

ALL RISK PROPERTY INSURANCE POLICY

PROSPECTUS

Universal Sampo General Insurance Company (hereinafter referred to as Company) introduces the All Risk Property Insurance policy which is a true "All Risks Policy" for operational risks. It is more competitive as compared to the present named perils operational policies which have a limited scope of cover. An "All Risks Property Insurance" Policy covers all fortuitous mishaps and are insured barring a few named exclusions.

1. Benefits

- Umbrella Cover
- Economical Rate of Premium
- Option for Higher than standard deductible in return of liberal discounts in premium rate.
- Grey Area Claims eliminated altogether
- Insulation against all possible aspects of risk exposure which may have been overlooked inadvertently.
- Covers eventualities which cannot be taken care of by any of the present operational policies.

2. Eligibility

Industrial Units and Non-Industrial Occupancies

This Policy will be subject to the laws of India, and to the jurisdiction of courts in India.

Overall Sum Insured of Rs. 5 crores and above in one or more locations in India.

3. Scope of Cover

The policy is a true "All Risks" operational policy wherein all fortuitous mishaps are insured barring a few named exclusions. Coverage is divided into four sections:

Section I - Material Damages

This section covers the following property unless otherwise excluded elsewhere in this Policy located at the Insured Premises or as otherwise provided for in this Policy:

As regards to the buildings, plants and machinery, furniture, fixture, fittings etc. the cost of replacement or reinstatement on the date of replacement or reinstatement subject to the maximum liability being restricted to the sum insured in respect of that item category under the policy.

As regards to the stocks, the market value of the same not exceeding the sum insured in respect of that item category under the policy.

Section II – Business Interruption

The coverages specifies that if during the period of insurance, the business carried on by the insured at all the premises as specified & listed in the Schedule is interrupted or interfered with in consequence of loss destruction or damage as indemnifiable under Section I, then the Insurers shall indemnify the Insured for the amount of loss as hereinafter defined resulting from such interruption or interference provided that the liability of the Insurers in no case exceeds the total sum insured or such other sum as may hereinafter be substituted therefore by Endorsement signed by or on behalf of the Insurers.

Basis of Insurance:

The cover provided under this Section shall be limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working

(a) in respect of Reduction in Turnover:

The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the loss destruction or damage.

(b) in respect of Increase in Cost of Working :

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of loss destruction or damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided less any sum saved during the indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of loss destruction or damage provided that if the sum insured by this item be less than the sum produced

by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Provisions :

Memo 1 - Benefits from Other Premises

If during the indemnity period goods are sold or services are rendered elsewhere than at the premises for the benefit of the Business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales, or services shall be considered in arriving at the Turnover during the Indemnity Period.

Memo 2 - Return of Premium

If the Insured declares, within a period of nine months after the expiry of any Period of Insurance, that the Gross Profit earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding one third of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference.

Where, however, the declaration is not received by the Company within a period of nine months after the expiry of the period of insurance, no refund shall be admissible.

If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

Memo 3 – Overhauls

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections, modifications as carried out during any period of interruption.

Section III - Breakdown of Electrical and Mechanical Appliance (Machinery Breakdown)

This section covers sudden and accidental physical loss or damage sustained to or destruction of any machinery, including by or happening through any mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind, upto the separate limit as mentioned in the policy.

If specifically requested, it can also cover the specific machinery, machinery foundations, masonry, brickwork as well as oil in transformers from unforeseen and sudden physical loss or damage, other than specified excluded perils and forms of damage.

EXPENSE FOR LOSS MINIMIZATION

The following provision is applicable if the Insured has opted for this extension.

This Policy also includes expenses for loss minimization 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 minimization, subject to a limit per loss as per schedule.

Limit: Upto Per event and in aggregate as agreed and as specified in Schedule

Section IV - Business interruption (following Machinery Breakdown)

This section covers loss resulting from interruption or interference within consequence of loss, destruction or damages indemnifiable under Section III.

4. DEDUCTIBLES :-

Section I:

This policy does not cover the deductibles stated in the schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of the policy including any condition of Average.

Warranted that during the currency of the policy the Insured shall not effect insurance in respect of the amount of the deductibles stated in the schedule.

Section II:

This Policy does not cover the deductible as stated in the Schedule to be borne by the Insured.

5. Optional Extensions

Optional covers available under SECTION I – Material Damages

1. Minor Work

It is understood and agreed that these Sections of the Policy automatically include minor alterations and/or construction and/or re-construction and/or additions and/or maintenance and/or testing and commissioning and/or modifications and/or work carried out on any of the property insured under this policy, subject to a maximum contract value as specified in schedule any one Project (as specified in the schedule) being the value of the said Project at the commencement thereof.

Notwithstanding other terms and conditions herein, this Extension of the Policy shall only pay in excess of the specific insurance, if any, arranged in respect of minor works. The deductibles applicable to this Policy shall not apply where the amount payable under such other insurance exceeds the deductible herein but in no case shall any loss be payable below the deductible amount herein. Any Consequential Loss, following a loss covered hereunder, is thus excluded.

2. Margin Clause

No adjustment in Premium for Sections I and II shall be made unless the values reported represent an increase of more than 10% or any agreed percentage specified in policy schedule from the initial values reported. This is to include fluctuations, which may occur in the values of property under Sections I and II, which are automatically held covered. The Premium shall be proportionately increased for the unexpired term of the policy for the increase in values when such an adjustment becomes applicable.

3. Brands & Trademarks Clause/ Brands & Labels Clause (Also Loss Of Damaged Goods)

For properties bearing a brand, tradename, trademark or label associating the said property with the insured &/or their suppliers/customers the sale of which carries a guarantee of the above parties, the salvage value of such damaged property shall be determined after removing the brands/trademarks (which might be taken to indicate that the standards of quality or guarantees of

the manufacturer/insured attach to the said property). The insured may at their own expense stamp "salvage" on the merchandise or its containers.

4. Civil Authorities Clause

This insurance is extended to cover direct loss or damage to the described property caused by acts of destruction executed by order of any Public Authority at the time of and only during a conflagration to retard the spread thereof, provided however, that such conflagration was caused by the perils insured under this policy and subject to all other terms and conditions of this policy. This Company shall not be liable, however, for more than the amount for which it would have been liable had the loss been caused by a peril insured against under this contract.

5. Expense for loss minimization

It is understood and agreed that this Policy includes expenses for loss minimization 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 minimization and charges raised by any local authority for the provision of fire-fighting appliances called upon for the purpose of protecting the premises shall be recoverable.

In case of actual or imminent loss or damage it shall be lawful and necessary for the Insured, their factors, Servants or assigns to sue, labour and travel for, in or about the Defence, safeguard and recovery of the property Insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Insurer in recovering, saving and preserving the property Insured in case of loss or damage be considered a waiver or an acceptance of abandonment.

Coverage also includes the cost of replenishment of fire-fighting appliances or damage to fire-fighting materials.

Limit: Upto 10% of claim amount per event subject to company's overall liability not to exceed policy sum insured.

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

6. Floater Clause

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 moveable 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

7. Floater Declaration Clause

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
Also :

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 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month 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 authorized 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.

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 applicable (provisional) per mille 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 thus repaid to the insured but such repayment shall not exceed 20% 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.

2. 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.
3. 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 here, bears to the total value of the stocks.
4. If after the occurrence of a loss it is found that the amount of the last declaration before 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.
5. 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 taken into account in and shall be distinct from, the final adjustment of premium.
6. In event of the 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 cancelled date, or 80% 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 80% of the provisional premium whichever is greater.
7. 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 applied 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. 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 ratable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.
9. It is hereby warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.

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.

8. Immediate Repair Clause

It is understood and agreed that in case of loss, the Insured, if they so elect, may immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the Insurer 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, the sole object of this Condition being not to deprive the Insured from the use of operating properties which may be necessary to their Business.

9. Insurance of Additional Expenses Of Rent For An Alternative Accommodation (Tenant Or Owner - Occupant)

It is hereby declared that in the event of the premises as 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 (stated in the Schedule in respect of this Clause) whichever is earlier.

Provided that the liability of the Company shall not exceed the sum insured (stated in the Schedule in respect of this Clause) 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

1. 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.
2. 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.

10. Leakage and Contamination Cover

SCOPE

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

The extension 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 as specified in schedule, 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:

- a) Loss by Contamination through Improper Handling or Controls by Insured's own Employees;
- b) Loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- c) 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;
- d) Loss by burglary or theft or any attempt thereat;
- e) Loss resulting from processing or faulty workmanship;
- f) Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- g) 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 as specified in schedule 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:

- a) Loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or /indirect loss or damage of any kind or description whatsoever;
- b) Loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory storage, mysterious disappearance or unexplained loss;
- c) Loss by burglary or theft or any attempt thereat;
- d) Loss resulting from processing or faulty workmanship;
- e) Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- f) Any legal and/or contractual liability arising from any cause whatsoever; and
- g) 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 lodgement 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 and 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 on 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 of 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 Rs. 60,000/- each loss.

- ix. If the property here by 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

1.1 Leakage and Overflow

It is hereby agreed that notwithstanding anything contained herein to the contrary, that this Policy extends to cover the loss of stock caused by leakage and/or overflowing from any storage tank or vessel

11. Local Authorities Clause

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

1. The amount recoverable under this extension 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 extension,
 - 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 or 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.

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 Company 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 Company under this extension not being thereby increased.

3. If the liability of the Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion.

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

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.

12. Loss Of Rent Clause

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. Modification Cost/ Incompatibility Expenses

Extension to cover the cost or expenses for modification of (A) damaged or undamaged equipment including but not limited to computers and ancillary equipment 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. Insurer will indemnify the cost to achieve compatibility between the above two situation whichever is lesser subject to limit as mentioned in schedule.

14. Non-Vitiation Clause

It is noted and agreed that if the insured described in the schedule comprises more than one insured party each operating as a separate and distinct entity **then (save as provided in this multiple insured's clause)** cover hereunder shall apply in the same manner and to the same extent as if the individual policies had been issued to each such insured party provided that the total liability of the insurers to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity including and inner **set by memorandum or endorsement** stated in the policy.

It is understood and agreed that any payment or payments by Insurers to any one or more such insured parties shall reduce to the extent of that payment insurers liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.

It is further understood that the insured parties will always preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss or damage.

It is further understood and agreed that insurers shall be entitled to avoid liability to or (as maybe appropriate) claim damages from any of the insured parties in circumstances of fraud, material misrepresentation, material non-disclosure or breach of nay warranty or condition of this policy each referred to in this clause as vitiating act.

It is however agreed that **(save as provided in this multiple insured's clause)** a vitiating act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a vitiating act.

Insurers hereby agree to waive all rights of subrogation which they may have or acquire against any insured party except where the rights of subrogation or recourse are acquired in consequence of or otherwise following a vitiating act in which circumstances insurers may enforce such rights notwithstanding the continuing or former status of the vitiation party as insured.

The lenders to the project shall not be entitled to any indemnity under this policy for or arising from loss or damage in respect of which insurers are by reason of vitiating act no longer liable to indemnity any one or more other insured party.

15. Obsolete Parts Clause

It is noted and agreed that in the event of spare parts currently insured under this policy becoming obsolete following an indemnifiable loss to the operating unit and/or units to which they belong, such spare parts shall also be deemed a constructive total loss, provided that such parts cannot be used as spares for any other units within the premises of the insured. The company retains the salvage rights over such parts.

16. Omission To Insure Additions Or Extensions

The insurance by this Policy extends to cover Buildings and/or Machinery, Plant and other Contents as defined in the Schedule hereof which the Insured may erect or acquire or for which they may become responsible:-

1. at the within described premises
2. for use as factories

- a) The liability under this Extension shall not exceed in respect of (1) above, 5% of the Sum Insured by items of the Schedule, in respect of (2) above, 5% of the Sum Insured by items of the Schedule.
- b) The Insured shall notify the Company 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.
- c) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
- d) No liability shall attach to the Company 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 construction/erection of additions may be suitably adjusted.

If the Insured fails to declare the values of such additions within 30 days after expiry of the Policy, there shall be no refund of the advance premium collected.

“Other contents” in the above Clause shall mean “Furniture and Fittings” and does not include ‘stocks’.

17. Reinstatement Value Clause

It is hereby declared and agreed that in the event of the property insured under the stated items 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

1. 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.
2. 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.
3. 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. 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.

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

It is hereby declared and understood that the insurance extends to cover costs and expenses necessarily incurred by the Insured in the removal of debris from the premises of the Insured; dismantling or demolishing; shoring up or propping; of the portion or portions of the property insured (specified as being insured by this Endorsement in the Schedule of) this Policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate the amount (limited to 10% of the total sum insured) stated in the Schedule in respect of this Endorsement.

19. Shut Down-Start Up clause

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of the actual shut down and start up costs for power and other utilities namely water, electricity, steam, gas and necessarily as well as fuels and combustibles to re establish the plant it was at the time of the damage subject to limit specified. Start up cost due to normal and/or emergency shut down not recoverable.

20. Spoilage Material Damage Cover

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

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

- (i) Loss of stock in process; and
- (ii) 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 endorsement wording shall be used.

"In consideration of the payment of the an additional premium as specified in schedule, it is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under Item No mentioned in schedule 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 Endorsement but not 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 time, 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 item Nos. as specified in schedule 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'.

21. Spontaneous Combustion

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

N.B.: The expression 'by fire only' in the endorsement above must not be omitted under any circumstances.

22. Start Up Expenses

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.

23. 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 extension 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.

24. Tenants Liability (Insured To Landlord And Other Tenants)

The indemnity provided by this insurance extends to include all sums for which the Insured having insurable interest derived out of the terms of the lease agreement shall become legally liable to pay following upon damage to property occupied by the Insured, consequent upon the Insured's occupation of any premises or building as a tenant Provided that:-

1. such liability arises out of the normal occupational activity of the Insured at the premises described in the Schedule to the Policy or as otherwise confirmed by the Company or endorsed thereon.

2. there shall be no liability on behalf of the Company following any property or portion of property or premises being sub-let by the Insured insofar as such property is concerned

3. the Insured shall not breach any contractual agreement or obligation between any landlord or any other tenant of the premises or property as such breach may have any bearing on the interests of the Company.

In the event of any act of intent or any negligence or omission on behalf of any employee of the Insured to comply with the provisions of the Policy or the conditions of this clause; then the Company shall consider the consequences of such act of intent, negligence or omission as an indemnifiable event in terms of the provisions of the Policy and this clause provided the Insured can reasonably prove that they had no knowledge of such employee breaching the provisions of the Policy or this clause.

In the event of any Landlord to the Insured having effected insurance on behalf of the Insured as tenant; or the Insured as tenant being entitled to indemnity or compensation from any other source then the provision of such compensation shall be combined with such insurance and shall be considered to be the 'initial indemnity' and any amount having been paid for by such combined 'initial indemnity' shall be deducted from the indemnity provided for by this Policy. If such an amount of 'initial indemnity' shall exceed the limit of indemnity as provided by this Policy then there shall be no payment of indemnity in terms of this clause.

25. Computer Records Clause

It is hereby declared and noted that the policy provides cover against loss of data, documents, media and records, as well as its regeneration up to the amount as specified in the schedule subject to:

- 1) the loss of data, data media and records having been caused by a damage covered under section I
- 2) data/software back-up being kept in fireproof safe
- 3) The following special exclusions shall apply:
 - a. loss or damage for which the repair company or maintenance company is contractually liable.
 - b. any costs for standard adjustment, rectifying functional failures and maintenance of insured object unless necessary in connection with the repair of an insured loss
 - c. normal wear and tear of media.
 - d. erroneous programming, perforating, loading or printing.
 - e. any consequential loss or damage

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

26. Tenant's Improvements Clause / Tenants Clause

It is hereby agreed and declared that the coverage under this policy is inclusive of tenant's improvements, alterations and decorations up to *the amount as specified in the schedule*.

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

27. 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 by this Section including examination of property not belonging to but in the care, custody or control of the Insured.

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

28. Expediting Costs Clause

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property Insured.

