemical by leakage from its container by accidental means.

Provided always that this policy does not cover:

- loss resulting from loss of use, loss of earnings, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory shortage, mysterious disappearance or unexplained loss;
- loss by burglary or theft or any attempt thereat;
- loss resulting from processing or faulty workmanship;
- loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- any legal and/or contractual liability arising from any cause whatsoever; and
- Consequential Loss of any nature.

Special Conditions: (Applicable to A and B)

- i. The cover under this endorsement shall attach only on or after the receipt of the insured subject matter in land tanks as described in the policy and subject to lodgment with the company by Insured of a certificate obtained by them at their own expense from a competent approved and independent agency/surveyor as to the purity and quality of the subject matter herein insured
- ii. Before the commencement of pumping and/or decanting operations, the Insured shall arrange at their own expense sampling and quality / purity certification by competent, approved and independent agency / surveyor for such distinct lot, batch or tank load ex-ocean vessel of insured subject matter and shall pump/decant only such material as is pure and without contaminants.
- iii. The insured shall at their own expense arrange inspection and certification from competent approved and independent agency/surveyor as to the cleanliness and fitness of the pipe lines, pumping equipment and the receiving land tanks to carry and/or receive the insured subject matter, prior to the commencement of pumping, decanting, receiving and/or storage operations. Such certification as mentioned above should, inter alia, confirm that the pumping, carrying and storage equipment facilities and tanks are free from impurities, contaminants and/or residue or left-overs from previous use of equipment, facilities or storage tanks. As concerning the receiving land tanks an initial certificate of fitness to receive and store the insured material shall be deemed to satisfy the above condition in so far as such tanks are concerned. However, a fresh certification as mentioned above would be required in the event of the said tanks being empty and fresh stocks are subsequently pumped/decanted in during the currency of this insurance

- iv. In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- v. It is understood and agreed that all loss or damage to property occurring during any one period of seventy-two consecutive hours during the currency of this policy directly caused by earthquake shock shall be deemed to have been caused by single earthquake and therefore to constitute one loss for the purpose of this policy, the Insured shall select a time from which any such period shall commence but no two such selected periods shall overlap
- vi. All salvage recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustment shall be made by the parties hereto.
- vii. If any breach of a clause or condition in this contract or policy of insurance shall occur prior to a loss under this Policy, such breach shall not void the policy nor avail the company to avoid the liability unless such breach shall exist at the time of such a loss under this contract or policy, it being understood that such breach of a clause or condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred
- viii. Each claim for loss or damage shall be adjusted separately and each claim is subject to an excess of 1% on each tank with a minimum of INR 60,000/- each loss.
- ix. If the property hereby insured shall at the time of the operation of a peril insured hereunder, be collectively of greater value than the sum insured thereof, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition

NOTE: SPECIAL CONDITIONS (i), (ii) AND (iii) ARE NOT APPLICABLE WHERE LEAKAGE COVER ALONE IS GRANTED

11. Temporary Removal of Stocks Clause

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This Add On Cover does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy.

12. Loss of Rent Clause

Policy may be extended to cover the above subject to following:

Where loss of rent caused by Insured Perils is covered, the following Rent Clause should be inserted in the Policy:-

“The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage by the perils insured against and then the amount payable shall not exceed such portion of the sum insured on Rent as the period necessary for reinstatement bears to the term of the Rent Insured.

13. Insurance of Additional Expenses of Rent for an Alternative Accommodation

Policy may be extended to cover the above subject to following:

Additional expenses of rent for an alternative accommodation in respect of non-manufacturing risks may be covered on the following basis:

- 13.1 The cover may be granted for non-manufacturing premises only
- 13.2 The cover may be granted under the Policy and not under Consequential Loss (Fire) Policy.
- 13.3 The period of Indemnity may be limited to the period during which the original premises remain untenable as a result of occurrence of perils insured against. Maximum indemnity period not to exceed 3 (three) years.
- 13.4 The additional expense recoverable under the policy may be additional rent actually paid i.e. the difference between the new and the original rent only
- 13.5 Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenable will be accepted as adequate proof of the fact that the premises, in fact, have become untenable
- 13.6 Insurance should be granted against Fire, Riot, Strike, Malicious and Terrorist Damage and Earthquake (Fire & Shock) and other Extraneous Perils. Cover against Riot, Strike, Malicious and Terrorist Damage should be granted only if it involves actual physical damage to the building. The cover does not intend to pay, if for instance, the insured's entry is barred by strikers, demonstrators and similar occurrences
- 13.7 The cover may be limited to buildings other than those of "Kutchra" construction.
- 13.8 The area for alternative accommodation may be equivalent to the area presently occupied. However, no restriction will apply in respect of locality for the alternative accommodation, so long as the alternative accommodation is taken in the same city or town.
- 13.9 Cover may be permitted to the tenant as also to the Owner-Occupant. Further, in respect of the Owner-Occupant, the alternative accommodation may be limited to the area presently under his occupation.
- 13.10 For the Owner-Occupant, since he will not be paying any rent based on the area occupied by him (in comparison with the actual rent being paid by the tenant in the same building or similar buildings in the same locality) the standard rent based on the rateable values fixed by Municipal/Revenue Authorities for tax purposes may be treated as the original rent for the purpose of this insurance
- 13.11 it will be compulsory for
 - i. the Owner-Occupant to insure both building and contents.
 - ii. the tenant to insure the contents of the premises for which he is seeking this Add On Cover

Endorsement wording for insurance of rent for alternative accommodation Tenant or Owner-Occupant

It is hereby declared that in the event of the premises described in the policy and occupied by the insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any Insured Peril as to become unfit for occupation and the insured in consequence taking up alternative accommodation, the Company shall, subject to special conditions set out herein, indemnify the insured against the additional rent (as explained herein) which the insured is called upon to bear for the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation or the maximum indemnity period of months whichever is earlier

Provided that the liability of the Company shall not exceed INR..... the sum insured hereby

Provided further that if the sum produced by applying the monthly additional rent, borne by the insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced

Special Conditions

- i. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being "Kutchra" Construction.
- ii. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this insurance shall be deemed to be that proportion of the additional rent actually borne by the

insured as the area of the PREMISES which was in the insured's occupation bears to the area of the alternative accommodation taken by the insured. The insured shall be at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

Explanation

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

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

If the insured is a tenant and is not obliged to pay rent for the premises during the period when it is not fit for occupation, the additional rent borne by him is the actual rent paid for alternative accommodation taken less the rent which he was paying for the premises immediately prior to the same being damaged or destroyed by Insured Perils and rendered unfit for occupation.

