Zurich Kotak Bharat Sookshma Udyam Suraksha
UIN: IRDAN152RP0004V02202021

Additional Covers (Add-ons) Wording

1. Removal of Debris:

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 over and above the inbuilt cover (Cost for 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

1. In the removal of debris from the premises of the Insured;
2. Dismantling or demolishing;
3. Shoring up or propping

of the portion or portions of the property insured by (Items (As specified in the Schedule) of) this policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate amount as specified in the Schedule.

Note: (2) & (3) above should be deleted when neither Building nor Machinery are covered.

Notwithstanding anything to the contrary in this policy or in any of its conditions, this endorsement is extended to include external debris of property, other than insured property, accumulated at the premises of the insured subject to the limits/sublimits and conditions specified in the Policy Schedule.

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2. Loss of Rent / Rent for Alternative Accommodation:

Policy may be extended to cover the following:

(1) 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”.

or

(1) Where rent for alternative accommodation is covered, 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 subject to below-
Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenantable will be accepted as adequate proof of the fact that the premises, in fact, have become untenantable.

i) The cover does not intend to pay, if for instance, the insured’s entry is barred by strikers, demonstrators and similar occurrences.
ii) 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 of town.
iii) 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.

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iv) 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.

Note: Rent for alternative accommodation cover is allowed only for non-manufacturing premises

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3. Accidental Damage

In consideration of the payment of additional premium, it is hereby declared and agreed that 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 herein. The limit of indemnity shall not exceed the limit specified in the Schedule against this extension.

Below exclusions will be applicable to this coverage in addition to the policy exclusions

1. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or any other business books, computer systems records, explosives unless otherwise expressly mentioned in the policy.
2. Loss, destruction or damage to the insured property premises caused by change of temperature.
3. 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.
4. Damage to belts, ropes, chains, rubber tyres, dies, moulds, cutters or exchangeable tools, engraved or impression cylinders or rolls; object which are brittle in nature and all operating media (e.g.- lubricants, fuel, catalyst, refrigerant, dowtherm), felts, endless conveyor belts or wires, sieves, fabrics, heat resisting and anti-corrosive linings, packing materials, parts not made of metal (except insulating material) and non-metallic linings or coatings of metal parts unless caused by Fire, lightning, riot, strike, malicious damage, storm, tempest, flood or inundation.
5. Loss or damage by electrical/mechanical/electronic derangement or breakdown.
6. Loss or damage due to termites, moths, insect, vermin, inherent vice, fumes, flaws, latent defects, fluctuations in atmospheric or climatic conditions.
7. Loss or damage due to collapse, settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to an insured property.
8. Loss, destruction or damage caused by
    a. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or Insects
    b. change in temperature colour, flavour, texture or finish
    c. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economizers, superheaters pressure vessels or any range of steam and feed piping in connection therewith
    d. mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates
9. Loss, destruction or damage due to Burglary, theft, and/or any attempts thereat
10. Breakage, cracking, or scratching of crockery, glass, cameras, binoculars, lenses, sculptures, curios, pictures, musical instruments, sports gear, and other similar articles of brittle or fragile nature;
11. Loss or damage to Property in transit
12. Loss, destruction or damage caused by
    a. Shortage in supply or delivery of materials, or shortage due to clerical or accounting error
    b. any wilful act or wilful negligence on the part of the Insured or any other person acting on his behalf

Subject otherwise to the terms, conditions and exceptions/exclusions of the Policy.

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4. Involuntary Betterment/ Technological Advancement

Notwithstanding Condition of Reinstatement, In the event that new Property Insured of like kind and quality is not obtainable Property Insured which is as similar as possible to that which has sustained Damage and which is capable of performing the same function shall be deemed to be new Property Insured of like kind and quality and in no event shall this be considered as a betterment to the Insured.

In the event of replacement with new Property Insured the Insurer will pay the cost of purchasing and installing technologically current Property Insured which is necessitated by

- incompatibility between
  1) new Property Insured installed to replace Property Insured which has sustained Damage and
  2) existing Property Insured which has not incurred Damage at the same or an interdependent location
- the property being technologically obsolete or unavailable because it is no longer in production

Provided always that

(a) Damage was directly caused to the Property Insured
(b) the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
(c) the Insurer shall be liable for only the difference between
  (i) the highest sales value of the existing Property Insured which has not incurred Damage at the same or interdependent location and
  (ii) the installed cost of the technologically current Property Insured
(d) the difference between the OEM quote and the lowest quote does not exceed the ___% of the lowest quote and quotes are based on same technological specifications.
(e) 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
(f) the liability of the Insurer shall not exceed the Inner Limit of Liability stated in the Specification

Subject otherwise to the terms, conditions and exceptions/exclusions of the Policy.

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5. 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 specified in the Schedule, including moving / shifting of property if this contributes to loss minimisation, subject to a limit per loss as per schedule.

This Policy will also 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.

It is further agreed that the indemnity afforded by this clause shall include the cost of replenishing fire-fighting appliance; and the cost of replacing, reinstating or repairing materials and equipment lost, destroyed or damaged unless otherwise specifically insured.

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Subject otherwise to the terms, conditions and exceptions/exclusions of the Policy.

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6. Escalation:

"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.
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: -

1.1 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

1.2 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."

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7. Incidental Expenses:

In consideration of the payment of additional premium, it is hereby declared and agreed that if a loss, destruction or damage is payable under the base policy then We will also pay the direct incidental cost associated with the insured property upto the fixed percentage of admissible claim amount under the policy, as specified in the Policy Schedule/Certificate of Insurance.

For the purpose of this Add-On cover while calculating the amount payable under this Cover, We will consider the admissible claim amount under the base policy after all applicable deductions and/or before applying policy excess, if any.

Subject to otherwise to the terms, provisions, warranties, conditions and exclusions of the Policy and Schedule.

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8. Additional startup/ shut down expenses:

In consideration of payment of additional premium, it is hereby understood and agreed that on the occurrence of an event which leads to a damage or loss covered under this Policy, 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 it was at the time of the loss or damage in a normal start-up procedure and subject to the sublimit as specified in the Schedule.

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Start-up costs will not be recoverable under normal or emergency shut down operations.

Subject otherwise to the terms, conditions and exceptions/exclusions of the Policy.

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9. Minor works:

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 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.

Notwithstanding other terms and conditions herein, this extension to the policy shall only pay in excess of more specific insurance if any, arranged in respect of minor works. This extension does not cover any loss or damage, to the property which, at the time of happening of such loss or damage, is insured, but for existence of this property by any project insurance policy

It is further agreed and declared that, the loss of earnings, loss by delay, loss of market or any other consequential or indirect loss whatsoever, shall not be payable under this extension.

This extension excludes Loss or damage due to faulty design, defective material and bad workmanship, loss or damage arising out of testing, trial run etc.

Subject otherwise to the terms, conditions and exceptions/exclusions of the Policy.

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10. Undamaged property

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon that the insurance by 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.

For the purpose of this clause, "undamaged" shall mean not damaged physically and directly by any event or perils not otherwise excluded by this Policy.

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