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

29. Protection and Preservation Of Property Clause

This Policy covers:

- (i) 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.
- (ii) Reasonable and necessary:
 - Fire department fire-fighting charges imposed as a result of responding to fire in , on or exposing the insured property.
 - Costs incurred on restoring and recharging fire protection systems following an insured loss.
 - Costs incurred for the water used for fighting a fire in, on or exposing the insured property.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

Indemnity limited upto the amount as specified in the schedule per event and in aggregate

Subject otherwise to the terms, exceptions and conditions of the Policy

30. Valuable Papers & records / Cost of Re writing records clause

The Insurer shall indemnify the Insured up to the limit of indemnity *as specified in the schedule*, in respect of physical loss or damage to documents, business books, account books, legal papers,

agreements, registered mortgages, bill of lading, and any other document all of which must be of value to the Insured but only for the value of the materials as stationary together with the cost of clerical labour expended in writing up or restoring said documents but not for the value to the Insured of the information contained therein.

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

31. Leak Search and Finding Cost

In addition to indemnifiable costs of repair or replacement the company will indemnify the assured for the cost and expenses necessarily and reasonably incurred in locating and obtaining access to any part or parts of the Insured property to locate and repair leaks or other damages subject to limit of indemnity as specified in the schedule for each and every occurrence.

32. Inhibition Cost

It is hereby agreed and declared that insurer will indemnify the loss or damage to undamaged property of insured damaged to extinguish or inhibit the spread of fire or other catastrophe insured herein up to a limit of 10% of the Sum Insured.

33. Workmen's Clause

Workmen are allowed in and about any of the premises for the purposes of carrying out minor alterations, decorations, repairs and general maintenance and the like without prejudice to the terms of this insurance.

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

34. Hire Purchase Or Lease Agreements / Interest of Other Parties

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of the Insured shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insurer(s) and on demand pay such reasonable additional premium as the Insurer(s) may require.

Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any 'Concessions Agreement', which it may have entered into with the Insurer(s), the said 'Concessions Agreement' will take precedence over the foregoing paragraph.

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

35. Expiration Clause

If this Policy should expire or be cancelled while an insured event is in progress, it is understood and agreed that Insurers, subject to all other terms, exceptions and conditions of this Policy, are responsible as if the entire loss had occurred prior to the expiration of this insurance.

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

36. Master Key Coverage

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of the cost of replacement of lock and key when the master key is lost or stolen caused by a damage covered under section I.

Coverage excludes any consequential loss or damage arising due to lost or stolen master key.

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

37. 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

"In consideration of the payment of additional premium of Rs. it is hereby agreed and declared that notwithstanding anything to the contrary in the 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 the 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.

38. 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.

"In consideration of the payment of additional premium as specified in schedule, 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 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, extensions, 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.

39. Agreed Bank Clause

It is hereby declared and agreed: -

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.
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.

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.

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.
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
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.

40. Architects, Surveyors and Consulting Engineers Fee (in excess of 3% of the claims amount)

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 up to 7.5 % of the adjusted loss is covered, but 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.

Architects', Surveyors' & Consulting Engineers' Fees

The insurance by the Policy shall include an amount in respect of Architects', Surveyors, Consulting Engineers' and Legal and other Fees necessarily incurred in the reinstatement of the Property Insured consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such Fees shall not exceed those authorized under the scales of the various Institutions and/or Bodies regulating such charges. This extension shall also include reasonable costs incurred by the Insured of a like nature.

Limit as specified in the schedule each and every loss.

41. Designation Of Property Clause

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

42. Earthquake (Fire & Shock) When Storm, Tempest, Flood, Inundation Perils Are Covered

In consideration of the payment by the Insured to the Company of the 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

Excess/ Deductible as appearing in the schedule shall be applicable.

2. This extension cover applies only if the entire property in one complex / compound / location covered under this 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 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 our through or in consequence of Earthquake

43. Escalation Clause

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 $1/365$ th of the specified percentage increased 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. The sum to be insured under each item above, but the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by the 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 upto that renewal date, and

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.

44. Temporary Removal (Excluding Stocks)

This cover is extended to the Insured's property excluding Stock, Finished Goods and Raw Materials against the perils covered under this Policy except the ones under machinery insurance whilst temporarily removed for cleaning, renovation, repairs and other similar purposes, within the Geographical limits specified in The Schedule. The amount recoverable under this Extension shall not exceed the amount which would have been recoverable had the destruction or damage occurred in that part of the Premises from which the Property is temporarily removed and in no case the sublimit shown in The Schedule. The Extension does not apply to Property, if and so far as it is otherwise insured, nor to Property held by the Insured in trust, other than machinery and plant.

45. Catalysts and Consumable Interests In Process

Catalysts and consumable materials in the course of process are covered to a maximum limit of as specified in the schedule each and every loss

46. Capital Additions

The insurance by this policy shall, subject to its terms and conditions extend to cover:

- i. any newly acquired buildings, machinery and plant in so far as the same are not otherwise insured, and;
- ii. alterations, additions and improvements to buildings, machinery and plant during the current period of insurance at any of the premises hereby insured, provided that:
 - a. at any one situation this cover shall not exceed 5 % of the total sums insured on such property;
 - b. the Insured undertake to give particulars of any such capital additions forthwith and pay such additional premiums as the Insurers may require.

47. Appraisement Clause

If the aggregate claim for any one loss does not exceed _____ or _____ % of the Sum Insured whichever is the lesser amount by item or items affected no special inventory or appraisement of undamaged property shall be required. If two or more buildings be included in a single item, this provision shall apply to the range of buildings and/or contents by the item or items affected

48. Contract Price Clause

It is hereby declared and agreed that in respect of Goods sold but not delivered for which the Insured is responsible and with regard to which under conditions of the sale, the sale contract is, by reason of an insured peril, 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 this clause would be applicable shall be ascertained on the same basis. Insured is required to maintain electronic records or such other authenticated records of all such transactions which can be produced for verification on demand at any point of time and/or in substantiation of the claim. This clause is subject otherwise to the terms, exceptions and conditions of the Policy.

49. Contracting Purchaser's Interest

It is hereby agreed and declared that company will Indemnify the insured If at the time of the Damage the Insured have contracted to sell their interest in any Building insured by this Section and the purchase has not been but shall afterwards be completed, the purchasers on completion of the purchase (if and so far as the property is not otherwise insured against such Damage by them or on their behalf) shall be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Insurer until completion

50. Cost Of Clearing Drains Clause

It is hereby declared and agreed that this Policy extends to cover any expense necessarily incurred by the Insured in the clearing of drains within the surrounding premises as a consequence of property insured by this policy being destroyed or damaged by fire or by any other perils hereby insured against, it being understood that the total liability for such clearing shall not exceed any one loss.

51. Breakage of Fixed Glass and Outdoor Signs

It is hereby noted and agreed that property covered under the Policy is inclusive of glass and/or outdoor signs.

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

52. DECLARATION CLAUSE

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 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month 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 authorized 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.

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 stated in the Schedule 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 50% 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

1. 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.
2. 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.
3. 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.
4. 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 taken into account in, and shall be distinct from, the final adjustment of premium.
5. 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 upto the date of cancellation, or 50% 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 upto 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 50% of the provisional premium whichever is greater.
6. 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.

7. 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. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
9. 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.

53. Electrical Clause/ Electrical Installation Clause

Loss or damage by fire to the electrical appliance and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuit, arcing, self-heating or leakage of electricity, from whatever cause (lightning included) is covered subject to the terms and conditions of this Policy, but it is expressly understood that no liability exists under this Policy for loss or damage to any electrical machine, apparatus, fixture or fittings or to any portion of the electrical installation, unless caused by fire or lightning

54. Forest Fire

In consideration of the payment of additional premium the insurance under 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.

55. On Account Payment Clause

It is hereby declared and agreed that progress payment on account of any loss recoverable under this Policy will be made to the Insured at such stages as may be mutually agreed upon if desired by the Insured and on production of an interim report and recommended payment on account amount by the loss adjuster (if appointed) that such payments are deducted from the final agreed claim settlement figures.

56. Sue And Labor Clause

This policy extends to cover any reasonable expenses being incurred by the Insured in their efforts to recover safeguard or preserve the Property Insured to minimize any imminent or actual loss as insured under the Policy or to prosecute in its own name any claim for indemnity or damages or otherwise against any persons in respect of such loss the Insurer shall pay such expenses.

57. Claim Preparation Cost (Excluding appointment of experts)

On costs and expenses necessarily and reasonably incurred by the insured following loss or damage to the property insured.

- I. to reconstruct and recompile records (but not for the value to the insured of the insured information contained therein)
- II. to extract and compile information required by the Company from the insured's own records for the purpose of preparing a claim under the Policy but excluding legal, investigation fees/expenses incurred for the purpose of contesting any issue over the Company's Liability under the Policy.

Provided always that no amount shall be recoverable under this endorsement if subsequent to the incurrance of any expenses, the Company shall deny liability for any claim in respect of which the expenses have been incurred (with or without the consent of the Company)

58. Pairs And Sets Clause

In the event of insured loss or damage to the 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.

At the Insured's option, the Insured may collect the full value of the pair or set provided the Insured tenders the remaining article or articles of the pair or set to the Insurer.

59. Deferred Payment clause

It is hereby agreed and declared that insurer will cover loss or physical damage to personal property of the type insured sold by insured under conditional sale or trust agreement or installment or deferred payments scheme to the buyer, indemnity is limited to the unpaid balance payment after the buyer stops payments subject to limit of indemnity as specified in the schedule.

Following such event the insured is expected to use all reasonable efforts including legal action if required to collect collection due or regain possession of property. Coverage is not applicable to product recall or any loss related to advertising of such recall by insured.

60. Misdescription Clause / Errors & Omissions Clause

It is hereby understood and agreed that the coverages afforded by this Policy shall not be invalidated or affected by any unintentional errors omissions or improper description in the Policy provided that the error omission and/or corrected description is reported as soon as practicable after discovery. Subject otherwise to the terms, exceptions and conditions of the Policy.

61. Control of Damaged Property Clause

This Policy gives control of physically damaged property consisting of as specified in schedule as follows:

- 1) The Insured will have full rights to the possession and control of damaged property in the event of Insured physical damage to such property provided proper testing is done to show which property is physically damaged.
- 2) The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- 3) Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- 4) Any salvage proceeds received will go to the:
 - a. Company at the time of loss settlement; or
 - b. Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

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

62. Automatic Extension Clause

Notwithstanding anything herein to the contrary, the Insurer hereby agrees to automatically extend the period of insurance under the policy by a further period of months as specified in schedule at pre-agreed rates.

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

63. Terrorism Damage Cover Endorsement - Material Damage

Insuring Clause

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the 'Terrorism Risk Exclusion' of this Policy to the contrary, this Policy is extended to cover physical loss or physical damage occurring during the period of this Policy caused by an act of terrorism, subject to the exclusions, limits and excess described hereinafter.

For the purpose of this cover, 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 organization(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 cover also includes loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of terrorism by the duly empowered government or Military Authority.

Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

LOSSES EXCLUDED

This cover shall not indemnify loss of or damage to property caused by any or all the following:-

1. loss by seizure or legal or illegal occupation;
2. loss or damage caused by:
 - (i) voluntary abandonment or vacation,
 - (ii) confiscation, commandeering, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority, which deprives the Insured of the use or value of its property;
3. loss or damage arising from acts of contraband or illegal transportation or illegal trade;
4. loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind;
6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind;
7. any fine, levy, duty, interest or penalty or cost or compensation/damages and/or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person;
8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;
9. loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion;
10. loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder;
11. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working;

12. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service;

13. loss or increased cost as a result of threat or hoax;

14. loss or damage caused by or arising out of burglary, house - breaking, looting, 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 action taken in respect of an act of terrorism;

15. loss or damage caused by mysterious disappearance or unexplained loss;

16. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health;

17. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured given in the Policy Schedule or INR 20,000,000,000 whichever is lower. In respect of several insurance policies within the same compound/location with one or different insurers, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000. If the actual aggregate loss suffered at one compound/location is more than INR 20,000,000,000 the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS*

Shops & Residential Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000

Non-Industrial Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 25,000 and Maximum of INR 1,000,000

Industrial Risks:

5% of the claim amount for each and every claim subject to Minimum of INR 100,000 and Maximum of INR 25,00,000

*Whichever is applicable

ADD ON COVERS

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 20,000,000,000 whichever is lower. In respect of several insurance policies with in the same compound /location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000.

MID TERM COVER

In case the coverage under this endorsement is granted during the currency of the policy, no claims will be payable for loss or damage to property caused by an act of terrorism occurring during the first 15 (fifteen) days from the date of granting such cover.

SANCTION, LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

CANCELLATION CLAUSE

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates. Note: The definitions, terms and conditions of main Policy save as modified or endorsed herein shall apply.

The grounds for cancellation of the policy, for the Insurer, can be only on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation of the Insured

64. Property outside the insured premises

The insured property is also covered against an insured event whilst it is outside the premises specified in the Schedule, anywhere within the boundaries of India for every purpose connected with the business of the Insured. For the purposes of defining burglary risk, if expressly stated in the schedule, the phrase "insured premises" shall also include the premises of others where the insured property is situated. The liability of the Insurer under this extension shall be limited to _____ per location unless any revision specifically mentioned in the policy schedule. This sum is on the basis of a "first loss" which is not subject to under- insurance.

65. Property in course of erection and/or demolition

The insured property is covered against the insured perils if same is undergoing erection, placing, building, assembly, running-in, repair, dismantling, transfer and demolition works in the premises being used by the Insured in the course of the normal conduct of the insured's business.

The cover does not apply to:

- A. To property, to the extent that same is insured under a Contractor's/Erection All Risk Insurance Policy, which was effected by the Insured or on its behalf.
- B. If the value of the works exceeds _____.
- C. The property is erected at a new site, which was not yet transferred to the custody of the Insured. In order to obviate doubt it is hereby clarified that the contents of this paragraph do not derogate from the cover granted under the Policy for the rest of the property of the Insured in respect of loss or damage from an event covered under the Policy and resulting from the execution of such works.

66. Property in the open

The insured property is also covered against the insured risks at the time of same being situated in the open except for loss or damage to property which by its nature is not to be situated in the open, due to natural / AOG perils.

The liability of the Insurer under this extension shall be limited to not exceed _____ per location unless any revision specifically as mentioned in the policy schedule

67. Underinsurance Clause (over and above policy in-built limit)

1. The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date of loss. If the Reinstatement/Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, it amounts to underinsurance, and will reduce proportionate to the difference from the amount that We will pay for Your claim.

2. Every item of Insured Property is subject to this condition separately.

3. Under this "Universal Sampo – All Risk Property Insurance Policy", We will waive underinsurance up-to ___%.

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

5. Underinsurance will not apply to Cover for Specific Contents.

68. Personal effects

The Policy is extended to include personal effects of the Insured's workers and visitors being at the premises used by the Insured, against an insured event, on condition that the insurer's liability in respect of the effects of one person shall not exceed a sum of INR_____ and in the aggregate not exceeding INR_____

69. Special expenses after damage

The Policy is extended to include:

- a. Necessary expenses for the purpose of guarding the insured property immediately after an insured event following which there is a need for special guarding of the damaged property or remains, that, but for the damage its existence would have been unnecessary.
- b. The necessary expenses for the purpose of destroying property which was damaged by an insured event and which endangers the Insured's workers and/or the insured property, after and in consequence of the damage.
- c. Additional reasonable expenses required for the purpose of repairing or replacing insured property as soon as possible due to a loss or damage covered by this Policy and without derogating from the generalities aforementioned, specifically including payment in respect of overtime, works on holidays and also air freight.
- d. Additional reasonable operating expenses required in order to enable the continuous functioning of the insured business during the period required to execute the replacement or repair of property, which was damaged by a covered event.
- e. Necessary expenses for the purpose of adapting the insured property, which was not damaged to property replacing the property, which was damaged. Insurer's liability in respect of the sum total of expenses in terms of this extension shall not exceed ___% of the insurance compensation due to the Insured but for this extension or INR____, the lower of the two, any one occurrence and in the aggregate.

70. Automatic reinstatement of Sum Insured following Loss

Subject to the Insurance Limits as stated in the Schedule and to applicable sub limits in the event of any Claim occurring and in the absence of written notice by the Insured to the contrary, the insurance in respect of any Property Insured arising is automatically reinstated as and from the date of the Damage. This clause shall not prejudice the insurer's right to collect reinstatement premium at the time of loss settlement.