14. Start up Expenses

Policy may be extended subject to the following endorsement wordings:

"It is hereby agreed and declared that this policy extends to cover start-up costs necessarily and reasonably incurred by the insured consequent upon a loss or damage covered by this policy."

15. Terrorism Damage Cover

Policy is extended to cover physical loss or physical damage occurring during the period of the Policy caused by an act of sabotage and/or terrorism to the location/s mentioned in the schedule, subject to the exclusions, limits and excess specified.

ENDORSEMENT WORDINGS

1. Agreed Bank Clause

All policies in which a Bank/Financial Institution has interest shall be issued in the name of Bank/Financial Institution and owner or mortgagor and shall contain a suitable clause to protect their interest. A specimen copy of the Clause is given hereunder.

"It is hereby declared and agreed

1.1 That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.

1.2 That the receipts of the Bank shall be complete discharge of the Company therefore and shall be binding on all the parties insured hereunder

N.B: The Bank shall mean the first named Financial Institution/ Bank named in the policy.

1.3 That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.

1.4 That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.

1.5 That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of condition 3 of the Policy except

where a breach of the condition has been committed by the Bank or its duly authorized agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and

- 1.6 It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

N.B: In cases where the name of any Central Government or State Government owned and / or sponsored Industrial Financing or Rehabilitation Financing Corporations and /or Unit Trust of India or General Insurance Corporation of India and/or its subsidiaries or LIC of India/ any Financial Institution is included in the title of the Fire Policy as mortgagees, the above Agreed Bank Clause may be incorporated in the Policy substituting the name of such institution in place of the word 'Bank' in the said clause.

2. Contract Price Insurance Clause

In the case of insurance of imported goods only (and not for goods of local manufacture) which are sold under a contract which is cancelled either wholly or to the extent of loss or damage, it is permissible to issue a policy on the basis of Contract Price and the following clause shall be inserted in the Policy

"It is hereby agreed and declared that in respect only of goods sold but not delivered for which the insured is responsible and with regard to which under the conditions of sale, the sale contract is by reason of the perils covered under the Policy, cancelled either wholly or to the extent of the loss or damage, the liability of the company shall be based on the contract price and for the purpose of average the value of all goods to which the clause would in the event of loss or damage be applicable shall be ascertained on the same basis."

3. Designation of Property Clause:

For the purpose of determining, where necessary, the item under which any property is insured, the insurers agree to accept the designation under which the property has been entered in the insured's books.

4. Reinstatement Value Policies

Reinstatement value insurance may be granted on Buildings, Machinery Furniture, Fixture and Fittings only subject to the incorporation of the following memorandum in the policy:

"It is hereby declared and agreed that in the event of the property insured under (Item Nos.....of) within the policy being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the policy is to be calculated shall be cost of replacing or reinstating on the same site or any other site with property of the same kind or type but not superior to or more extensive than the insured property when new as on date of the loss, subject to the following Special Provisions and subject also to the terms and conditions of the policy except in so far as the same may be varied hereby."

Special Provisions:

The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the destruction or damage or within such further time as the Company

may in writing allow, otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.

- 4.1 Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged the Company shall not be liable for any payment in excess of the amount which would have been payable under the policy if this memorandum had not been incorporated therein.
- 4.2 If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed, exceeds the Sum Insured thereon or at the commencement of any destruction or damage to such property by any of the perils insured against by the policy, then the insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provision.
- 4.3 This Memorandum shall be without force or effect if
 - a) the Insured fails to intimate to the Company within 6 months from the date of destruction or damage or such further time as the Company may in writing allow his intention to replace or reinstate the property destroyed or damaged.
 - b) the Insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

5. Local Authorities Clause

Reinstatement Value Policy may be extended to cover additional cost of reinstatement solely by reason of the necessity to comply with the regulations of local authority by incorporating the following clause in the policy.

"The insurance by this policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with the Building or other Regulations under or framed in pursuance of any act of Parliament or with Bye-laws of any Municipal or Local authority provided that

5.1 The amount recoverable under this Add On Cover shall not include:

- a) the cost incurred in complying with any of the aforesaid Regulations or Bye-laws,
 - i. in respect of destruction or damage occurring prior to the granting of this Add On Cover
 - ii. in respect of destruction or damage not insured by the policy,
 - iii. under which notice has been served upon the insured prior to the happening of the destruction of damage,
 - iv. in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this policy) of that portion of the property destroyed or damaged,
- b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations of Bye-laws not arisen,
- c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

5.2 The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Insurer under this Add On Cover not being thereby increased.

5.3 If the liability of the insurer under (any item of) the policy apart from this Add On Cover shall be reduced by the application of any of the terms and conditions of the policy then the liability of the Insurers under this Add On Cover (in respect of any such item) shall be reduced in like proportion.

5.4 The total amount recoverable under any item of the policy shall not exceed the sum insured thereby.

- 5.5 All the conditions of the policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein."
- 5.6 No additional premium shall be charged for inclusion of this clause in this policy.

6. Escalation Clause

The following Clause shall be used:

"In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the under noted items(s) the Sum(s) Insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Item Number Specified percentage increase per annum

Unless specifically agreed to the contrary the provisions of this clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each renewal date the insured shall notify the Insurers:-

- 6.1 The sums to be insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of insurance up to that renewal date, and
- 6.2 the specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein."

7. Floater Clause

The following clause shall be attached for floater policy (ies):

"In consideration of Floater Extra charged over and above the policy rate the S.I. in aggregate under the policy is available for any one, more, or all locations as specified in respect of movable property.

At all times during the currency of this policy the insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

The changes in the address of locations specifically declared at inception should be communicated"

8. Declaration Clause

The following clause shall be attached to Declaration Policy (ies).

- 8.1 In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance.