71. Fire-fighting Expenses

(a) The Insurer shall indemnify the Insured in respect of fire-fighting expenses necessarily and reasonably incurred by the Insured to prevent or minimize the extent of any loss or damage to the Property Insured

indemnifiable under this Policy, including the cost of materials expended, costs incurred in refilling fire-extinguishing appliances and replacing used sprinkler heads, wages of personnel specifically engaged for such tasks and all fire-fighting costs claimed against the Insured from a public authority or public fire brigade provided always that the amount payable under this additional insurance cover shall not exceed the limit of indemnity specified in the Schedule.

(b) Payment by Insurers of any amount under this additional insurance cover shall be subject to the proof of costs incurred as Insurers may reasonably require.

72. Increase in sums insured

Notifications of the increase of the insurance sums up to ___% of the insurance sum or up to a total of INR____, the lesser of the two shall be binding within 24 hours from the time of the receipt of the notification by the authorized signatory of the Insurer. Increases beyond the aforementioned sums which have not yet been confirmed by the Insurer, shall not be taken into account for the purpose of calculation of under-insurance in terms of extension No. 68 of Section 1 (Under-insurance).

73. Cooling gas

The Policy is extended to cover loss or damage of cooling gas and/or other operational material as a result of an insured event covered under the Policy and its extensions. Insurer's liability under this extension is limited to INR____, any one occurrence and in the aggregate on first loss basis which is not subject to under-insurance.

74. Preventative expenses

The Policy covers expenses upto INR_____ which the insured incurred to prevent loss or damage by an insured peril even if no actual loss or damage to the insured property itself was caused and this on condition that such costs were vital for the preservation of the wholeness of the insured property same being subject to immediate and actual risk.

75. Non-invalidity

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the policy that this insurance shall not be invalidated by:

- c. Any change of occupancy or increase of risk taking place in the property insured without the insured's knowledge provided that they shall, immediately on the same coming to their knowledge, advise the insurer and pay any additional premium that may be required from the date of alteration in risk.
- d. Acts of omission or commission by workmen on the premises for the purposes of effecting repairs, minor alterations to the premises or general maintenance purposes and the like amounting to increase in risk.

76. Inadvertent Omission

Subject to payment of additional premium immediately upon discovery of the omission, it is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy that the Insured having notified the Insurers of their intention to insure all property in which they are interested and it being their belief that all such property is insured, if hereinafter any such property shall be found to have been inadvertently omitted, the Insurer will deem it to be insured within the terms of this Policy.

No refund of premium would be allowed under this cover.

77. New Acquisitions / Merger and acquisition

Subject to the limits of liability set forth in Declarations If during the Insurance Period a Merger or Acquisition occurs, 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. The Insured agrees to report, within days of the interest being known to the Insured, newly acquired interest up to INR..... to the Company. In the event of failure of the Insured to report newly acquired interest to the Company within days, as specified herein, the Company shall not be liable for more than INR..... in the event of loss occurrence covered by this policy, with respect to said interest.

78. Automatic cover for new Location

If the Insured acquires or occupies additional locations during the period of Insurance, this insurance automatically covers at such locations the Insured's property of the same type as insured under this Policy for up to 30 days of acquisition or first occupation. Provided:

- i. the location is constructed using non-combustible materials,
- ii. the Company's maximum liability (for Property Damage and Business Interruption combined) arising at each location under this coverage extension shall be INR....., and
- iii. before the expiry of the automatic coverage period the Insured declares such location, property and insurable values for endorsement onto this Policy, and pays any additional premium thereby chargeable.

79. Deliberate Damage

Notwithstanding anything contained herein to the contrary, it is hereby agreed and declared that this policy extends to cover 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 pollution hazard or threat thereof, resulting directly from damage to the property insured, provided such act of governmental authority has not resulted from lack of due diligence by the insured to prevent or mitigate such hazard or threat thereof and to any other physical damage.

Consequential losses are however excluded.

80. Trace and Access

Subject to prior approval of the insurer, this cover will reimburse the insured with costs and expenses upto INR _____ incurred in investigating and identifying the cause of damage, as also the source/location of such cause.

Such reimbursement will include costs (including consulting engineer's fees) incurred in conducting investigation and/or tests for possible repair (whether or not successful) replacement or reinstatement of property suffering damage.

81. Sprinkler Up-gradation Cost

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in the event of damage to a sprinkler installation then this policy shall cover such additional costs for repair of such sprinkler installation such costs shall include inter alia the provision of any additional pipe work, pumps, tanks and the cost of associated building works. The damage to other property caused by leakage of water from sprinkler installation is not covered under this extension and sub limit.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

82. Vehicle Load Clause

In the event of the Insured's Property being left loaded in vehicles or freight containers overnight while in, on or about the premises hereby insured the Insurer will indemnify the Insured for the loss of or damage to such Property caused by fire or any other peril insured hereby, providing always that the Insurer's Liability shall not exceed the sum insured of such Property under the Policy.

83. Property not on the Insured premises/Offsite premises

This policy extends to cover property (Machineries / Equipment's and Stocks) of the insured temporarily stored in unspecified locations outside the insured premises up to a limit of INR _____ at any one location each and every loss and INR _____ in the aggregate for the policy period subject to these properties being part of the declared Sum Insured.

This cover is subject to Territorial scope as specified in the policy.

84. Property Testing & Commissioning Clause

Policy is extended to include erected property/equipment commissioned during the policy period. The Insured shall give intimation on any such additions well in advance so that Inspection and Certification by an Independent Agency can be arranged by the Insurer as to completion of the takeover/hand over protocol of the subject plant/equipment. Subject to satisfactory certification, the subject plant/equipment shall be included in the Operational Insurance without waiting for 100% Performance Testing. However, this exclusion doesn't apply to on-going maintenance/schedule turnaround or minor revamp works.

85. Property in Transit

This extension shall provide cover against all the included perils except the ones under machinery insurance in respect of property in transit and applies from the time the property is moved for the purpose of loading and remains operative continuously through thereafter until safely delivered and accepted at the place of destination within India including loading, unloading, transshipment, temporary storage, delay and deviation. For export consignments, the coverage will be till port.

It is further agreed that the Insured may accept without prejudice to this Policy the ordinary bills of lading or receipts issued by carriers including those containing released and/or partially released value provisions.

86. Water Damage Clause

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance under this policy shall extend to include loss or damage caused by:

1) Accidental discharge, leakage, or overflow of water or steam from plumbing, septic tanks and cylinders, stand pipes for fire hose, industrial and domestic appliances, refrigerating system, air-conditioning system and rain (or snow) admitted through defective roof, headers spouting or by open or defective windows, show windows, picture windows, doors, transoms, ventilators or skylights;

2) Breakage of/or leakage from street water supply, mains or fire hydrants
 Provided that:

- a) The Insured undertakes to exercise all ordinary and reasonable precautions for the maintenance and safety of the property;
- b) All conditions of this policy shall apply (except insofar as they maybe hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply to loss or damage as aforesaid.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

87. Smoke Damage

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the insurance shall, subject to the Special Condition hereinafter contained, 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.

Provided always that 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 and for the purposes hereof any destruction or damage as aforesaid shall be deemed to be destruction or damage by fire.

Further warranted that this Insurance does not cover:-

- Destruction or damage directly or indirectly occasioned by or happening through or in consequence of War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection or Military or Usurped Power.
- Consequential loss or damage of any kind or description

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule

88. Accidental Damage Cover Clause

This 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. Indemnity — The limit of indemnity under this policy shall not exceed the amount stated in the schedule for the period of insurance.

Exclusions — Below exclusion will be applicable to this coverage in addition to the policy standard 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 other business books, computer system records, explosives unless otherwise expressly stated in the Policy.
- 2) Loss, destruction or damage to the insured property premises caused by change of temperature.
- 4) 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.
- 5) Damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved Of impression cylinders or rolls; object made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerant etc.) felts, endless conveyor belts or wires; sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating or metal parts, unless caused by fire, lightning, riot, strike, malicious damage, storm, tempest, flood or inundation.
- 6) Loss or damage due to termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light.
- 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 any insured property.

89. Archives

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

The Company shall, however, not be liable for any costs arising from false programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media, and from loss of information caused by magnetic fields.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

90. Involuntary Betterment Clause

Consequent to a loss, in the event that the insured opts for repair/replacement with new property which is better than the kind and quality of the insured damaged property, owing either to technological advancement or regulatory/statutory requirement at the time of repair/replacement, the policy is extended to pay for the same.

The clause further extends to include the replacement of property that is not damaged insofar as the replacement is reasonably necessary to ensure compatibility with the repair/ replacement of the insured damaged property.

The cover is subject otherwise to the terms and conditions of the policy

91. Customer's Goods Clause

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 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.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule

92. Exhibition, Exposition, Fair or Trade Show

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that The Company will pay to the Insured for direct physical loss of or damage caused by a peril insured under this policy to property insured situated on the premises of any exhibition, exposition, fair or trade show unless such property is otherwise more specifically insured. The scope of coverage will be within the territorial scope of this policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

93. Fine Art /Works of Art

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that The Company will pay the Insured for direct physical loss of or damage caused by an insured peril to Fine Arts occurring at a premises described in the Schedule. This coverage does not apply to loss or damage marble, porcelain, statuary, and similar fragile property resulting from the article being dropped caused by any repairing, restoring or retouching process. This coverage does not apply to breakage of bric-a-brac, glassware, or knocked over whether intentional or accidental.

Basis of valuation for Fine Arts

On Fine Arts articles, the lesser of the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss or the cost to replace the article or the value if stated on a schedule on file. If the Fine Arts articles cannot be replaced and an appraisal is not available, the valuation shall be market value based on prevailing conditions at the time of loss or damage.

Fine Art for the purpose of this endorsement is defined as mentioned in The Schedule.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

94. Vessel impact to jetty

This Section extends to cover the Insured's loss resulting from 'Damage' caused by vessel impact to the crude/product jetty used by the Insured.

The extension excludes cost of removal of Debris and wreck removal from water.

95. Change in Temperature or Humidity and Accidental Interruption of or Interference with Power, Heat, Air Conditioning or Refrigeration

This Section of this Policy is extended to include direct physical loss, destruction or damage to the Property Insured caused by change in temperature or humidity (such change being caused by a peril not otherwise excluded under this Policy) or by accidental interruption of or interference with power, heat, air conditioning or refrigeration (other than by perils excluded under the policy) and such loss shall be deemed to be physical loss or damage resulting from a peril not otherwise excluded under this Policy.

96. Machinery or Equipment Start-up Option

After insured machinery or equipment that has sustained physical loss or damage is repaired or replaced and such machinery or equipment is undergoing start up, the following applies: If physical loss or damage of the type insured directly results to such machinery or equipment from such start up, the Insured shall have the option of claiming such resulting insured damage as part of the original event of physical loss or damage or as a separate loss. The coverage provided under this condition applies only to the first start up event after the original repair or replacement.

For the purposes of this Additional Coverage, start-up means:

- 1) The introduction into machinery or equipment of feedstock or other materials for processing or handling;
- 2) The commencement of fuel or energy supply to machinery or equipment.

97. Off Premises Storage for Property Under Construction

This Policy covers insured physical loss or damage to property of the type insured that is under contract to be used in a construction project at the Insured's premises:

- 1) From the time such property is delivered to the Insured or its contractor (with respect to the property under construction) by the manufacturer or supplier,
- 2) While such property is located at a storage site, and
- 3) While such property is in transit from a storage site to another storage site or to a construction project at the Insured's premises, all while within the Territorial Limits but away from the Insured's premises.

This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.

98. Demurrage Charges

This policy will indemnify the Insured for demurrage charges actually incurred by the Insured following an indemnifiable loss or damage under the Policy and for which the Insured is responsible by contract.

Demurrage, if any, for which the Insured is held liable, shall be invoiced with all supporting documentation attached thereto, including but not limited to, notices of readiness, statements of facts from loading and discharging port(s) duly signed by the shippers, pumping logs and any protests issued by the vessel. Insured shall take all reasonable action to stop further consignments from arriving if such demurrage situation arises.

99. Additional Rent Data Processing and Ancillary Equipment

The insurance by this Section of this Policy is extended to insure the payment of additional rental by the Insured arising in consequence of a loss insured by this Policy to any Data Processing and/or Ancillary Equipment necessitated by the cancellation of the lease/hire contract in force at the date of the loss and its replacement by a new contract for similar equipment in respect of the period commencing after the expiry of the Indemnity Period and ending not later than 24 months thereafter or the expiry of the lease/hire contract in force at the date of the loss whichever is sooner.

100. Public Relations Expenses

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 the press, media, public announcements and other necessary activities reasonably incurred with the Insurer's consent following loss thereunder.

101. Bankruptcy Clause

In the event of Bankruptcy or the insolvency of the Insured, the Insurer shall not be relieved thereby of the obligations under the Policy.

102. Fines, Penalties and Damages

The insurance by this Section of this Policy is extended to insure fines, damages or penalties incurred by the Insured for breach of contract either in respect of goods and services not delivered or in respect of the Insured's failure to take delivery of goods and services ordered. The amount payable as indemnity hereunder shall be limited to such sums as the Insured shall be legally liable to pay and shall pay in discharge of fines, damages or penalties incurred solely in consequence of the interruption or interference caused by loss covered by this Section of this Policy

103. Public Liability

Under this extension, the Insurer further agrees to defend any suit against the Insured alleging liability for damage, destruction or loss by a peril not excluded under this Section of this Policy and seeking damages on account thereof, even if such suit is based on groundless, false or fraudulent claims alleged against the insured; but the Insurer may without prejudice, make such investigation, negotiation and settlement of any claim or suit as the Insurer deems expedient.

104. Temporary repairs

This policy covers the following costs:-

- The cost actually incurred by the Insured following Damage, in making temporary repairs to any of the Property and erecting temporary buildings in its place and on any part of the said Property.
- The cost of installation, testing, supervision freight and all other additional costs reasonably incurred by the Insured following Damage to Property with the consent of the Insurer to expedite repairs, or to prevent or reduce further losses insofar as such costs are not more specifically insured.

105. Property, which is not owned by the insured

It is hereby declared and agreed that for the purpose of this section, the definition of insured property in the property section noted in the Schedule shall also be regarded to include leased premises or hired premises and equipment which do not belong to the Insured, but is being used by him at the premises, notwithstanding that they are not covered and are not included in the sum insured of the property section.

This is based on the condition that the said property is insured on the date of the insured event by another valid Policy which covers the property damage on reinstatement value basis.

The liability of the Insurer shall not exceed the Limit as stated in the Policy Schedule.

106. Service interruption Property Damage

1) This Policy covers physical loss or damage to insured property at a location of the Insured when such physical loss or damage results from the interruption of the specified incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of physical loss or damage of the type insured by this Policy to the facilities of the supplier of such service located within this Policy's Territory, that immediately prevents in whole or in part the delivery of such usable service.

2) This Additional Coverage will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the Deductibles clause of the Declarations Section.

3) Additional General Provisions: a. The Insured will immediately notify the suppliers of services of any interruption of such services. b. The Insurer will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

107. Un-occupancy Clause

It is hereby agreed and declared that notwithstanding anything contained to the contrary in this policy or in any of its conditions, the insurance by this Policy will not be prejudiced in the event of any Building remaining unoccupied for a period greater than 30 days. Subject to:

- Intimation in writing to the Insurer within 60 days of un-occupancy.
- Agreement with modified terms of cover from the insurers including payment of additional premium if required
- Regular, periodic inspection of the premises and reporting thereof to the insurers.

108. Consequential Reduction in Value

The cover provided by this Section of this Policy is extended to include consequential reduction in the value of property insured under this Policy to the limit of Sum Insured chosen (including reduction in value of insured components or parts of products) resulting from insured physical loss of or damage to other property insured under this Policy, including any consequential reduction in the value of spare parts rendered obsolete, and the reduction in value of the remaining part or parts of any lot of merchandise usually sold by lots or sizes, colour ranges, or other classifications due to insured physical loss or damage to a part of such lots or other classifications.

109. Statutory Duties

The cover provided by this Section of this Policy is extended to include statutory duties and levies actually paid or incurred by the Insured as a result of loss or destruction of or damage to the Property Insured caused by a peril insured under this Section of this Policy or replacement of the Property Insured following such loss destruction or damage.

110. Additional Increased Cost of Working

The insurance by this Section of this Policy is extended to insure additional increased cost of working and the amount payable as indemnity under this Extension shall be the additional expenditure over and above any amount payable elsewhere under this Section of this Policy necessarily and reasonably incurred during the Indemnity Period in order to minimize any loss and/or to resume or maintain the Insured's normal business operations, subject also to the applicable Sub-Limit of Liability shown in the Schedule.

111. Accounts Receivable

In consideration of 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, the policy extends to cover the shortage

in collection of accounts receivable resulting from insured physical loss or damage including accounts receivable records stored as electronic data or reconstruction cost of such records whichever is lower.

112. Lawns, Plants, Shrubs or Trees

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that The Company will pay for direct physical loss of or damage, in respect of the Policy, to lawns, plants, shrubs or trees occurring at such premises as described in the Schedule. This will also cover improvements at a golf course if specifically mentioned in the Schedule.

This coverage does not apply to loss or damage caused by or resulting from: windstorm and hail; vehicle damage; weight of snow, ice or sleet; and water damage.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule for this section.

113. Coinsurance Clause

1. It is hereby declared and agreed that insurers named hereunder severally agree and accept the following proportion share as set against its name:

1.1 In event of any claim being admissible by the insurer towards the liability, to pay or make good to the insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage thereto as provided for under the policy and or

1.2. To indemnify the insured against liability at law or damage to any property or injuries to persons as provided for under the policy

2. Co-insurance Schedule:

SN	Name of the Insurer	Share (%)
	(Lead Insurer)	
	(Co-insurer)	
	(Co-insurer)	
	(Co-insurer)	

114. Metered Water

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

The amount payable in respect of any one location hereby insured is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of loss or damage under the Policy.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

115. Molten Metal Spillage Cover

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, 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, Physical loss or damage shall not include damage to containers, unless such damage is caused by spilled glowing molten material acting from the outside. The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

116. Soft Costs

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that this Policy covers the actual loss sustained/incurred by the Insured of Soft Costs during the Indemnity Period arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an insured location.

References and Application: The following term(s) wherever used in this Policy means:

Soft Costs: Expenses over and above normal expenses at locations undergoing renovation or during construction limited to the following:

- Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
- Commitment fees, leasing and marketing expenses - The cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
- Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.
- Carrying costs - property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

Provided always that the Company's liability under this extension shall not exceed INR10% of the claim amount subject to maximum of 50 lakhs.

117. Waiver of Subrogation

It is hereby agreed and understood that the Insurers shall waive all rights of subrogation or action which they may have or acquire against any of the parties comprising the insured and/or any manufacturer or supplier with whom the insured has agreed in writing prior to a loss to waive such rights of subrogation arising out of any occurrence in respect of which any claim is admitted hereunder.

118. Lay Off and Retrenchment Compensation

Lay-off and/ or retrenchment Compensation with or without Notice

Wages Liability

The Insurance under this is limited to the amount which the Insured shall become legally liable to pay and shall pay to employees as* under the provisions of the Industrial Disputes Act, 1947 and its subsequent amendment thereto.

Provided that the amount payable as indemnity under this item shall not exceed the amount, which would otherwise have been payable as Wages to the said employees during the period of indemnity, had no damage occurred.

Provided also that if the sum insured by this policy shall be less than the aggregate amount of * to the said employees the amount payable shall be proportionately reduced.

"For the purpose of this item "Employee" shall mean "Workman" as defined under the Industrial Disputes Act, 1947 and subsequent amendments thereto but excluding those employees whose remuneration is insured as a standing charge under Item 1 of the Policy.

* Insert here the appropriate cover opted by the insured, viz.

- i. Lay-off and/ or Retrenchment Compensation, or
- ii. Lay-off and/ or Retrenchment Compensation with or without Notice Wages Liability; or
- iii. Lay-off Compensation, or IV. Retrenchment Compensation, or
- iv. Retrenchment Compensation with or without notice Wages Liability.

As the case may be.

119. Malicious Damage Including Acts Caused By Own Employees

This Policy extends to include destruction of or damage to the property insured by acts of its own employees

120. Tenants' Fire Legal Liability

It is hereby agreed and declared that this policy is extended to pay those sums the insured becomes legally liable to pay because of loss or damage caused by fire or any insured peril, to the premises (including permanently attached building fixtures) rented or leased and occupied by the insured. The Company excludes any legal liability for loss or damage to the premises by fire or any insured peril solely by reason of the assumption of liability in a contract or agreement, however, this exclusion does not apply for loss or damage that the insured would have been liable for in the absence of the contract or agreement.

It is further agreed that this Policy includes the cost and expenses of dewatering and removal of slush/ foreign objects after loss, destruction or damage by a contingency insured hereunder provided that: Such costs are not recoverable under any other policy of insurance, no liability is assumed for the expense of removal of which is solely required by any government law or public ordinance.

PROVIDED that this policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under the premises insured hereunder. It is a condition precedent to recovery under this extension that the Insurer shall have paid or agreed to pay for direct loss or damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible and that the Insured shall give notice to the Insurers of intent to claim for cost of removal of debris or cost of clean up NOT LATER THAN 12 MONTHS AFTER THE DATE OF SUCH PHYSICAL LOSS OR DAMAGE.

121. Appraisal Clause

Property insurance provision allowing either the insurer or the insured to demand a binding appraisal of damaged property in the event of a dispute as to its value and establishing the required appraisal procedure.

122. Unrepaired Damage

1. The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

2. In no case shall the Insurer be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) as sustained during the period covered by this insurance or any extension thereof.

3. The Insurer shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates

123. Coinurance Deficiency

This Policy covers the loss sustained by the Insured which results from the application of a coinsurance or average clause in the Insured's primary insurance policies. In such event, this Policy shall pay the difference

between the amount recoverable under such primary insurance and the total amount of the loss which would have been recoverable under such primary insurance without application of a coinsurance or average clause thereunder subject to the limits of liability as set forth herein.

124. Deferred Payments

Version - 01

It is hereby agreed and declared that insurer will cover loss or physical damage to personal property of the type insured sold by insured under conditional sale or trust agreement or instalment or deferred payments scheme to the buyer, the indemnity is limited to the unpaid balance payment after the buyer stops payments subject to limit of indemnity as specified in the schedule.

Following such event the insured is expected to use all reasonable efforts including legal action if required to collect collection due or regain possession of property. Coverage is not applicable to product recall, or any loss related to advertising of such recall by insured.

Version -02

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 instalment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under deferred payment plans, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this Policy for loss:

- 1) Pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the Insured.
- 2) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- 3) To the extent the buyer continues payments.
- 4) Not within the TERRITORY of this Policy.**

INSTALLMENT OR DEFERRED PAYMENTS Valuation: On property covered under this Additional Coverage the loss amount will not exceed the lesser of the following:

- 1) Total amount of unpaid installments less finance charges.
- 2) Actual cash value of the property at the time of loss.
- 3) Cost to repair or replace with material of like size, kind and quality.

125. Exploratory Costs

The reasonable cost incurred by you during the period of insurance, to detect the point of bursting, leaking, discharge, 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. We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes of other systems, unless damaged by a peril or event insured.

126. 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) and/or trial(s) subject to the Policy limit and it being within the framework of the covered perils afforded and which forms part of the Sum Insured.

127. Tenants' Improvements

The insurance on contents (other than Stock and Materials in Trade) is understood to include tenants' improvements, alterations, and decorations for which the Insured are responsible.

128. Outbuilding Clause

It is agreed and understood that the policy includes walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase and steel or iron frameworks, car parks, internal roadways including temporary roads, pavements, landscapes or any other structure while situated on the premises insured under this policy.

129. Professional Accountants

Any particulars or details as contained in the Insured's books of account or other business books or documents which may be required by the Insurers under the conditions of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurer will pay to the Insured the reasonable charges as payable to the Insured to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the Insurer under the terms of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

Provided that the sum of the amount payable under this clause and the amount otherwise as payable under the Policy shall in no case exceed the liability of the Insurer as stated in the Schedule.

130. All Other Contents Clause

The coverage provided hereunder (subject always to the limit of liability as set forth in the Schedule) shall include:

- a) Money and Stamps not otherwise specifically insured for an amount not exceeding _____.
- b) Documents, Manuscripts and Business Books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein, for an amount not exceeding _____.
- c) Computer System Records / Data/Information but only for the value of materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein for an amount not exceeding _____.
- d) Patterns, Models, Moulds, Plans and Designs including their registration/licence certificates if any but only for the value of the material together with the cost of Labour expended to reinstate for an amount not exceeding _____.

Subject otherwise to the terms, exceptions and conditions as stated under the policy.

131. Extra Expenses

Measurement of Loss: The recoverable EXTRA EXPENSE loss will be the reasonable and necessary extra costs incurred by the Insured of the following during the 3 months (maximum period of liability):

- 1) extra expenses to temporarily continue as nearly normal as practicable the conduct of the Insured's business; and
- 2) extra costs of temporarily using property or facilities of the Insured or others
- 3) less any value remaining at the end of the period of liability for property obtained in connection with the above.

EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following additional exclusions apply:

This Policy does not insure:

- 1) any loss of income.
- 2) costs that usually would have been incurred in conducting the business during the same period had no physical loss or damage happened.
- 3) costs of permanent repair or replacement of property that has been damaged or destroyed.
- 4) any expense payable elsewhere in this Policy

132. Destruction Costs Cover/Undamaged property cover

This Policy covers the reasonable and necessary costs incurred in the event of total or partial loss of or damage or destruction to the physically undamaged portion of such Insured property 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 at an Insured Location

The Company's maximum limit of liability for this Coverage at each Insured Location is in INR AOA and INR AOY.

133. Loss Of Rent Due To Damage Of Tank, Godowns, Gas Holders, Bullets Etc

The Insurer shall indemnify the Insured up to the limit of indemnity as specified in the schedule, in respect of the loss of actual monthly rent for the un-occupied period due to operation of insured perils on the insured tanks/ godowns/ gas holders/ bullets etc. that results in rendering the insured property unfit for use/ intended purpose up to a maximum limit of period selected by insured in the schedule subject to a maximum period of 12 months. However, the company's liability will be reduced if the sum total of actual monthly rent to the maximum reinstatement period chosen exceeds the sum insured declared. Coverage shall not provide any indemnity in case the reinstatement of property is delayed or prevented by Government regulations & authority, unjustifiable delays & also due to insured's financial limitations

134. Undamaged Stock And Loss On Re-Sale

This Policy is extended to cover the cost of replacement of or modification to undamaged components of an item of Property insured following the Damage.

135. Capital Equipment For Floater Coverage

In consideration of Floater Extra charged over and above the policy rate the Sum insured 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 period 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 time, if required.

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

136. Damage To Leased Buildings And Equipment

Leased Building and Equipment which are in the care and custody of the insured and where the Insured has an insurable interest and the leased buildings and equipments are covered against the perils under the policy and upto the limit as stated in the schedule. Subject otherwise to policy terms and conditions, the Limit-as mentioned in policy schedule.

137. Broad Water Damage

It is hereby declared and agreed that notwithstanding what is stated in the policy or any endorsements to the contrary, the insurance under this policy shall extend to include loss or damage caused by:

1. Accidental discharge, leakage, or overflow of water or steam from plumbing, septic tanks and cylinders, stand pipes for fire hose, industrial and domestic appliances, refrigerating system, air-conditioning system

and rain (or snow) admitted through defective roof, headers spouting or by open or defective windows, show windows, picture windows, doors, transoms, ventilators or skylights;
 2. Breakage of/or leakage from street water supply, mains or fire hydrants.

PROVIDED THAT:

- a) The Insured undertakes to exercise all ordinary and reasonable precautions for the maintenance and safety of the property;
- b) All conditions of this policy shall apply (except insofar as they maybe hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply to loss or damage as aforesaid.
- c) The liability of the company under this endorsement shall in no case exceed the sum insured on each item of the policy**

138. Accidental Discharge Of Gas Flooding Systems

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.

139. Goods held in trust

It is hereby declared and agreed that certain items of the property may be subject of hire purchase, lease or other agreements and the interest of the other parties to these agreements is noted in this insurance, the nature and extent of such interest including other insurance to be disclosed in the event of loss, destruction or damage. These may also include all real and personal property of every kind and description belonging to the Insured or to others (including but not limited to goods under consignment, held in trust or on lease or paid for awaiting delivery) for which the Insured may be held liable for loss or damage while in their care, custody or control. The liability of the Insurer shall not exceed the Limit as stated in your Policy Schedule.

140. Fees, Contributions And Imposts

This Policy extends to insure any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority following Damage, where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) insured hereunder

141. Special Warranties Regarding Coal Stocks

Coal Stock at plants/ports to be covered to a limit as specified in policy schedule in the aggregate for the policy period (combined Material Damage and Business Interruption). The coal stock for (Insured name) to be clearly earmarked and segregated and in the event of mixing of coal stock with other entities, the cover would cease. The storage of coal stocks both onsite and offsite would be subject to warranties as below:

- a. Warranted that adequate drainage facilities are provided to prevent accumulation of water due to watering
- b. Warranted that majority of the hotspots within 1-1.25 meters of the surface and all stacks should be inspected weekly for overheating
- c. Warranted that temperature at frequent intervals within the stack to be measured/ monitored at different surface levels
- d. Warranted sufficient provision for water spraying system should be made all along the coal area storage facility
- e. Warranted that the water monitor provided at the storage should be checked on weekly basis for its efficiency
- f. Warranted that all water sprinkler heads in the storage area need to be cleaned once in month for its smooth functioning
- g. Warranted that unlayered, uncompacted coal pile to be limited to a height of 5m; and maximum height of 8m for layered and packed coal.

The limit as specified in policy schedule is inclusive of cover for spontaneous combustion of coal at power plant/port for which the limit would be _____ aggregate for the policy period

142. 72 Hour Clause

For the purpose of the application of any deductible under this Policy all physical loss, destruction or damage resulting from earth movements, rock falls and the like, water damage, bushfires, subsidence, collapse, earthquake, typhoon, flood, storm and tempest, cyclone occurring each period of 72 consecutive hours shall be considered as one event whether the peril insured is continuous or sporadic in its sweep and scope and irrespective of whether the physical loss, destruction or damage was due to the same condition or not. Each event shall be deemed to commence on the first happening of any physical loss, destruction or damage from the perils insured not within the period of any previous event.

However, where it can be established that physical loss, destruction or damage has occurred from the same condition over a period in excess of 72 consecutive hours, only one deductible shall be applicable to all physical loss, destruction or damage resulting there from.

143. Pig Retrieval

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. Such indemnity to include costs of breaking into and repair of the pipe together with loss of product due to necessary flaring.

This extension is subject to a sub limit any one occurrence as mentioned in policy schedule.

144. Repair Of Minor Damages

Upon notifying the Insurer, the insured may repair any minor damage or replace any parts of the Property Insured that have sustained minor damage. In all other cases, the Insurer's agent shall be given the opportunity to inspect the loss or damage before the repairs are duly effected and if the Insurer's agent does not carry out the inspection with a period of time which could be considered reasonable under the circumstances, the insured shall be entitled to proceed with the repair or replacement.

Limit: as specified in policy schedule for each and every loss.

145. Landscaping

It is hereby declared and agreed that, notwithstanding anything to the contrary as contained in the policy, 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, occurring at premises described in the Schedule. Land improvements are any alteration to the natural condition of the land by grading, landscaping and additions to land such as pavements, roadways, or similar works. This coverage does not apply to land improvements at a golf course unless specifically as mentioned in the Schedule. Subject otherwise to the terms, conditions and exclusions of the Policy.