"The Insured agrees to declare to the Company in writing the value of his stocks (other than retail) less any amount insured by Policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely a) the average of the values at risk on each day of the month or b) the highest value at risk during the month or c) the value of stocks on the last day of the month or d) the average of the values at risk on each of the quarter and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorised to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

8.2 In the event of a declaration not being made latest by the last day of the succeeding month, then the insured shall be deemed to have declared the Sum Insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated at the rate of.....
(insert the Tariff rate) on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured but such repayment shall not exceed ___% of the provisional premium

Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the currency of the policy

8.3 The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the Market Value immediately anterior to the loss.

8.4 If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the stocks.

8.5 If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

8.6 Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the currency of the policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be take into account in, and shall be distinct from, the final adjustment of premium.

8.7 In event of this policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or ___ of the provisional premium whichever is greater. Notwithstanding the above, if the policy is cancelled by the insured after a loss has occurred, the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured up to the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or ___ of the provisional premium whichever is greater.

8.8 The maximum liability of the Company shall not exceed the Sum Insured hereby and premium shall not be receivable on value in excess thereof. The Sum Insured may, however, be increased by prior agreement with the Company in which event the new Sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the Sum Insured being agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the currency of the policy, the rate for the class of risk to which the insurance applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on

such increased sum an additional provisional premium on a basis proportionate to the unexpired period of policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above

- 8.9 If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.
- 8.10 It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.
- 8.11 This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions.

Add on covers:

- 1) Molten material spillage cover
The policy extends to cover physical loss or damage to property excluding cost of molten material serving business operations that arises without the occurrence of fire as a result of the spillage or leakage of glowing molten material from container or lines.
- 2) Loss minimization expenses
This Policy includes expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises
- 3) Brand / trademarks
The cover provides for the salvage value of damaged property to be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics.
- 4) Sue and labour charges
The extra expenses besides the insurable loss incurred by insured to prevent or reduce the loss or damage in way of hiring exigency labour, defence costs, travelling and any other alike reasonable expenditures to the extent of safeguarding the further loss of insured property will be indemnifiable under the policy
- 5) Claims payment on account
All claims to be paid to the Insured within reasonable time after receipt of satisfactory documentation and determination of the quantity of the loss presented by the loss adjusters and agreed by the Insurer.
- 6) 72 hours clause
Loss of or damage to the Insured Property arising during any one period of seventy two (72) consecutive hours, caused by storm, tempest, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the Excesses provided for herein.
- 7) Involuntary betterment/ technological advancement
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.
- 8) Parts undamaged clause

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.

- 9) Decontamination and cost of cleanup expenses
The policy will cover the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy any law or ordinance regulating contamination.
- 10) Accidental damage cover
The policy is extended to cover direct loss or damage to the property described in the Schedule due to accident from any fortuitous cause subject to the terms, conditions and exclusions
- 11) Dewatering expenses
Covers costs and expenses necessarily and reasonable incurred for dewatering, including shafts and underground.
- 12) Accounts receivable
This Policy covers any shortage in the collection of accounts receivable, resulting from insured physical loss or damage to accounts receivable records, including accounts receivable records stored as electronic data, while anywhere within this Policy's TERRITORY, including while in transit.
- 13) Broad water damage
The Policy extends to insure against loss or damage to the insured property caused by the backing up or escape of water from a sewer or storm drain, sump, septic tank, eavestrough or downspout
- 14) Electrical apparatus clause
Loss or Damage by fire to the electrical appliances, apparatus, fixture or fitting insured under this policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lighting included) is covered
- 15) Immediate repairs
The insurer may immediately begin repairs or reconstruction and in case of dispute as to the cost of repair and/or reconstruction the loss shall be settled in accordance with the terms of this Policy.
- 16) Employee's personal property/ effect
The policy is extended to include the loss of or damage to Personal Property of employees for which the insured is responsible whilst at the insured premises
- 17) Growing plants, crops and trees, landscaping
The clause covers accidental physical loss, destruction or damage to plants, crops and trees being grown within the Premises for non-commercial purposes.
- 18) Claims preparation cost
The expenses incurred in preparing detailed bill, estimate, and Proforma invoice or for obtaining documents in support of cause of claim or quantum of the claim, is paid for.
- 19) Capital additions / newly acquired property / interest
This Policy is extended to include any newly acquired machinery and plant or newly constructed buildings, alterations additions and improvements to buildings and machinery and plant
- 20) Catalysts, lining, refractory and consumable
Catalysts and consumable materials in the course of process are covered up to a specified limit.

- 21) Expediting expenses
This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.
- 22) Inadvertent omission
Any such property shall be found to have been inadvertently omitted, the Company will deem it to be insured within the terms of this policy subject to no claims reported under the policy, up to a limit in the aggregate specified in the Schedule provided that such property is declared to Company immediately upon discovery of such omission.
- 23) Property in transit
This Policy covers Personal Property owned by the Insured, shipped to customers under F.O.B., C&F or similar terms, of others in the actual or constructive custody of the Insured to the extent of the Insured's interest or legal liability or of others sold by the Insured and while in transit within the TERRITORY of this Policy
- 24) Cost of clearing drains
This section of the policy will extend to pay for the reasonable costs incurred by the Insured towards clearance of drains including expenses necessarily incurred in clearing and/or repairing drains, gutters, sewers and the like.
- 25) Pair and set clause
This policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets, lots or in ranges.
- 26) Deferred payment clause
This Policy covers insured physical loss or damage to Personal Property of the type insured sold by the Insured under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer.
- 27) Protection and preservation of property
This policy extends to cover reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property, provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.
- 28) Additional insured
Any Individual, firm, corporation and/or its joint ventures, for whom or with whom The Insured may be operating is hereby named as additional insured in the Schedule when required by contract, or as required.
- 29) Startup/shut down expenses
This extension covers actual loss sustained due to specified start-up / shut-down costs for power and utilities such as electricity, water, steam, gas as well as feedstock, fuels or combustibles to re-establish the plant in the operational state on the occurrence of an event which leads to a damage or loss covered under this Policy
- 30) Tenants liability
The policy extends to cover tenant's liability, being those financial consequences of the liability which the Insured may incur as tenant, in respect of insured material damage under articles of any civil code.
- 31) Collapse

The insurance shall be extended to cover loss or damage due to total and partial collapse of insured property.