146. CONDOMINIUM BROAD COVERAGE

It is hereby agreed and declared and this policy shall recognize the interest of the insured acting as an Insurance Trustee with respect to loss or damage to the property as covered under the policy. The right of the insured to claim benefits under this policy shall apply to the following situations:

- (1) Where the insured has the responsibility to maintain common areas and common facilities of condominiums sold to individual owners
- (2) Where the conveyance of land and buildings has not been done in favour of the condominium society.
- (3) Any other situations with the express consent of the insurers in writing.
- (4) This coverage shall be without prejudice to the policies taken out by buyers of condominium unit owners and shall not be subject to contribution condition

147. DE3 Limited Defective Conditions Exclusion

This policy excludes loss of or damage to and the cost necessary to replace, repair or rectify

- a. Property Insured which is in a defective condition due to a defect in design, plan, specification, materials, or workmanship of such Property Insured or any part thereof
- b. Property Insured lost or damaged to enable the replacement, repair or rectification of Property Insured excluded by (a) above

Exclusion (a) above shall not apply to other Property Insured which is free of the defective condition but is damaged in consequence thereof.

For the purpose of this Policy and not merely this Exclusion, the Property Insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design, plan, specification, materials, or workmanship in the Property Insured or any part thereof.

148. DELAY IN OPENING CLAUSE ((Applicable for assets which were covered for the transit portion under marine policies with Universal Sampo General Insurance Company Limited)

Warranted cover for delay in opening of consignment for 30 days from the date of delivery to consignee's warehouse for shortages/damages from Sound Packages.

149. MOULD AND FUNGI COVER

A. 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 following listed perils: fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal This coverage is subject to all limitations of the Policy and, in addition, to each of the following specific limitations:

1. The said property must be insured for Damage by that listed peril as detailed above.
2. The Insured must report to the Insurer the existence and cost of the Damage by mould, mildew, fungus or spores as soon as practicable, but no later than 6 months after the listed peril as detailed above first caused any Damage to such insured property during the Period of Insurance. This Policy does not insure any Damage by mould, mildew, fungus or spores first reported to the Insurer after that 6 month period.

B. Except as set forth in A. above, this Policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to mould, mildew, fungus or spores of any type, nature or similar description

150. Fusion Damage

The insurance extends to indemnify the Insured for physical Damage to any part or parts of the electrical, electro-mechanical and electronic machines, switchboards, installations, or apparatus, forming part of the property insured (excluding rectifiers, radio, television or amplifying equipment of any description) caused by the actual burning out of such part or parts by the electric current therein.

Provided always the Insurer shall not be liable under this Clause for:

- a) loss of use, depreciation, wear and tear.
- b) Damage to: (i) lighting or heating elements, fuses or protective devices.
(ii) electrical contacts at which sparking or arcing occur in the ordinary course of working

151. Property At Contractors' And Subcontractors' Premises Clause

It is agreed that the insurance under this Policy is extended to cover the Insured's property whilst at the contractors or subcontractors' premises subject to maximum sublimit of the Liability as specified in the

Schedule for any one loss. The insurance under this Extension Clause shall only provide indemnity for the excess of any indemnity provided under any other policy or policies covering for the same loss or damage.

152. Salvage

The Insurer may enter any building where Insured property has been Damaged and may take and keep possession of the Damaged property. The Insured will not be entitled to abandon any property to the Insurer. The Insurer may deal with the salvage in any reasonable manner but will not sell or otherwise dispose of salvaged branded goods without the Insured's consent. If the Insured declines to give consent, the Insured will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount of claim that would otherwise be payable. Where it is practical to remove brands labels or other marks, that identifies the goods as supplied by the Insured, the salvage value of the goods will be determined after such removal at the Insurer's expense.

153. Impact damage due to insured's own rail/road vehicles, fork lifts, cranes, stackers and the like and articles dropped there from

In consideration of an additional premium of INR. _____, 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.

154. Damage to Boilers, Economisers, Turbines or other vessels machinery or apparatus

On selection of this clause, exclusion no. 8 under "Exclusions – A. Excluded Causes" stands deleted.

155. Damages to Underground Services

It is hereby agreed and declared that notwithstanding anything contained herein to the contrary the policy includes damage to insured's underground water drainage, sewerage, gas, electricity or telephone pipe or cable for which the Insured is responsible extending to and from the Premises if not specifically covered under the policy.

156: Industries, Seepage, Pollution And Contamination Clause/Decontamination and Cost of Clean Up

This Policy is extended to cover the costs of decontamination or removal of the insured property and/or water, soil or any other substance on or under the insured premises made necessary as a result of such direct physical loss or damage not excluded by this Policy, if such costs are incurred as a result of an order issued by a government agency, court or other fully recognized authority pertaining to the insured property and/or water, soil or any other substance on or under the insured premises, provided the cover under this Additional Coverage is limited to the costs incurred in:

1. Carrying out a survey and, when necessary, cleaning or replacing the soil;
2. Treatment at a hazardous waste processing plant, or transport to the nearest suitable refuse dump or storage site, including the cost of storage;
3. Restoring the water, soil or any other substance on or under the insured premises to the state which existed before the loss, destruction or damage.

The insurance under this Additional Coverage does not cover costs for carrying out the measurements demanded by the authorities or could have been demanded before the insurance event took place.

It is a condition precedent to recovery under this Additional Coverage that the Insurers shall have paid or agreed to pay for direct physical loss or damage to the Property Insured hereunder unless such payment is precluded solely by the operation of any excess and that the Insured shall give notice to the Insurers of intent to claim for cost of clean-up or cost of decontamination not later than 12 months after the date of such physical loss or damage.

This Additional Coverage does not cover fines or penalties incurred or sustained by the Insured or imposed on the Insured at the order of a government agency, court or other authority, in connection with any kind or description of environmental impairment, including seepage or pollution or contamination from any cause.

Nothing in this Additional Coverage shall override any radioactive contamination exclusion in the Policy in which this Additional Coverage Clause is included.
 Subject to the sub-limit stated in the Schedule.

157. 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 synchronization, whichever is earlier would be considered as Single outage.

158. Heating And Power Clause

The use of electric, gas and other lightning, heating and power usual to trade and occupations allowed as provided by law, by-law or municipal regulation.

159. Aggravation Clause

It is noted and agreed that the operation of the excluded perils shall not prejudice the right of The Insured to recover under this Policy of Insurance any further loss caused by aggravation of an originally covered loss within the period of Indemnity.

160. Undamaged Foundations/Assets

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that, following the operation of an insured peril resulting in an admissible loss, only the insured building is damaged with no damage to building's plinth and foundations, with the consent of the insurer, if reinstatement of the damaged Property is to be carried out in any other position or elsewhere whether for reason of the exercising of state or local government requirements or otherwise, the abandoned building's plinth and foundations will be considered as being destroyed by the Insured Peril and the Insured shall be indemnified subject to the terms and conditions of the policy and provided that the value of plinth and foundation has been declared by the Insured.

161. Currency Devaluation

This Policy covers any deficiency in the amount of collectible loss under primary insurance caused by devaluation of the currency in which it is written. However, the Insured agrees to adjust such deficiencies as soon as practicable after the date of the currency's devaluation.

162. No Control Clause

This insurance shall not be prejudiced by any act or neglect of the owner of any property if the Insured is not the owner thereof, or by any act or neglect of any occupant (other than the Insured) of any building, when such act or neglect of the owner or occupant is not within the control of the Insured, or by failure of the Insured to comply with any warranty or conditions contained within this Policy or within any endorsement now or hereafter attached hereto with regard to any portion of the Property Insured over which the Insured has no control.

Provided notice is given to the Insurer as soon as reasonably practicable upon discovery by the Insured's home /office insurance department of the act or neglect or failure to comply mentioned in the preceding paragraph.

163. 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 :-

a) for premium payments, at inception of each policy year

- b) for premium adjustment, at the expiry of each policy year
- c) for loss settlement, at the date of final settlement of loss

164. Currency Clause

- A. The amounts set forth herein are in Indian Rupees.
- B. All premiums and losses hereunder are payable in Indian Rupees.

However, in view of the sites of risks covered herein, it may be necessary that costs be originally incurred in currencies other than Indian Rupees equivalent of such other currencies, and the following is agreed: In the event this policy responds as direct insurance, foreign currencies shall be as expended. Monthly booking rates may be used for the conversion if rates are not available for individual transactions. In the event this Policy responds as reinsurance of an insurance subsidiary, foreign currencies shall be converted at the same rates of exchange as those at which remittance for individual transactions was made by the insurance subsidiary.

165. Tenants/ Tenants And Concessionaires Clause

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 provided that the Insured, immediately on becoming aware thereof, shall give notice to the Company in writing to the Insurer and pay an additional premium if required.

166. Joint Excess Loss Committee Information Technology Hazards Clause

- A. Losses otherwise recoverable under this Agreement arising, directly or indirectly, out of:

1. loss of, or damage to, or
2. a reduction or alteration in the functionality or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment, whether the property of the policyholder of the COMPANY or not, shall not be aggregated.

167. Loss Of Keys/Changing Locks

- (a) 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
- (b) 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
- (c) the recoding of locking devices of any safe, strongroom or receptacle following loss or damage as insured

Provided that:-

- (i) the Company's indemnity shall be limited to the cost of replacing any such lock with one of similar quality to that being the subject of the claim
- (ii) the Company's indemnity shall not exceed fifteen percent (15%) of the collective sum insured on 'money' as defined in the event of the occurrence of any one loss
- (iii) the Insured shall bear twenty percent (20%) of the cost of each and every claim as insured in terms of the provisions of this clause
- (iv) the insurance in terms of the provisions of this clause shall relate to the premises occupied by the Insured only. provided that if such keys relate to a safe they shall not be left on the Premises overnight unless the Premises are occupied by the Insured or an authorized Employee in which case they shall be deposited in a secure place not in the vicinity of the safe. Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

168. Fraud And Forfeiture Clause

If an Insured Party makes any claim that is fraudulent or any false declaration or statement in support thereof, this Policy of Insurance between the Insurer and the Insured Party making such a claim shall become void and The Insurer shall not be liable to make any payment hereunder to that party. For the avoidance of doubt In such case, the company may cancel the policy by sending 30 days notice and the Insuring Party shall be entitled for pro-rata refund from the cancellation date to the original expiry date of the policy.

169. Undamaged Ancillary And / Peripheral Equipment Clause

Where any machinery , plant or equipment is damaged as a result of operation of an insured peril, but the ancillary and peripheral equipment used in conjunction of the damaged equipment is NOT damaged, but rendered superfluous upon replacement of the damaged property, then such ancillary and/ or peripheral equipment will be considered as DAMAGED. Provided, however if such ancillary/ peripheral equipment is saleable as salvage , then such salvage value shall be deducted from the claim.

170. Power Banking Clause

It is hereby agreed and understood that in adjusting any loss, account shall be taken and an equitable allowance will be made, if any shortage in generation / export of power from Insured's plant, following a loss or damage falling within the scope of this policy, is postponed beyond the maximum indemnity period, on account of power banking arrangement between Insured and third party (name.....).

171. Dissimilar Property

If the Insured elects to reinstate or replace destroyed property with dissimilar property the Insurer shall pay the lesser of:-

- (a) the cost of the dissimilar property, or
- (b) an amount equal to the replacement cost which would have been payable if replaced with similar Property.

172. Interruption By Civil Authority Extension

The insurance by this of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of access to or from the Insured's premises or use of the Insured's premises being specifically prohibited, hindered or restricted by order of civil or military authority as a direct result of Damage to property at the Insured's premises or property within 10 kilometres of the perimeter of the premises of the Insured.

173. Machinery And Plant Undamaged Parts

This Policy is extended to cover the cost of replacement of or modification to undamaged components of an item of Property Insured following Damage.

Provided that:-

- (a) the Insurer has agreed in writing prior to the start of the work or replacement or modification that the costs will be accepted under the terms of this extension;
- (b) the replacement or modification is necessary to avoid a recurrence of the Damage insured by this Cover Specification;
- (c) the Insurer shall not be liable under this extension for the cost of replacement or modification:-
 - (i) for which the manufacturers of suppliers have published a requirement for replacement or modification prior to the incident.
 - (ii) provided under any manufacturers suppliers or agents warranty guarantee or other contract.
 - (iii) which is carried out solely to improve increase or rectify performance capacity or output.
 - (iv) resulting from any lack of maintenance failure to carry out repairs or modifications or failure to operate the property in accordance with the manufacturers recommendation or instruction.
- (v) of components or parts which require periodical replacement as part of the manufacturers recommended maintenance programme. Nothing contained herein shall negate insurance provided by the Involuntary Betterment extension to this Policy.

174. SPARE ROTOR WARRANTY

It is hereby agreed and declared that the insured shall at all times during the currency of the policy maintain at the insured premises, one set of spare turbine rotor (s) of similar capacity to the ones insured hereunder. In the event of damage to any of the Turbo Generator set (s) insured hereunder by a cause not excluded under the policy, necessitating replacement of the turbine rotor, the insured shall utilize such spare rotor (s) for reinstating the insured property without waiting for arrival of replacement rotor by the manufacturers / suppliers of such equipment affected. It is also hereby agreed and declared that the application of this warranty is limited only for the purpose of determining the waiting period (time excess) under the policy and its non compliance shall not prejudice an otherwise admissible claim under this policy.

175. PUBLIC AUTHORITY

This of the Policy includes such additional cost of reinstatement of the destroyed or damaged of the Property caused by a contingency insured against as may be incurred solely by reason of the necessity to comply with any Regulations, Bye-laws or Statutory Provisions relating to the reinstatement of Property provided that:

- i. the amount recoverable under this extension shall not include:
 - a) the cost of complying with any such Regulations, Bye-laws, or Statutory Provisions where destruction or damage occurs prior to inception of this Policy, or is not insured by this Policy, or where notice to comply has been served upon the Insured prior to the occurrence of any destruction or damage or in respect of any undamaged s of the Property;
 - b) any increased rates, taxes, duties, charges, levies or assessment as a result of complying with such Regulations, Bye-laws or Statutory Provisions;
- ii. the work of reinstatement must be commenced within 12 months of the date of occurrence of any loss or damage unless permitted by the insurer within the said 12 months, and may be carried out wholly or partially upon another site, provided that the liability of the Insurer is not increased thereby.

176. Innocent Non Disclosure / Breach Of Policy Conditions

The Insurer will not avoid this Insurance on account of non disclosure, misdescription or misrepresentation of facts or breach of policy conditions where the same have been proved to be innocent and free of any fraudulent conduct or intent to deceive.

It is understood that any deliberate act omission statement misstatement or breach of policy conditions on the part of any individual Insured which may vitiate any claim or render the insurance void shall have such effect only as to the respective rights and respective interest of that particular Insured and shall not prejudice the respective rights and respective interests of any other Insured under this Policy.

177. Alternative Trading Clause

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by The Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the output during the Indemnity Period.

178. Coinsurance Clause

1. It is hereby declared and agreed that insurers named hereunder severally agree and accept the following for the proportion set against its name:

1.1. In event of any claim being admissible by the insurer towards the liability, to pay or make good to the insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage thereto as provided for under the policy and or

1.2. To indemnify the insured against liability at law or damage to any property or injuries to persons as provided for under the policy

2 Co-insurance Schedule:

SN	Name of the Insurer	Share (%)
	(Lead Insurer)	
	(Co-insurer)	

(Co-insurer)

(Co-insurer)

(Co-insurer)

179. Divisible Control

If this Policy, by this endorsement, covers two or more buildings or the contents of two or more buildings, the breach of any conditions of the Policy in any one or more of the buildings covered or containing the property covered shall not prejudice the right to recover for loss occurring in any building covered or containing the property covered, there at the time of a loss a breach of condition does not exist.

180. Loss Minimization Expenses/Protection and Preservation Of Property Clause/ Inhibition Cost

It is hereby understood and agreed that the, policy extends to cover expenses for loss minimization necessarily and reasonably 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 or shifting of property if this contributes to loss minimization.

Overall liability of the company will not exceed the Sum Insured.

181. Primary and Non-contributory Clause

The cover provided under this policy is a primary cover and shall respond without seeking contribution from other insurances that are also primary.

182. Additional Interests Clause

It is understood and agreed that 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. It is further understood and agreed that in the event there is any violation of the terms and conditions of this insurance by one Insured, it shall not affect the rights of other Insured including interest of mortgagees and notice of assignment in respect thereof.