32) Obsolete equipment clause

In case of a loss where the property be technologically obsolete or unavailable because it is no longer in production, and should the property be actually replaced by another system/ property, then the Insurer shall be liable for the replacement cost as new of equipment including connected accessories and peripherals which will at least perform substantially the same functions as the original equipment.

33) Obsolete parts clause

In the event of spares currently insured hereunder and represented within the total sum insured under this Policy becoming obsolete following an indemnifiable loss to the Plant & Machinery, the same should form part of the claim subject to Insurer's retaining right of salvage over such obsolete parts.

34) Professional fees clause

This Policy extends to cover the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants, architects, auditors, engineers, or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Company resulting from insured loss payable under this Policy for which the Company has accepted liability.

35) Aggravation clause

Where an insured loss exists and is aggravated by an excluded peril, the impact of this excluded peril shall not preclude the right of the insured to be indemnified for the claim arising out of the original loss.

36) Leak search and finding costs

Company will indemnify the Insured for the cost and expenses necessarily and reasonably incurred in locating and obtaining access to any part or parts of the insured property in order to locate and repair leaks or other damages not otherwise excluded by the policy.

37) Non invalidation clause

Insurance shall not be invalidated by any change of occupancy or increase of risk taking place in the property insured without the insured's knowledge or workmen on the premises for the purposes of effecting repairs, minor alterations to the premises or general maintenance purposes and the like.

38) Waiver of underinsurance clause

If it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the insured under this section shall be reduced in such proportion as the sum insured bears to the amount required to be insured. Provided, however, if the said sum insured in respect of such item(s) of the schedule shall not be less than 85% of the value of the item(s) thereat, this condition shall be of no purpose and effect.

39) Removal of debris including external debris

This endorsement is extended to include external debris of property, other than insured property, accumulated at the premises of the insured.

40) Removal of debris- external debris

Policy extends to cover costs and expenses necessarily incurred by the Insured with the consent of the Company in demolishing or removing external debris of property, other than insured property accumulated within the risk location of the Policy.

41) Deliberate damage clause

This insurance covers physical loss of property insured or expenses incurred by the insured, directly caused by any act or order of any governmental authority acting under the powers vested in them to prevent or mitigate the damage or imminent damage or threat thereof.

42) Minor works

This policy is extended to include minor alterations and/or construction and/or re-construction and/or addition and/or maintenance and/or modifications and/or work carried out on any of the property insured under this policy against insured perils.

43) Non vitiation clause

If the Insured comprises more than one insured party each operating as a separate and distinct entity then cover shall apply in the same manner and to the same extent as if individual policies had been issued to each such insured party provided that the total liability of the Company to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity stated in the Policy.

44) Multiple insured clause

If in any Section the Insured comprises of more than one party each operating as a separate and distinct entity, this Policy of Insurance shall, unless otherwise provided for in this Policy of Insurance, apply as if a separate policy had been issued to each of these parties.

45) Property not in insured premises/ off-site

This policy extends to cover property (Machineries / Equipments and Stocks) of the insured temporarily stored in unspecified locations outside the insured premises.

46) Valuable papers and records

Company will pay for direct physical loss of or damage to Valuable Papers and Records like inscribed or printed or written documents and manuscripts or records, including abstracts, books, deeds, drawings, films, maps, mortgages, prints and tracings, computer programs, etc. at the premises.

47) Waiver of subrogation

The Insurance shall not be invalidated should the Insured waive, with Insurers' agreement, prior to loss or damage affected thereby any or all rights and recovery against any party for loss or damage to the property described herein, provided however, that the Insurers' rights of recourse against any manufacturers and suppliers be maintained in force.

48) Goods held in trust

The policy will cover certain items of the property may be subject of hire purchase, lease or other agreements, etc.

49) Floater insurance – unspecified locations

The stocks insured under Policy is subject to a floating Sum Insured declared hereon all the locations owned and or occupied by the Insured anywhere in India.

50) Vehicle load clause

In the event of any of the insured's vehicles being left loaded overnight whilst in or on the premises described in the specification hereto the Company will indemnify the insured in respect of such load in the event of loss or damage by any of the perils insured against by this Policy.

51) Trace and access

The Insurer will reimburse the insured with costs and expenses incurred in investigating and identify the cause of Damage, and of identifying the location of such cause.

52) Unoccupancy clause

The insurance by this Policy will not be prejudiced in the event of any Building remaining unoccupied for a greater period than 30 days.

53) New location cover

Property at a new location acquired by the Insured, other than those in operation or acquired prior to the effective date of this coverage, is automatically covered up to the amount as specified in the Schedule and for a period up to 30 days from the date of acquisition.

54) Additional customs duty

Insured shall also indemnify during the currency of this policy, toward the additional Custom Duty amount which may be incurred by the insured over and above the custom Duty amount taken into account in arriving at the Sum Insured of the affected item.

55) Errors and omissions and mis-description clause

In the event of physical loss or damage to property of the Insured located in the country in which the locations herein insured are situated and such loss or damage is not payable under this Policy solely because of any error or unintentional omission in the description or location of Property Insured under this Policy, which error or omission existed at the inception date of this Policy or in any subsequent amendments to this Policy or failure through error or unintentional omission to include any location owned or occupied by the Insured at the inception date of this Policy

56) Fire-fighting expenses

This Policy extends to cover all expenses necessarily and reasonably incurred by or on behalf of the Insured in extinguishing fire or in mitigating, containing or suppressing loss, destruction or damage by any peril or eventuality hereby insured against occurring at or adjacent to or immediately threatening the situation of any property insured by the Policy.

57) Automatic reinstatement clause

In the event of any claim occurring under this Policy and in the absence of written notice by the Insured to the contrary, the insurance in respect of any Property Insured or Business Interruption arising is automatically reinstated as and from the date of the Damage.

58) Demolition and increased cost of construction

This Policy covers the reasonable and necessary costs incurred, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures

59) Contamination and co-mingling of stocks

The insurance under the Policy shall extend to cover loss or damage to stocks as a result of accidental contamination and/or accidental co-mingling arising from a cause not otherwise excluded in the Policy, whilst in the Insured's care, custody or control.