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

183. OEM Parts Clause

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon that 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. Provided always that the difference between the OEM quote and the lowest quote does not exceed 50% of the lowest quote and quotes are based on same technological specifications.

184. Green Clause

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 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 following Damage as insured by this Section.

The Company will not indemnify under this Clause in respect of:

- (i) the additional cost of complying with any Indian legislation, Act of Parliament, or byelaws of any public authority;
- (ii) any additional costs for work already planned to be carried out prior to the Damage;
- (iii) any Buildings or portions of Buildings which are Unoccupied;
- (iv) if the Insured elect not to rebuild or repair the Buildings.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

185. Properties under Consignment, Care, Custody and Control – Clause

Notwithstanding anything to the contrary, it is hereby agreed and declared that certain items of the property may be subject of hire purchase, lease or other agreements and the interest of the other parties to these agreements is noted in this insurance, the nature and extent of such interest including other insurance to be disclosed in the event of loss, destruction or damage. These may also include all real and personal property of every kind and description belonging to the Insured or to others (including-but not limited to goods under consignment, held in trust or on lease or paid for awaiting delivery) for which the Insured may be held liable for loss or damage while in their care, custody or control.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

186. Notice of loss Clause

It is agreed and declared that, any delay by the Insured in providing notice shall not affect the Insured's right to coverage under this Policy, except if and to the extent that the Company proves that it actually and substantially was prejudiced by any unreasonable delay in notice.

187. Loss Payee Clause

It is agreed and declared that loss is payable to the Insured or as directed by the Insured, which shall include such party who has an insured interest in the subject matter insured at the time of loss or damage. Subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

188. Dewatering expenses Clause

It is hereby declared and agreed that the Policy covers costs and expenses necessarily and reasonably incurred for dewatering, including shafts and underground structures, following an event which is not specifically excluded in the policy.

189. Waiver of Contribution Clause

It is agreed that the condition of Contribution under the Policy stands deleted. However the Insurer retains the right to recover a rateable proportion of the loss where other policies exist, providing cover to the affected property.

190. Internal Decoration Fixtures and Fittings

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in the event of insured partial loss or damage to internal decoration, fixtures and fittings which follows a consistent design theme throughout the property affected, this policy shall insure the replacement of the entire internal decoration, fixtures and fittings design, including that portion of the internal decoration which did not suffer insured loss or damage, provide the repair or replacement of the damaged portion of the internal decoration, fixtures and fittings is impossible due to the inability of the Insured to source the authentic materials necessary to complete such repair or replacement. The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

191. Minimum Demand Charges

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy is extended to include the minimum demand charges imposed by any named supplier of electricity, water, gas or utility services to which the Insured has contracted and which cost has been incurred by the Insured following upon the loss as insured under this Policy and provided that such expenditure is not more specifically insured by the Policy as a standing charge or fixed cost within the definition of Gross Profit or any other definition used in the terms of the policy wording.

The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

192. Interdependency Cover

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that if damage or destruction to any of the Insured's premises/ property should result in another of the Insured locations/premises suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Policy notwithstanding that no material damage was sustained by the latter premises/property.

Provided that the business at the above said locations/premises be carried in departments and independent trading results of the same are ascertainable. All other terms, conditions, exclusions of the Policy remain unchanged.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

193. Recoveries

After expenses incurred in salvage or recovery are deducted, any salvage or recovery, except recovery through subrogation proceedings, shall accrue entirely to the benefit of the Insurer until the Sum paid by the Insurer has been recovered, except for any amount assumed by the Insured (other than a deductible) over and above any payment made under the Policy. Any recovery as a result of subrogation proceedings, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the Insured in the proportion that the amount of the deductible bears to the amount of the entire loss.

194. 50 : 50 Clause (Applicable for assets which were covered for the transit portion under marine policies of Universal Sampo and other Marine policies carrying 50 :50 clause)

In respect of the subject matter Insured hereunder consigned from outside India:

The Insured hereby undertakes to inspect each item of the subject matter Insured upon arrival at the contract site for possible damage sustained during transit. In the case of packed items which are to be left in their packaging until a later date the packaging is to be visually inspected for signs of possible damage and where such damage is visible the items are to be unpacked and inspected and any damage discovered reported to the marine insurers. Where the packaging of an item shows no visible signs of damage to such item having been sustained during transit any subsequent damage discovered upon unpacking will be dealt with by the Marine Insurers or the Project Insurers according to whether it can be clearly established that such damage was caused before or after arrival at the contract site. Where it is not possible to clearly establish whether the damage to an item was caused before or after arrival at the contract site it is hereby agreed that the cost of such damage shall be shared equally between the Marine Insurers and the Project Insurers, provided such a clause is included in the Marine Policy also.

195. Resilient Repair Coverage Clause

In the event of a covered loss or damage to the insured property, the insurer shall provide coverage for resilient repairs as per limits mentioned in the policy schedule. These repairs shall not only restore the property to its pre-loss condition but also enhance its ability to withstand future occurrences of similar damage or risks. The resilient repairs will be subject to prior approval from the insurer and may include but are not limited to the use of upgraded materials, strengthening measures, or other improvements."

SECTION II – BUSINESS INTERRUPTION

The Insurers agree that if during the period of insurance the business carried on by the insured at all the premises as specified & listed in the Schedule is interrupted or interfered with in consequence of loss destruction or damage as indemnifiable under Section I, then the Insurers shall indemnify the Insured for the amount of loss as hereinafter defined resulting from such interruption or interference provided that the liability of the Insurers in no case exceeds the total sum insured or such other sum as may hereinafter be substituted therefore by Endorsement signed by or on behalf of the Insurers.

Special Exclusions to Section II:

1. This Policy does not cover loss resulting from interruption of or interference with the business directly or indirectly attributable to

1.1 any restrictions on reconstruction or operation imposed by any public authority

1.2 the Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged

1.3 loss of business due to causes such as suspension lapse or cancellation of a lease license or order etc. which occurs after the date when the items lost destroyed or damaged are again in operating condition and the business could have been resumed, if said lease license order etc. had not lapsed or had not been suspended or cancelled.

1.4 Damage resulting from:

- a) Deliberate erasure loss distortion or corruption of data or information on computer systems or other records programs or software.
- b) Other erasure loss distortion or corruption of information or data on computer systems or other records programs of software unless resulting from fire lightning explosion aircraft, impact by any road vehicle or animals earthquake, hurricane, windstorm flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes in so far as it is not otherwise excluded unless caused by Damage to the machine or apparatus in which the records are mounted.

2. This Policy does not cover the deductible as stated in the Schedule to be borne by the Insured.

Basis of Insurance:

The cover provided under this Section shall be limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity hereunder shall be

(a) in respect of Reduction in Turnover:

The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the loss destruction or damage

(b) in respect of Increase in Cost of Working:

The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of loss destruction or damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided less any sum saved during the indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of loss destruction or damage provided that if the sum insured by this item be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Definitions:

1. Gross Profit

The amount by which

- the sum of the amount of the Turnover and the amount the closing stock and work in progress shall exceed
- the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

Specified Workings Expenses:-

1. All Purchases (less Discounts Received) ;
2. % Of the Annual Wage Roll (including Holiday and Insurance contributions);
3. Power;
4. Consumable Stores;
5. Carriage;
6. Packing Materials;
7. Bad Debts;
8. Discounts Allowed;
9. Any other expenses to be specified.

Note 2 – The words and expressions used in this Definition shall have the meaning as attached to them in the books and accounts of the Insured.

2. Turnover

The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the Premises.

3. Indemnity Period

The period beginning with the occurrence of loss destruction or damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof. Provided always that the Company is not liable for the amount equal to the Standard Gross Profit for the period exclusion as stated in the schedule.

4. Rate of Gross Profit

The Rate of Gross Profit earned on the turnover during the financial year immediately before the date of loss destruction or damage.

5. Annual Turnover

The Turnover during the twelve months immediately before the date of loss destruction or damage.

6. Standard Turnover

The Turnover in the period of twelve months immediately before the date of loss destruction or damage which corresponds with the Indemnity Period as appropriately adjusted where the indemnity Period exceeds twelve months to which such adjustments shall be made as may be necessary to provide for the trend of business and for variations in or other circumstances affecting the Business either before or after loss destruction or damage or which would have affected the Business had the loss destruction or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss destruction or damage would have been obtained during the relative period after the loss destruction or damage.

7. Standard Gross Profit

The amount equivalent to the rate of gross profit applied to the standard turnover.

Provisions :

Memo 1 - Benefits from Other Premises

If during the indemnity period goods are sold or services are rendered elsewhere than at the premises for the benefit of the Business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales, or services shall be considered in arriving at the Turnover during the Indemnity Period.

Memo 2 - Return of Premium

If the Insured declares, within a period of nine months after the expiry of any Period of Insurance, that the Gross Profit earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of

Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding one third of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference.

Where, however, the declaration is not received by the Company within a period of nine months after the expiry of the period of insurance, no refund shall be admissible.

If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

Memo 3 – Overhauls

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections, modifications as carried out during any period of interruption.

II. Business Interruption – Optional Covers:

1. Departmental Clause:

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clauses (a) and (b) of Item 1 shall apply separately to each department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit for each department of the business (whether affected by the damage or not) to the relative Annual Turnover thereof, the amount payable shall be proportionately reduced.

2. Accumulated Stock clause

In adjusting any loss, account shall be taken, and thereafter an equitable allowance made if any shortage in turnover due to damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods owned by the Insured.

3. Customers, Suppliers and Utilities Extension

3.1 Extension to Cover Customers' Premises

In consideration of the payment of the aforementioned additional premium shown in the policy/the Endorsement, it is hereby agreed and declared that, subject to the conditions of the Policy, loss as insured by items(s) Nos. of this policy, resulting from interruption of or interference with the business in consequence of damage (as within defined) to property due to Fire, Lightning, Explosion, Aircraft Damage (FLEXA) and Act Of God (AOG) perils at the undernoted situations, shall be deemed to be loss resulting from damage to property used by the Insured at the premises. For the purposes of this Extension the term "customers" means those companies, organizations or individuals as named hereunder with whom at the time of the damage, The Insured has direct contracts or trading relationships for supply of goods or services.

Provided that the liability under this memorandum in respect of any location shall not exceed the limits as specified in the schedule.

Further Provided that if the percentage, shown against the name of the customer in whose premises damage has occurred, shall be less than the percentage of the Annual Turnover derived by the Insured from that customer, the amount otherwise payable will be proportionately reduced.

Provided Again that the liability under this memorandum in respect of any one location under shall not exceed the limits as specified in the schedule.

3.2 Extension to Cover Suppliers' Premises

In consideration of the payment of (the aforementioned additional premium) (an additional premium which included in the premium hereon) it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by the item(s) number(s) of this policy, resulting from interruption of/or interference with the business in consequence of damage (as within defined) to the property due to Fire, Lightning, Explosion, Aircraft Damage (FLEXA) and Act Of God (AOG) perils at the under noted situation shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed in respect of (each of) item(s) number(s) percent as specified in the schedule of the sum insured there under

Where the extension relates to more than one supplier with differing limits, the proviso and "Situations" should be amended to read as follows:

Provided that the liability under this memorandum in respect of any one location under shall not exceed the limits as specified in the schedule.

The terms "suppliers" shall mean those companies, organizations or individuals as named hereunder with whom at the time of the damage, The Insured has direct contracts or trading relationships for purchase of goods or services.

Further provided that if the percentage shown against the name of the supplier in whose premises damage has occurred shall be less than the percentage of dependence of the insured on that supplier, the amount otherwise payable shall be proportionately reduced.

3.3 Power and Utilities Extension – Electricity Station Gas Works And Water Works

In consideration of the payment of an additional premium amounting to Rupees as mentioned in the schedule it is hereby agreed and declared that loss as insured by + (item No's as mentioned in the schedule of) this policy resulting from interruption of or interference with the business carried on by the insured at the premises described within in consequence of failure of electric supply at the terminal ends of the electricity service feeders*/Gas Works*/Water Works* from which the insured obtain electric Supply*/Gas*/Water* at the said premises directly due to Damage (as within defined) to property at an Electricity Station or Substation of Public Electricity Supply Undertaking*/Gas Works*/Water Works* (excluding Jack wells) from which the insured obtain electricity supply*/Gas*/Water* shall be deemed to be loss resulting from damage to property used by the insured at the premises.

+ Delete if inapplicable.

* Omit as may be necessary

Provided, however, 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 system 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. For the purposes of the above extension, the 'Indemnity Period' in respect of each damage or of a series of damages consequent on or attributable to one source or original cause shall be as follows:

"The period beginning with the occurrence of damage and ending not later than 60 days thereafter during which the result of the business shall be affected in consequence of the damage."

Provided 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 proceeding, 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. Solicitors' and Professional Men's' Fees

1. On Gross Profit
2. On Additional Expenditure
3. On Legal, Clerical and other charges

The insurance under Item no 1 limited to loss of **Gross Fees** and **Increase in Cost of Working** and the amount payable as indemnity thereunder shall be: -

- (a) IN RESPECT OF LOSS OF GROSS FEES: the amount by which Gross Fees earned during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Gross Fees.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Fees which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the reduction in Gross Fees thereby avoided.

Less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the damage.

Provided that if the Sum Insured by this Item be less than * the Gross Fees, the amount payable shall be proportionately reduced.

THE INSURANCE UNDER ITEM 2 is limited to such further additional expenditure beyond that recoverable under Item 1(b) as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequences of the damage in connection with fitting up of Temporary Offices, increased Rent, Rates, Taxes, Lighting, Heating and Insurance thereof, removal costs and expenses incidental thereto.

THE INSURANCE UNDER ITEM NO 3: is limited to Legal, Clerical and other charges necessarily incurred in the replacement or restoration of deeds, agreements, contracts and other documents (including stamps thereon) manuscripts, plans, specifications and writings of every description and books (written and printed), books of account, card indexes and other business records, not exceeding in respect of any one document, plan, book or card index set the sum shown on the schedule

Definitions

GROSS FEES – The money paid or payable to the insured for services rendered in course of the business at the business premises.

INDEMNITY PERIOD – The period beginning with the occurrence of the damage and ending not later than period as mentioned in the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

ANNUAL GROSS FEES –The Gross Fees earned during the twelve months immediately before the date of the damage.	To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
STANDARD GROSS FEES –The Gross Fees earned during that Period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.	

Memo 1: If during the Indemnity Period services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such services shall be brought into account in arriving at the Gross Fees during the Indemnity Period.

Memo 2: The Insurance by item 3 extends to cover property as therein described if and in so far as it is not otherwise insured whilst temporarily removed to any premises not in the insured's occupation and whilst in transit between such places by road, rail or inland waterway, in India to an amount not exceeding 10 percent of the sum insured by the said item.

Memo 3: If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Fees earned (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months) during the accounting period of 12 months most nearly concurrent with any period of Insurance, as certified by the Insured's Auditors, was less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50% of the premium paid on such Sum Insured for such period of Insurance shall be made in respect of the difference.

If any damage has occurred giving rise to a claim under this policy, such return shall be made in respect only of said difference as is not due to the damage.

Note: As regards the rate for covering Professional Mens' Fees, the standard percentage scale of the basis provided in the Consequential Loss (Fire) Tariff would be applicable to such covers.

5. Prevention of Access

This Section is extended to include the actual loss of Gross Profit sustained as a consequence of physical damage or destruction resulting out of causes not excluded under policy to any property within a maximum radius in kms as specified in schedule from the insured's premises and only inland resulting in the insured being unable to or prohibited by any governmental or municipal order, to obtain access or exit from the insured premises.

Provided that after the application of all other terms, conditions and provisions of policy the liability under this extension in respect of any one occurrence shall not exceed the maximum indemnity periods under Section II of this Policy of Insurance but always subject to the Sum Insured stated in the Particular Conditions.

Limit: Maximum weeks as specified in schedule over and above the policy time excess

6. Accountants Clause

It is agreed that every certificate regarding data out of the business book keeping which is required by the Insurer in terms of the Policy conditions and which shall be provided by the Chartered Accountant of the Insured shall be used as prima facie evidence for the purpose as to the accuracy of the data, which was certified.

7. Loss Settlement

It is agreed that on termination of the first month of the indemnity period and every month thereafter, the Insurer undertakes to pay to the Insured an on account payment towards his claim at a rate of ___% of the sum of the monthly estimated indemnity as shall be assessed by the adjuster dealing with the loss.

In any event of a dispute between the Insured and the Insurer regarding the quantum of payment due under the terms of this section, the Insurer undertakes to pay the sum which is not in dispute without adversely affecting either the Insured's rights or the rights of the Insurer.

8. Additional sum insured

The cover under this section is extended to cover additional sums up to ___% of the sums insured of each and every item in the schedule solely for unexpected increases in the sums of gross profit and/or wages but not more than INR_____ for all policy items together, the lesser of the two. It is hereby declared and agreed that the Insured shall notify of such increase as soon as possible and in any event not later than 60 days from the date the insured could have known of such increase and shall pay the additional premium as per the endorsement, which shall be issued.

9. Temporary Structures, Plant and Equipment

This additional cover will indemnify the insured for the losses resulting from interruption of or interference with Temporary Structures, Plant and Equipment including electrical cables and pipes being the property of the Insured or being utilized for the continued operation of the business by or on behalf of the Insured provided that damage takes place to such property whilst contained on or in the immediate proximity to the property or premises of the Insured.

10. Deductible in the Property section

This cover by this section shall not be affected due to the loss or damage covered under the property section being less than the deductible stated therein. Rather this can be written in the Deductible as "unless any revision is specifically made in the policy schedule".

11. Mutual services

If, at the time of the occurrence of an insured event, the Insured is a party to any limiting agreement whatsoever regarding the provision of mutual services between parties to the agreement, then the Insured shall not be required to breach such an agreement by actions which are taken in order to prevent a reduction in the turnover.

12. Adjustment of specified working expenses

It is hereby clarified that subject to the contents of the underinsurance paragraph of the "specified working expenses", the policy conditions in the Schedule are not within the framework of "a closed list" and those adjustments required in accordance with the trend of development of the business but for the occurrence of the insured event shall also be affected.

To obviate any doubt, this extension is not valid if in the schedule the specified working expenses are not listed and also in case there were no changes in the standing charges of the business since inception of the policy.

13. Expenses for preparation of a claim

Only if it was noted in the Schedule and in consideration of additional premium, the Policy shall be extended to cover expenses required and actually paid for the purposes of calculating the damage and for the preparation of a claim in respect of a loss covered under the Policy up to the amount noted in the Schedule. This cover is on first loss basis which is not subject to an underinsurance calculation.

14. Impounded Water

The insurance by this Section of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of Damage to dams, reservoirs, or equipment connected therewith, when water, used by the Insured as a raw material or for power or for other manufacturing purposes, stored behind such dams or in such reservoirs, is released from storage and causes an interruption of business as a result of lack of water supply from such sources. The applicability of this clause shall cease on expiry of 30 days after the restoration of the damaged dam, reservoirs, or equipment connected therewith.

15. Protection and Preservation of Property Business Interruption

The insurance by this Section of this Policy is extended to insure the actual loss sustained by the Insured for a period of time not to exceed 48 hours prior to and 48 hours after the Insured first taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending insured physical loss or damage to such insured property. This Extension is subject to the deductible provisions that would have applied had the physical loss or damage happened.

16. Additional Carrying or Lifting Equipment hiring charges

On payment of additional premium, this insurance shall include additional expenses reasonably incurred by the Insured for hiring of additional Carrying or Lifting Equipment, solely for the purpose to enable the Insured to resume its normal operations

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

Provided always that the Company's liability under this extension shall not exceed INR. _____

17. Group Interdependency

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that loss as insured by Business Interruption Section of the policy resulting from interruption of or interference with the business in consequence of loss or damage to property whether or not insured by Material Damage Section of the policy of insurance and situated at any other named premises in territorial limits owned and/or occupied and/or used by the Insured for the purpose of the business insured or any other business shall be deemed to be loss resulting from loss

or damage to property used by the insured at any of the insured premises, up to the limit as specified in the Schedule.

This cover is on named basis and shall not apply to suppliers or customers.

18. Royalty

The insurance by Section II of this Policy is extended to cover loss because of contracted royalty, licensing fees, or commission which the Insured is liable to pay to other parties anywhere in the world despite loss of related revenue following occurrence of loss or damage caused by an insured peril.

The insured loss event and the payment liability must pertain to the tenure of the subject policy.

The limit of liability shall be the specified sum insured under this clause.

19. Delay Indemnity Clause

In the event of an interruption to the business insured arising out of peril not excluded hereunder which commences and/or recommence at a date later than that of the loss or damage to the property insured hereunder which gives rise to such business interruption, insurers shall agree to extend the period during which indemnity is provided by this policy. Provided always the insurers shall not be liable for more than the indemnity limits as stated in the schedule nor the maximum number of days interrupted as stated in the schedule. Under no circumstance shall insurers be liable for any loss under this policy if such interruption to the business insured commences later than 12 months after the date of the loss or damage to the property insured hereunder and which shall occur after the conclusion of the period commencing on the date of damage and ending not later than the date of conclusion of the maximum indemnity period plus waiting period and 12 months thereafter.

20. Contingent Expenses

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon and this insurance shall be extended to cover at the Insured exchange rate increased Customs Duty percentage payable on the replacement supplies over and above the Customs Duty taken into account while arriving at the sum insured of the affected item. Provided always that such additional duty is incurred in connection with any loss or damage to the insured items recoverable under the policy and provided further that the amount payable hereunder shall not exceed limit (as specified on policy schedule) in the aggregate.

21. Research and development

The GROSS PROFIT coverages are extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges and ordinary payroll directly attributable to the interruption of research and development activities, that in themselves would not have produced income during the PERIOD OF indemnity. The PERIOD OF LIABILITY for this EXTENSION will be the period from the time of direct physical loss or damage of the type insured by this Policy to the time when the property could be repaired or replaced and made ready for operations, but not to be limited by the date of expiration of this Policy.

22. Uninsured Standing Charges Clause

If any standing charges of the Business be not insured by this Policy of Insurance (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges. Where the Specified working Charges (Uninsured Working Expenses) are recognised variable charges, the Uninsured Standing Charges Clause and the reference hereto should be deleted.

23. Additional Costs

This insurance covers additional costs reasonably incurred by the Insured upto INR _____ in consequence of the Damage for any of the following purposes: (a) Avoiding or diminishing a reduction in Turnover that would, but for the additional costs being incurred, have taken place during the Indemnity Period. (b) Resuming or maintaining any normal operation or service of the Business during the Indemnity Period. However, this insurance does not apply to costs otherwise recoverable under this Policy, or any costs incurred in the reinstatement of physically Damaged property other than those incurred in the reconstitution of records. 'Turnover' means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises. Turnover also includes any money paid or payable to the Insured by tenants in respect of rental of the Premises and for services rendered; including any money paid or payable by tenants for rates, insurance and other fixed costs which, but for that payment, would be payable by the Insured.

24. 20% Plus Provisional Clause

The SECTION-2 extends to cover any increase in Gross Profit and Wages for an amount not exceeding 20% of the Sum Insured thereon it being understood that the Insured undertake to advise the Insurer each quarter of such increases and to pay the additional premium thereon

25. Hindrance Of Access/Ingress/Egress Clause/ Port Blockage

This is extended to include the actual loss of Gross Profit sustained as a consequence of physical damage or destruction resulting out of causes not excluded under policy to any property within a maximum radius in kms as specified in schedule from the insured's premises and only inland resulting in the insured being unable to or prohibited by any governmental or municipal order, to obtain access or exit from the insured premises.

Provided that after the application of all other terms, conditions and provisions of policy the liability under this extension in respect of any one occurrence shall not exceed the maximum indemnity periods under II of this Policy of Insurance but always subject to the Sum Insured stated in the Particular Conditions.

Limit: Maximum as specified in policy schedule over and above the policy time excess

This extension includes loss originating from blockage of the port due solely to accidental causes, resulting in the inability to use the jetty of the

26. Crisis Management

The insurance by this of this Policy is extended to insure the actual loss sustained and Additional Increase in Cost of Working incurred by the Insured during the Indemnity Period if an order of civil or military authority prohibits access to premises of the Insured, provided such order is a direct result of a violent crime, suicide, attempted suicide, or armed robbery at such premises of the Insured.

For the purposes of this Extension only, a violent crime, suicide, attempted suicide, or armed robbery will be considered Damage.

This Extension of coverage will apply when the Indemnity Period is in excess of 4 hours.

27. Spare Parts

The insurance by this Section of this Policy is extended to insure the anticipated loss of Gross Profit on spare parts beyond the 24 month Indemnity Period hereunder arising from lost interruption/production of final end product, following a loss insured hereunder. The indemnity under this extension will be paid at the time of settlement of the original loss and will be calculated using the following percentage factors applied to the agreed Gross Profit for each unit not produced as

noted in the insured's books at the time of the calculation of the sum insured but not exceeding the percentages as agreed between the insured and insurer.

28. Auditor's Clause

The Insurance under Item No. is limited to the reasonable charges payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company. Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under this Policy for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's Auditors, and their certificate shall be prima facie evidence of the particulars and details to which such certificates relate.

29. 100% Payroll Cover

The remuneration (including but not limited to payroll tax, fringe benefits tax, bonuses, commission, overtime, holiday pay, sick pay, long service leave, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) paid to all employees of the Insured.

30. Alternative Basis Clause

It is agreed and declared that, whenever found necessary, the term 'Output' may be substituted for the term 'Turnover' and for the purpose of this policy 'Output' shall mean the sale value of goods manufactured by the 'Insured' in the course of the business at the premises,

Provided that:

- a) Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined)
- b) If the meaning set out above be used, memo no. 1 shall be altered to read as follows:

Memo 1. If during the INDEMNITY PERIOD goods shall be manufactured other than at the premises for the benefit of the business either by the Insured or by others on the Insured's behalf, the sale value of the goods so manufactured shall be brought into account in arriving at the OUTPUT during the INDEMNITY PERIOD.

31. Tax treatment of Profits

This clause covers the loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax treatment that would have been experienced by the Insured had no direct physical loss, damage or destruction by a peril insured by this Policy occurred.

32. New Business Clause

For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises the terms "Rate of Gross Profit", "Annual Output/Turnover" and "Standard Output/Turnover" shall bear the following meaning and not as within stated:-

RATE OF GROSS PROFIT – The rate of Gross Profit earned on the Output/Turnover during the period between the date of the commencement of the business and the date of the damage.

ANNUAL OUTPUT/TURNOVER – The proportional equivalent for a period of twelve months or the Output/Turnover realised during the period between the commencement of the business and the date of the damage.

STANDARD OUTPUT/TURNOVER – The proportional equivalent for a period equal to the Indemnity Period of the Output/Turnover realised during the period between the commencement of the business and the date of the damage. To which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which, but for the damage, would have been obtained during the relative period after the damage.

33. Terrorism Damage Cover Endorsement - Material Damage and Loss of Profit

INSURING CLAUSE

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the 'Terrorism Risk Exclusion' of this Policy to the contrary, this Policy is extended to cover :-

(i) Physical loss or physical damage occurring during the period of this Policy caused by an act of terrorism, subject to the exclusions, limits and excess hereinafter contained,

For the purpose of this cover, 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.

(ii) loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of terrorism by the duly empowered government or Military Authority.

Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

(iii) Loss resulting from necessary interruption of business caused by direct physical loss or damage in respect of which liability has been admitted by the Company under (i) and/or (ii) above. In the event of such direct physical loss or damage, this Policy shall be liable for the actual loss sustained by the insured resulting directly from such necessary interruption of business, but not exceeding the loss of gross profits, as defined in the Policy, less charges and expenses which are not necessary during the interruption of business, for such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged, commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

LOSSES EXCLUDED

(A) For Materials Damage

This cover shall not indemnify loss of or damage to property caused by any or all of the following:-

1. loss by seizure or legal or illegal occupation;
2. loss or damage caused by:
 - (i) voluntary abandonment or vacation,
 - (ii) confiscation, commandeering, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority, which deprives the Insured of the use or value of its property;
3. loss or damage arising from acts of contraband or illegal transportation or illegal trade.
4. loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
7. any fine, levy, duty, interest or penalty or cost or compensation/damages and/or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.
8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon. This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
9. loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
10. loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
11. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
12. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
13. loss or increased cost as a result of threat or hoax.
14. loss or damage caused by or arising out of burglary, house - breaking, looting, 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 action taken in respect of an act of terrorism.
15. loss or damage caused by mysterious disappearance or unexplained loss.
16. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
17. total or partial cessation of work or the retardation or interruption or cessation of any processor operations or omissions of any kind.

(B) For Loss of Profit

This cover shall not indemnify: -

1. increase in loss resulting from interference at the insured premises, by terrorists or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured interruption of business, and then the Company shall be liable for only such loss as affects the Insured's earnings during, and limited to, the period of indemnity covered under this Policy.

3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder.
4. the Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged.
5. loss resulting from: a) deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software; b) other erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software unless caused by damage to the machine or apparatus in which the records are mounted.
6. loss resulting from alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the physical.
7. loss of market or any other consequential loss.
8. loss as a result of physical or mental or bodily injury to any person.
9. loss arising from Contingent Business Interruption Extension of Business Interruption/Loss of Profit Section under this policy, comprising of Customers and Suppliers premises, Prevention of Access and Public Utilities.

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured for Material Damage and Loss of Profits given in the Policy Schedule or INR 20,000,000,000 whichever is lower. In respect of several insurance policies within the same compound/location with one or different insurers, the maximum aggregate loss payable per compound/location by anyone or all insurers shall be INR 20,000,000,000 for Material Damage and Loss of Profits. If the actual aggregate loss suffered at one compound/location is more than INR 20,000,000,000 for Material damage and Loss of Profits, the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS

A. For material damage*

Shops & Residential Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000.

Non-Industrial Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 25,000 and Maximum of INR 1,000,000.

Industrial Risks:

5% of the claim amount for each and every claim subject to Minimum of INR 100,000 and Maximum of INR 25,00,000

*Whichever is applicable.

B. For Loss of Profit

In anyone occurrence of loss or damage, the Company shall not be liable for the amount obtained by multiplying seven (7) days standard turnover with rate of gross profit.

ADD ON COVERS

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 20,000,000,000 whichever is lower. In respect of several insurance policies within the same compound /location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000.

MID TERM COVER

In case the coverage under this endorsement is granted during the currency of the policy, no claims will be payable for loss or damage to property caused by an act of terrorism occurring during the first 15 (fifteen) days from the date of granting such cover.

SANCTION, LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

CANCELLATION CLAUSE

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates.

Note: The definitions, terms and conditions of the Policy save as modified or endorsed herein shall apply.

The grounds for cancellation of the policy, for the Insurer, can be only on the grounds of mis- representation, non-disclosure of material facts, fraud or non-co-operation of the Insured.

SECTION III - BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE (Machinery Breakdown)

Subject to the terms, exceptions, exclusions, provisions and conditions as contained herein or endorsed hereon and hereafter, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against unforeseen and sudden physical damage by any cause not hereinafter excluded to any Property insured specified in the attached Schedule(s) whilst in the premises therein mentioned necessitating its immediate repair or replacement. This section shall apply to the Property insured after successful completion of their performance/acceptance tests, whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the aforesaid premises, or during subsequent re-erection. The liability of the Company for any one item of the Property insured shall not exceed in the aggregate in any one period of insurance the Sum Insured as set against such Property insured in the attached Schedule(s), unless the Sum Insured under such item is reinstated after occurrence of a claim for the balance period.

EXPENSE FOR LOSS MINIMIZATION

The following provision is applicable if the Insured has opted for this extension.

This Policy also includes expenses for loss minimization 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 minimization, subject to a limit per loss as per schedule.

Limit: Upto Per event and in aggregate as agreed and as specified in Schedule.

EXCEPTIONS UNDER SECTION III

The company shall not be liable under this section in respect of -

1. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly of fire including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lightning, explosion of any kind (other than bursting or disruption of turbines, compressors, cylinders of steam engines, hydraulic cylinders or fly wheels or other apparatus subject to centrifugal force, internal pressure) theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne or waterborne or airborne craft or other aerial devices and/or articles dropped therefrom.