60) Loss payee clause

The loss shall be payable to the Insured or as directed by the Insured, which shall include such party who has an insurable interest in the subject matter insured at the time of loss or damage.

61) Primary and non contributory cover

This policy provides primary insurance cover and shall not be contributory to any other policy that may exist whether the other policy also covers the interest of the insured or not.

62) Temporary repairs

This policy covers the cost actually incurred by the Insured following Damage, in making temporary repairs to any of the property and erecting temporary buildings in place of any of the said property.

63) Contract works

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

64) Contingent duty clause

Any contingent liability accruing to the account of the Insured on account of any duty / taxes due to the loss / destruction / damage of the Insureds Property covered under this policy caused by a peril not otherwise excluded under the policy will be allowed as a claim under this policy.

65) Delay in repairs

The insurer shall be liable for a period not exceeding four weeks for any loss of interest insured resulting from a delay in repair or replacement of lost or damaged property insured of foreign make, where such delay results from import or export restrictions, custom regulation, currency restrictions or any other regulation imposed by any Government or Public Authority.

66) Bankruptcy and insolvency

In the event of bankruptcy or insolvency of the Insured, the Company shall not be relieved thereby of the obligations regarding payment of claims under the Policy.

67) Expiration

If this Policy should expire or be cancelled while an insured event affecting the property hereby insured is in progress, the Company shall be responsible as if the entire loss had occurred prior to the expiration of this insurance.

68) Outage clause

Duration of the period from the time breakdown occurs resulting in shut down of the unit till the unit is synchronized and achieved full load or is in operation for 72 hours since the synchronization whichever is earlier would be considered as single outage.

69) No control clause

This Insurance shall not be affected by failure of the Insured to comply with the provisions of the policy in any portion of the property over which the Insured has no control.

70) Sprinkler up-grading costs

Policy shall cover additional costs which conform to the Loss Prevention Rules for Sprinkler Installations. Such costs shall include inter alia the provision of any additional pipework pumps tanks and the cost of associated building works.

71) Control of damaged goods clause

It is agreed that in the event of damage to goods insured under this policy, the Assured shall retain control of all damaged goods.

72) Destruction cost

It is agreed that upon operation of an insured peril, Insurers will pay the additional costs and expenses reasonably incurred by the Assured in connection with destruction of damaged Goods.

73) Re-validation charges

In the event of triggering of any insured peril(s) resulting in loss/damage to Civil Structures/Plant and Machinery which necessitates the insured to put either a portion of/complete Civil Structures &/or a

portion of /complete Plant & Machinery for Revalidation/Stability Tests, this policy would respond to such costs.

74) Destruction of sound property

This Policy extends to cover the cost of destruction and subsequent replacement of undamaged property or undamaged portions of property, if such destruction is solely necessary in order to carry out repairs or reinstatement of the property insured by this Policy and for which the Company has admitted liability.

75) Repeat tests

If as a result of loss or damage due to a peril insured against hereunder it becomes necessary to repeat any test and/or trial or to carry out subsequent test(s) and/or trial(s), Insurers hereon will bear the cost of any such repeated and/or subsequent test(s).

76) Export tax benefits

This Policy extends to include the loss of tax benefits, derived solely from the export of any product which is manufactured, stored or contained at the premises of the Insured following upon loss as insured which results in the interruption of or interference with the business.

77) Damage to building (occasioned by theft)

This cover includes damage to building caused by theft or attempted theft excluding damage which is more specifically insured by or on behalf of the insured and in respect of any building which is empty or not in use.

78) Pollutant clean up and removal

This Policy extends to cover costs and expenses necessarily and reasonably incurred by the Insured for removing debris of the property insured hereunder destroyed or damaged from the location of the loss or cleaning up, at the location of the loss, made necessary as a result of such direct physical loss or damage; or cleaning up and removing pollutants from land and water confined within Insured's premises

79) Undeclared property of others

Policy is extended to cover the property of others which the Insured is responsible for or has agreed to insure or is required to insure but did not declare such property under the Insureds books or records or other business document.

80) Appraisalment clause

No special inventory or appraisalment of the undamaged property shall be required, if the aggregate claim for any one insured loss or damage does not exceed the amount as specified in the Schedule by the item or items effected.

81) Key and lock clause

Policy extends to include replacing keys and locks or modifying the locking mechanism to any strongroom, safe or money receptacle in the event of such keys or locks having being stolen, repairing any locking mechanism (mechanical or electrical) to any strongroom, safe or money receptacle including any alarm devices relating or attached thereto following upon forceable entry; or any attempt thereat to such strongroom, safe or money receptacle or the recoding of locking devices of any safe, strongroom or receptacle following loss or damage as insured.

82) Tax treatment of profits

This Policy is extended to cover the increased tax liability from an insured loss at a location of the Insured.

- 83) Mould & fungi endorsement
This Policy only insures Damage to Property Insured by mould, mildew, fungus or spores, when directly caused by Damage to Property Insured during the Period of Insurance by one of the listed perils like fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, etc.
- 84) Duty
The Policy covers any loss sustained by the Insured if, in case of physical loss or damage to property insured by this Policy, the excise duty and/or import duty and/or other duties due in respect of such property is not yet paid to the relevant authority and also has not been waived by such authority.
- 85) Vessel impact to jetty
This Section extends to cover the Insured's loss resulting from 'Damage' as herein defined caused by vessel impact to the crude/product jetty used by the Insured.
- 86) Currency conversion
Where currency conversion is necessary when applying the terms and conditions of this Policy, the rates of exchange to be adopted shall be those prevailing for premium payments, at inception of each policy year; for premium adjustment, at the expiry of each policy year; for loss settlement, at the date of final settlement of loss.
- 87) Merger and acquisition
This policy automatically covers the Insured's interest in newly acquired property, as is otherwise covered by this policy, whether acquired through merger, acquisition or otherwise.
- 88) Tenants
The Insurance hereby shall not be prejudiced by any act or omission unknown to or beyond the control of the Insured on the part of any tenant occupying or using the premises.
- 89) Civil authority
This Policy extends to cover against any loss or increased cost occasioned by any civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property hereby insured hereunder following a loss covered under this Policy.
- 90) Temporary structures plant & equipment (including electrical cables & pipes)
The insurance by this Policy extends to include loss as insured resulting from interruption of or interference with the business in consequence of damage as insurable by a Material Damage Policy (and any endorsement thereto) or Contractors All Risks Policy (should such have been effected) insuring Temporary Structures, Plant and Equipment.
- 91) Ammonia contamination
In the event of direct physical loss of or damage to property insured caused by an Accident to an Object occurring at a premises described in the Schedule, Company will pay for contamination to property insured caused by ammonia.
- 92) Customer goods clause
Policy extends to cover goods belonging to the Insured's customers, purchased but not delivered or temporarily in the custody of the Insured for alteration, repair or renovation or other purposes at the Premises insured insofar as such goods are not otherwise insured under any other insurance policy.
- 93) Margin clause
No adjustment in value of property shall be made unless the values reported represent an increase of more than 10% from the initial values reported.

- 94) Operational testing
This Policy extends to cover insured physical loss or damage to insured property during the Period Of Operational Testing.
- 95) Original equipment manufacturer
In the event of accidental physical loss or damage to the property hereby insured the Insured, at sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers or fabricators.
- 96) Property in the course of construction / erection
The insurance by this Policy extends to provide automatic coverage during the Period of Insurance for property in the course of construction / erection including up to 4 weeks testing and commissioning.
- 97) Purchaser clause
If at the time of any loss or damage to any building insured, the Insured shall have contracted to sell his interest in such building and the purchase shall not have been but shall be thereafter completed the Purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the Purchaser against such loss or damage shall be entitled to the benefit of this Policy.
- 98) Unrepaired damages
In the event of the Insured deciding not to replace or repair the damaged item and decides to continue with the damaged item after incurring necessary expenditure for safe working of the damaged item, the Company shall indemnify the amount expended in making the item safe plus the reasonable repair cost which would have been incurred by the Insured had the Insured repaired the damage item.
- 99) Undamaged foundations
The foundation of the property insured which prove to be unusable following the loss or damage as covered under the Policy at the insured premises shall be considered part of the property damaged.
- 100) Temporary removal of property/temporary removal (excluding stocks)
The Policy shall be extended to cover Insured Property excluding Building, Stock, Finished Goods and Raw Materials against the opted Insured Event covered under this Policy whilst temporarily removed for cleaning, renovation, repair and other similar need based purposes, within the Geographical limits specified.
- 101) Modification Cost/Incompatibility Expenses
Extension to cover the cost or expenses for modification of (A) damaged due to insured peril or undamaged equipments including but not limited to computers and ancillary equipments and/or (B) the cost of replacement/restoration and recompilation of computer records to mitigate the incompatibility between the replaced equipment and undamaged equipment and/or computer records.
- 102) Green clause
The Policy extends to cover additional costs necessarily and reasonably incurred with the Company's consent in rebuilding or repairing Buildings at the Premises in a manner that aims to reduce potential harm to the environment by improving energy efficiency.
- 103) Crane hiring expenses
The Policy extends to cover crane hiring expenses for necessarily incurred by the Insured as part of loss minimization and to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises.

- 104) Salvage disposal cost
The Insurer agrees not to sell or otherwise dispose of any property which is subject of a claim hereunder without the written consent of the Insured.
- 105) Inhibition costs/damage by emergency services
The Insurer will indemnify the loss or damage to undamaged property of insured damaged in order to extinguish or inhibit the spread of fire or other catastrophe insured herein up to a limit as mentioned in policy schedule.
- 106) Unpacking expense clause
The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of costs and expenses incurred by the Insured in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any property physically lost, destroyed or damaged by any peril insured against.
- 107) Accidental Discharge of Gas Flooding System Cost
The insurer will pay the reasonable costs/expenses incurred by the insured in refilling cylinders of any gas flooding systems installed for the protection of property arising out of the accidental discharge of such system due to loss or damage covered under the Policy.
- 108) Roads pavements and street furniture
The insurance cover provided by this Policy extends to include damage to roads, pavements and street furniture ,owned by the Insured or for which the Insured is legally responsible, arising out of an Insured Event.
- 109) Consequential Reduction In Value
In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets, lots or in ranges.
- 110) Land Stabilization Costs
The Company will pay for the additional cost of reclaiming, restoring or repairing land improvements as incurred by the Insured, resulting from direct physical loss of or damage to property insured under the Policy due to insured peril, occurring at premises described in the Schedule.
- 111) Outbuilding clause
The cover will extend to include to include walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase and steel or iron frameworks in the said premises.
- 112) Workmen's clause
This Policy extends to cover minor extensions or alterations, installations, maintenance or similar activities carried out by workmen without prejudice to the coverages provided under this Policy.
- 113) Damages to Underground Services
This policy is extended to include loss or damage to the Insured's underground water, drainage, sewerage, gas, electricity or telephone pipe or cable extending from the Premises to the last leg of supply chain for which the Insured is responsible.
- 114) Archives
The insurance under this Policy is extended to cover reasonable costs incurred in the reconstruction of archives, record account documents, plans, computer programs and data, subject to back up copies / records being maintained in a safe and secure place.

- 115) **Nominated Loss adjustor clause**
Insurers agree that, in the event of an occurrence that is likely to give rise to a claim under this Policy, the Insured can appoint one of the following firms of Adjusters/Surveyors to act on behalf of Insurers to conduct all loss or damage surveys or adjustments.
- 116) **PIG Retrieval**
Following the operation of Insured Peril resulting in an admissible loss or damage to Insured Property, this Policy is extended to cover the necessary and reasonable costs incurred by the Insured in the retrieval of an inspection “smart pig” from a pipeline due to its non-functionality.
- 117) **Exploratory Costs**
The reasonable cost incurred during the period of insurance, to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, used to hold or carry liquid or gas at the premises provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to property.
- 118) **Metered Water**
The insurance cover of each item covering machinery extends to include the costs for which the Insured is responsible in respect of loss of metered water provided that the Insured maintains a record of readings from the Water Authority meter at intervals of not more than 7 days, unless specifically agreed otherwise.
- 119) **Contracting Purchasers Interest Clause**
If at the time of any loss or damage to any building hereby insured the Insured shall have contracted to sell his interest in such building and the purchase shall not have been but shall be thereafter completed the Purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the Purchaser against such loss or damage shall be entitled to the benefit of this Policy so far as it relates to such loss or damage without prejudice to the rights and liabilities of the Insured or for the Company under this Policy up to the date of completion of the purchase.
- 120) **Public Relations Expense**
The insurance by this Section of this Policy is extended to insure the costs incurred by the Insured to employ suitable public relations personnel to deal with press and public announcements and other necessary activities reasonably incurred with the Insurer’s consent following loss due to insured peril hereunder.
- 121) **Fine Arts/Works of Art**
The Company will pay the Insured for direct physical loss of or damage to Fine Arts occurring at a premises described in the Schedule, caused by a peril not excluded under the Policy.
- 122) **Smoke Damage**
The insurance shall, extend to include destruction of or damage to the property insured (by fire or otherwise) directly caused by SMOKE due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not SMOKE from fire-places or industrial apparatus.
- 123) **Soft Costs**
This Policy covers the Actual Loss Sustained incurred by the Insured of Soft Costs during the PERIOD OF LIABILITY arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage due to insured peril to insured property under construction at an Insured Location.

124) Unnamed Locations

The policy extends to cover the property insured while at fixed unspecified locations not included in the location(s) specified in the Schedule , up to the limit at any one location for any one loss and the aggregate Limit as specified in Policy Schedule subject to condition that the occupancy is related to insured's trade/Manufacturing activity/services covered under the policy.

125) Testing & Commissioning Clause

This insurance does not cover destruction or damage to property in course of construction or erection, dismantling, revamp or undergoing testing or commissioning including mechanical, performance testing and any business interruption resulting there from.

GENERAL TERMS AND CONDITION

We at Zurich Kotak General Insurance Company (India) Ltd., believe in transparency. In order to avoid any inconvenience at the claim stage, we would like to familiarize you with the significant exclusions arising by the following will not be covered

In a policy there are general exclusions and also certain specific exclusions under different Sections and hence both these exclusions should be read in conjunction so as to understand the Policy exclusions.

Exclusions in the Policy

- War & War group of peril
Loss, destruction or damage caused by war, invasion, act of foreign enemy hostilities or war like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
- Nuclear group of perils
Loss, destruction or damage directly or indirectly caused to the property insured by
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- Pollution and Contamination
Loss, destruction or damage caused to the insured property by pollution or contamination excluding
 - a) Pollution or contamination which itself results from a peril hereby insured against.
 - b) any peril hereby insured against which itself results from pollution or contamination
- Bullion or unset precious stones, manuscripts etc
Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an amount exceeding INR 10000/-, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer systems records, explosives unless otherwise expressly stated in the policy.
- Other specified exclusions
Loss, destruction or damage to the stocks in Cold Storage premises caused by change of temperature.
- Electrical or Mechanical breakdowns
Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self heating or leakage of electricity from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so set up.
- Loss of earning, market or other consequential loss etc
Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever

- Loss or Damage due to Earthquake, Volcano or other convulsions of nature
Any Loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, Volcanic eruption or other convulsions of nature.
- Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the perils covered.
- Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike, Malicious and Terrorism Damage cover.
- Loss or damage to property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

What is the Sum Insured in the Policy?

It is the limit of Insurer's liability under the policy. It represents the actual value of the property insured. The responsibility of deciding the sum insured is always the insured's. Insurer/Advisor can only guide.

- Reinstatement Value (RIV) - Value at which the damaged property can be reinstated or replaced by new property
- Market Value - Value at which property of the same age and condition can be bought or sold

If there is over-insurance- NO benefit to the insured and if there is under-insurance - the claim amount will be proportionately reduced by applying pro-rata average

What is the claims procedure?

In case of Claim, please follow the below mentioned process

- Call our 12 hours helpline with details of accident and policy number.
- Once the claim is registered, the customer support executive will provide you with a Claim Reference Number.
- You will need to submit relevant documents to us such as in accordance with the Policy terms and conditions.
- We will arrange for an inspection within 72 hours, if a claim is reported on a working day

The detailed list of documents required is mentioned in the claims form which can be downloaded from our website www.zurichkotak.com.

Details required at the time of intimation:

- Policy Number
- Date Of loss
- Loss location
- Estimated Loss
- Cause of Loss
- Details of property damaged
- Insured's Representative (name/contact no.)

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

NOTE: The foregoing is only an indication of the cover offered. For details, please refer to the Policy document /wordings, available on request

LIST OF ADD-ONS:

SI No	Add-On Names	UIN
1	Molten Material Spillage Cover	IRDAN152CP0011V02201920/A0157V01201920
2	Sue And Labour Charges	IRDAN152CP0011V02201920/A0158V01201920
3	Decontamination And Cost Of Cleanup Expenses	IRDAN152CP0011V02201920/A0159V01201920
4	Accidental Damage Cover	IRDAN152CP0011V02201920/A0160V01201920
5	Dewatering Expenses	IRDAN152CP0011V02201920/A0161V01201920
6	Accounts Receivable	IRDAN152CP0011V02201920/A0162V01201920
7	Broad Water Damage	IRDAN152CP0011V02201920/A0163V01201920
8	Employee's Personal Property/ Effect	IRDAN152CP0011V02201920/A0165V01201920
9	Growing Plants, Crops And Trees, Landscaping	IRDAN152CP0011V02201920/A0166V01201920
10	Claims Preparation Cost	IRDAN152CP0011V02201920/A0167V01201920
11	Capital Additions / Newly Acquired Property / Interest	IRDAN152CP0011V02201920/A0168V01201920
12	Electrical Apparatus Clause	IRDAN152CP0011V02201920/A0164V01201920
13	Expediting Expenses	IRDAN152CP0011V02201920/A0169V01201920
14	Inadvertent Omission	IRDAN152CP0011V02201920/A0170V01201920
15	Property In Transit	IRDAN152CP0011V02201920/A0171V01201920
16	Cost Of Clearing Drains	IRDAN152CP0011V02201920/A0172V01201920
17	Startup/Shut Down Expenses	IRDAN152CP0011V02201920/A0173V01201920
18	Tenants Liability	IRDAN152CP0011V02201920/A0174V01201920
19	Collapse	IRDAN152CP0011V02201920/A0175V01201920
20	Obsolete Equipment Clause	IRDAN152CP0011V02201920/A0176V01201920
21	Obsolete Parts Clause	IRDAN152CP0011V02201920/A0177V01201920
22	Professional Fees Clause	IRDAN152CP0011V02201920/A0191V01201920
23	Leak Search And Finding Costs	IRDAN152CP0011V02201920/A0192V01201920
24	Removal Of Debris Including External Debris	IRDAN152CP0011V02201920/A0193V01201920
25	Removal Of Debris- External Debris	IRDAN152CP0011V02201920/A0194V01201920
26	Deliberate Damage Clause	IRDAN152CP0011V02201920/A0195V01201920
27	Minor Works	IRDAN152CP0011V02201920/A0196V01201920
28	Property Not In Insured Premises/ Off-Site	IRDAN152CP0011V02201920/A0197V01201920
29	Valuable Papers And Records	IRDAN152CP0011V02201920/A0198V01201920
30	Floater Insurance – Unspecified Locations	IRDAN152CP0011V02201920/A0178V01201920
31	Vehicle Load Clause	IRDAN152CP0011V02201920/A0179V01201920
32	New Location Cover	IRDAN152CP0011V02201920/A0180V01201920
33	Additional Customs Duty	IRDAN152CP0011V02201920/A0181V01201920
34	Errors And Omissions And Mis-Description Clause	IRDAN152CP0011V02201920/A0182V01201920
35	Fire-Fighting Expenses	IRDAN152CP0011V02201920/A0183V01201920
36	Demolition And Increased Cost Of Construction	IRDAN152CP0011V02201920/A0184V01201920
37	Contamination And Co-Mingling Of Stocks	IRDAN152CP0011V02201920/A0185V01201920
38	Contract Works	IRDAN152CP0011V02201920/A0186V01201920
39	Contingent Duty Clause	IRDAN152CP0011V02201920/A0187V01201920

40	Destruction Cost	IRDAN152CP0011V02201920/A0188V01201920
41	Re-Validation Charges	IRDAN152CP0011V02201920/A0189V01201920
42	Repeat Tests	IRDAN152CP0011V02201920/A0190V01201920
43	Export Tax Benefits	IRDAN152CP0011V02201920/A0199V01201920
44	Damage To Building (Occasioned By Theft)	IRDAN152CP0011V02201920/A0200V01201920
45	Pollutant Clean Up And Removal	IRDAN152CP0011V02201920/A0201V01201920
46	Undeclared Property Of Others	IRDAN152CP0011V02201920/A0202V01201920
47	Key And Lock Clause	IRDAN152CP0011V02201920/A0203V01201920
48	Mould & Fungi Endorsement	IRDAN152CP0011V02201920/A0204V01201920
49	Duty	IRDAN152CP0011V02201920/A0205V01201920
50	Vessel Impact To Jetty	IRDAN152CP0011V02201920/A0206V01201920
51	Merger And Acquisition	IRDAN152CP0011V02201920/A0207V01201920
52	Temporary Structures Plant & Equipment (Including Electrical Cables & Pipes)	IRDAN152CP0011V02201920/A0208V01201920
53	Ammonia Contamination	IRDAN152CP0011V02201920/A0209V01201920
54	Operational Testing	IRDAN152CP0011V02201920/A0210V01201920
55	Original Equipment Manufacturer	IRDAN152CP0011V02201920/A0211V01201920
56	Property In The Course Of Construction / Erection	IRDAN152CP0011V02201920/A0212V01201920
57	Undamaged foundations	IRDAN152CP0011V02201920/A0377V01202526
58	Temporary removal of assets (excluding building & stocks)	IRDAN152CP0011V02201920/A0378V01202526
59	Modification COST/incompatibility EXPENSES	IRDAN152CP0011V02201920/A0379V01202526
60	Green clause	IRDAN152CP0011V02201920/A0380V01202526
61	Crane hiring expenses	IRDAN152CP0011V02201920/A0381V01202526
62	Salvage disposal cost	IRDAN152CP0011V02201920/A0382V01202526
63	Inhibition costs/damage by emergency services	IRDAN152CP0011V02201920/A0383V01202526
64	Unpacking expense clause	IRDAN152CP0011V02201920/A0384V01202526
65	Accidental Discharge of Gas Flooding System Cost	IRDAN152CP0011V02201920/A0385V01202526
66	Roads pavements and street furniture:	IRDAN152CP0011V02201920/A0386V01202526
67	Consequential Reduction In Value	IRDAN152CP0011V02201920/A0387V01202526
68	Land Stabilization Costs	IRDAN152CP0011V02201920/A0388V01202526
69	Outbuilding clause	IRDAN152CP0011V02201920/A0389V01202526
70	Workmen's clause	IRDAN152CP0011V02201920/A0390V01202526
71	Damages to Underground Services	IRDAN152CP0011V02201920/A0391V01202526
72	Archives	IRDAN152CP0011V02201920/A0392V01202526
73	Nominated Loss adjustor clause	IRDAN152CP0011V02201920/A0393V01202526
74	PIG Retrieval	IRDAN152CP0011V02201920/A0394V01202526
75	Exploratory Costs	IRDAN152CP0011V02201920/A0395V01202526
76	Metered Water	IRDAN152CP0011V02201920/A0396V01202526
77	Contracting Purchasers Interest Clause	IRDAN152CP0011V02201920/A0397V01202526
78	Public Relations Expense	IRDAN152CP0011V02201920/A0398V01202526
79	Fine Arts/Works of Art	IRDAN152CP0011V02201920/A0399V01202526
80	Smoke Damage	IRDAN152CP0011V02201920/A0400V01202526
81	Soft Costs	IRDAN152CP0011V02201920/A0401V01202526
82	Unnamed Locations	IRDAN152CP0011V02201920/A0402V01202526
83	Testing & Commissioning Clause	IRDAN152CP0011V02201920/A0403V01202526