Any loss or damage by fire within the electrical appliances and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures fittings or portions of the electrical installation which may be destroyed or damaged by fire so set up.

2. Accident, loss, damage/and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
3. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or renewal of the parts affected may be necessary.
4. Deterioration of or wearing away or wearing out of any part of any machine caused by or naturally resulting from normal use or exposure.
5. Loss, damage and/or liability caused by or arising out of the willful act, willful neglect or gross negligence of the Insured or his responsible representatives.
6. Liability assumed by the Insured by agreement unless such liability would have attached to the ; Insured notwithstanding such agreement.
7. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the Insured or his responsible representative but not disclosed to the company.
8. Loss of use of the Insured's plant or property of any other consequential loss incurred by the Insured.
9. Loss, damage/and/or liability due to explosions in chemical recovery boilers, other than pressure explosions e.g. smelt, chemical, ignition, explosions etc.

SPECIAL EXCLUSIONS –

The Company shall not be liable for -

1. The Excess, as stated in the Schedule, to be first borne by the Insured out of each and every claim; where more than one item is damaged in one and the same occurrence, the Insured shall not, however, be called upon to bear more than the highest Excess applicable to any one such item;
2. Loss of or damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved or impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerant, dowtherm), felts, endless conveyor belts or wires, sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts.
3. Loss or damage for which the manufacturer or supplier or repairer of the Property insured is responsible either by law or contract.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of the exceptions or exclusions above, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PROVISIONS -

1. SUM INSURED –

It is the requirement of this Insurance that the Sum Insured shall be equal to the cost of replacement of the Property insured by new property of the same kind and same capacity which shall mean its replacement cost including freight and customs duties, if any, and erection costs.

2. BASIS OF INDEMNITY –

- a) In cases where damage to the Property insured can be repaired, the Company will pay expense necessarily incurred to restore the damaged Property insured to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties if any to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced except for (i) wear and tear parts and (ii) parts for which manufacturers have specified a fixed life for use and the like but the value of any salvage will be taken into account.

If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) below.

- b) In cases where the Property insured is destroyed, the Company will pay the actual value of the Property insured immediately before the occurrence of the loss including costs for ordinary freight erection and customs duties if any provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the said Property insured. The Company will also pay any normal charges for the dismantling of the Property insured destroyed but the salvage will be taken into account.

BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE – OPTIONAL COVERS

1. ESCALATION CLAUSE

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 undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increase each day by an amount representing $1/365^{\text{th}}$ of the specified percentage increase per annum.

Unless specifically agreed to the contrary the provisions of the 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. 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 upto that renewal date, and
2. the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the 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.

2. EXPRESS FREIGHT

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the demand item(s) is/are less than the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

3. AIR FREIGHT

In consideration of insured having paid extra premium specified in the schedule it is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

Limit of indemnity shall be as specified in the schedule during currency of the Policy.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

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

4. OWNERS SURROUNDING PROPERTY

In consideration of insured having paid extra premium as specified in the schedule it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belonging to or held in care, custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in use for construction or erection during period of policy.

The Company will pay to the insured the value of the damaged property at the time of accident or at its option reinstate or replace such damaged property or any part thereof provided that -

The liability of the Company shall in no case exceed the for any one accident or series of accidents arising out of any one event and in the whole the total indemnity as specified in the schedule during the currency of the Policy.

The insured shall bear the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured ascertains with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

5. THIRD PARTY LIABILITY

Third Party Liability could be covered at an additional premium of 25 % of the gross average rate applied on the limit of liability chosen for third party liability. The excess applicable will be 1% of the TPL limits selected.

6. ADDITIONAL CUSTOMS DUTY

In consideration of the Insured having paid an additional premium as specified in the schedule it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the policy, towards

the additional Customs Duty which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured of the affected items.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

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

Note- For computation of indemnity under the Additional Customs duty extension, exchange rate applicable on date of occurrence of loss shall be considered.

7. UN REPAIRED DAMAGES

In the event of insured deciding not to replace or repair the damaged item covered under the policy and decides to continue with the damaged item after incurring necessary expenditure for safe working of the damaged item. The insurer shall indemnify 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 or reasonable amount equivalent to reduced life of damaged item.

Limit : Up to Per event and in aggregate as agreed and specified in Schedule.

8. WAIVER OF IMPROVEMENT/BETTERMENT CLAUSE FOR REPLACEMENT OF SELECTED MACHINERY

In the event of total physical damage of the insured machinery/ equipment necessitating replacement, which may become obsolete at the time of such replacement, shall be the cost of reinstatement of the damaged machinery with the follow up model of the same type provided that such cost of replacement does not exceed the sum insured set against the said item.

It is further agreed & declared that this extension shall not be enforceable if the insured is unable or unwilling to reinstate the property. However, if the cost of replacement with the follow up model exceeds the sum insured set against the said item, the company's liability would not exceed the sum insured.

9. AGREED BANK CLAUSE

It is hereby declared and agreed:-

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.
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.

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.
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.

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

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.

10. UN REPAIRABLE EQUIPMENT CLAUSE

The following provision is applicable if the Insured has opted for this extension.

For unrepairable electrical or mechanical equipment, including computer equipment under this Policy the adjustment of the physical damage loss amount will be not exceeding the cost to replace with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement. Limit: Upto Per event and in aggregate as agreed and specified in Schedule.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight are covered by this insurance only if specifically agreed to in writing.

In the event of the makers' drawings, patterns and core boxes necessary for the execution of a repair not being available the Company shall not be liable for cost of making any such drawing patterns or core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

If the Sum Insured is less than the amount required to be insured as per Provision 1 hereinabove, the Company will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item of Property insured if more than one shall be subject to this condition separately.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

11. ALTERNATE WORKING

Warranted by the Insured that except when the load is being transferred from one machine to another the No. ____ etc. insured under this policy shall only work alternately with No. ____ etc. Insured under this policy.

The plant may be turned over periodically for maintenance purpose only.

If the plant is to be used otherwise than as above the Insured shall forthwith notify the Insurer and pay such additional premium as may be required by the Insurer failing which the Insurer's liability thereon shall cease.

12. STAND-BY MACHINERY

Warranted by the Insured that any item of machinery marked 'STANDBY' in the Schedule of machinery shall not be worked at the same time as the machine to which it is standby except for the period when the load is being transferred from one to the other.

Provided that the standby machine may be turned over periodically for maintenance purpose.

Provided always that if the standby machine shall be used otherwise than as above the Insured shall forthwith notify the insurer and pay such additional premium as may be required by the Insurer failing which the Insurer's liability thereon shall cease.

13. INSURANCE OF ROPES IN LIFTS, CRANES AND ROPEWAYS

It is understood and agreed that insurance by this policy shall include sudden and unforeseen damage to rope resulting in their actual and complete severance. It shall not include breakage or abrasion of wire or strand of ropes/slings although replacement is necessitated thereby.

Provided that the amount indemnifiable in respect of items thus affected is depreciated at an annual rate to be determined at the time of loss, this rate being not less than 15 % per annum subject to a maximum of 75 %.

14. REDUCTION GEAR BOX

It is hereby declared and agreed that all claims pertaining to reduction Gear Box will be subject to depreciation at the rate of 15 % per year or part thereof subject to a maximum depreciation of 75 %.

Subject otherwise to the terms, conditions and exceptions of the policy.

15. PATTERNS AND CORE-BOXES

It is hereby declared and agreed that in the event of an accident, for which the Insurer is liable under the Policy, involving the replacement of a casting for which no patterns are available, the Insured shall bear the cost of making patterns and core boxes, the Insurer's liability being for the making of the casting itself.

16. DG SET ENDORSEMENT FOR 'LOSS MINIMISATION'

It hereby declared that any loss or damage payable under the policy to the cylinder head, liner and piston of the Diesel/oil engines insured here will be indemnified subject to –

1. 15 % depreciation per annum be made applicable to the Turbo-charger subject to a maximum of 75 %.
2. Turbo-charger cannot be insured in isolation.

17. FURNACE ENDORSEMENT

1. INDUCTION FURNACE -

The Induction Furnace should be covered subject to the following endorsement, which should be compulsorily used in case of all Induction Furnaces -

'It is hereby declared and agreed that the damage to the refractory lining due to any cause is specifically excluded'.

2. ELECTRICAL FURNACES -

- a) It is hereby declared and agreed that any damage to crucibles and refractory linings due to any cause is excluded under the policy.

Subject otherwise to the terms, conditions and exceptions of the policy.

- b) It is hereby declared and agreed that any damage to induction coils/heating element of electric furnace will be subject to 25 % depreciation per year or part thereof subject to a maximum depreciation of 75 %.

Subject otherwise to the terms, conditions and exceptions of the policy.

- c) Warranted that the refractory linings are examined each time the furnace is recharged and linings renewed, if any defects are apparent. Further, the linings are, in any event, replaced periodically in accordance with the Maker's recommendations.

18. OVERHAUL OF PLATEN PRESSES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the policy or endorsed thereon, the following shall apply to this Insurance in respect of item(s) No(s) contained in the specification of the policy.

The Insured shall arrange at his own expense an overhaul (the Insured shall inform the Insurer of such an overhaul in good time so that the Insurers' representatives may be present during the overhaul at the Insurers' expense) of all highly stressed parts of platen presses as well as an inspection by an expert in non-destructive testing and shall supply the insurers with reports on this overhaul and inspection. The expert shall determine the date of the next overhaul. Such overhauls/inspections shall take place at intervals of at least 12 months.

These provisions shall apply regardless of the commencement date of the insurance cover.

The Insured may apply for an extension of the period between overhauls. Such extension shall be granted if in the opinion of the Insurers the risk is not aggravated thereby.

If the Insured fails to comply with the requirements of this Endorsement, the Insurers shall be free from all liability for loss or damage caused by any circumstance which could have been detected had an overhaul taken place.

19. REFRACTORY MATERIALS IN BOILERS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the policy or endorsed thereon, the Insurer shall indemnify the Insured for loss of or damage to refractory materials in item(s) as specified in the schedule, Nos. in the schedule contained in the schedule of the policy, caused by an indemnifiable accident to the above named items subject to depreciation of the amount indemnifiable in respect of the items thus affected, at the time of loss. This rate being not less than 20 % per annum but not more than 80 % in total.

20. CAPITAL ADDITIONS

The insurer shall indemnify the insured up to the 15% of Policy Sum Insured per event and in aggregate in respect of loss of or damage to any buildings, machinery and other equipment acquired or operated by or held in the care, custody or control of the insured after the inception of this policy of insurance and not included in the schedule. Any additions or extensions to property insured which have been carried out after the inception of this policy of insurance collectively referred to as capital additions. Any increase in the new replacement value as a result of such capital additions shall not exceed limit specified as above. This additional insurance cover is also subject to the insuring party advising the insurer within one month of the particulars of any such capital additions and the payment of any additional premium the insurer may require.

21. BASIS OF INDEMNITY

In consideration of the payment of additional premium, the policy extend to cover items mentioned in Policy Schedule on replacement basis in cases where the Property insured is destroyed the company shall indemnify the Insured for Replacement Value of the insured items by a new property of the same kind and same capacity including freight and customs duties, if any and erection costs, if any provided such expenses

have been included in the Sum Insured but without any allowance for wear and tear and /or depreciation for equipment upto 5 years old.

In case the age of the damaged item exceeds 5 years the settlement shall be on the Replacement Value of the insured items as new at the time of damage less due allowance for Betterment, wear and tear and or depreciation or the value which can be realized from the market for such insured item immediately before occurrence of damage whichever is lower.

22. Claim Preparation Cost

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, the insurance by this Policy extends to include costs reasonably incurred by the Insured in producing and certifying any particulars or details in support of any claim as may be required by the Company in terms of the conditions of the Policy.

Limit : Up to Per event and in aggregate as agreed and specified in Schedule.

Details of Property Insured

Sr. No	Risk Location	Description of property insured	Sum Insured (Rs.)	Premium (Rs.)
1				

Details of ADD-ONS, CLAUSES & CONDITIONS

Sr. No.	Description	Sum Insured (Rs.)	Premium (Rs.)	Excess / Deductible applicable if any

CLAUSES, EXTENSIONS AND DEDUCTIBLE

- 1.
- 2.

SPECIAL CONDITIONS, WARRANTIES AND EXCLUSIONS

- 1.
- 2.

SECTION IV - BUSINESS INTERRUPTION (following Machinery Breakdown)

The business carried on by the Insured at the premises as specified in the Schedule be interrupted or interfered with consequence of an Accident which shall mean sudden and unforeseen physical damage of the machinery as specified in the schedule then the Company shall in respect of each item in the Schedule indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference.

PROVIDED THAT the liability of the Company during any one-year of Insurance shall in no case exceed in the whole the total Sum Insured hereby or such other sum or sums as may hereafter be substituted therefore by endorsement signed by or on behalf of the Company.

PROVIDED ALSO that at the time of happening of an Accident there shall be in force an insurance covering the machinery as described in the Schedule from any accidental cause indemnifiable under Machinery Breakdown Insurance Section and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.

PROVIDED ALWAYS that the due observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answer(s) in the proposal shall be conditions precedent to any liability of the Company.

EXCLUSIONS -

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

- i) Willful act or willful neglect or gross negligence of the insured or his responsible representatives.
- ii) Loss or damage to machinery or other items which are not listed in the list of machinery insured even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- iii) Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the insured or his responsible representatives whether such faults or defects were known to the Company or not.
- iv) Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi-finished or finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- v) Any restrictions on reconstruction or operation as imposed by any public authority.
- vi) An extension of the normal repair period for more than 4 weeks on account of -
 - a) the inability to secure or delay in securing replacement parts, machines or technical services.
 - b) the inability to carry or delay in carrying out repairs.
 - c) the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
 - d) transport of parts to and from the Insured's premises.
- vii) Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.

Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of -

- a) War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organization, requisition or destruction or damage by order of any government de jure or de facto or by any public. Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimize the consequences thereof.
- b) Nuclear reaction, nuclear radiation or radioactive contamination.

CONDITIONS -

- a) This Policy and the Schedule(s) shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule(s) shall bear such meaning wherever it may appear.

- b) This Policy shall be avoidable in the event of misrepresentation, mis-description or nondisclosure in material particular.
- c) This Policy shall be avoided if,
 - i) the business be wound up or carried on by a liquidator or receiver or permanently discontinued OR
 - ii) the insured's interest ceases otherwise than by death OR
 - iii) any alteration be made whereby the risk of an accident is increased.
- OR
- iv) the retention of standby or spare machinery or any other loss minimizing factors in existence when this insurance was effected be reduced or discontinued unless its continuance is admitted by an endorsement signed by or on behalf of the Company
- d) The insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
- e) i) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
- ii) The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense, such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall if necessary be adjusted accordingly.
- iii) Dismantling and reassembling in connection with any examinations shall be carried out by the Insured on such date or dates as the Company and the insured mutually agree upon for the making of such examinations.

No material alteration shall be made or admitted by the insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Company.

- f) The Insured shall be obliged to keep complete records. All records e.g. inventories, production, accounts and balance sheets for the three preceding years shall be held in safe keeping or as a precaution against it being simultaneously destroyed the insured shall keep separate sets of such records.
- g) In the event of any occurrence, which gives rise to or is likely to give rise to a claim under this Policy the Insured shall -
 - i) Forthwith give notice thereof to the Company
 - ii) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom.
 - iii) as far as may be reasonably practicable without causing any increase in the period of interruption or interference take precaution to preserve all such things which might prove necessary or useful by way of evidence in connection with any claim
 - iv) discontinue the use of any damaged machinery unless the Company authorize otherwise, and the Company shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the insurers.

- v) in the event of a claim being made under this Policy not later than thirty days after the expiry of the indemnity period or within such further time as the Company may allow in writing at his own expense deliver to the Company a written statement setting forth particulars of his claim together with details of all other policies covering the accident or any part of it or consequential loss of any kind resulting therefrom and the insured shall at his own expense also produce and furnish to the Company such books of accounts and other business books e.g. invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with if required - a statutory declaration of the truth of the claim and of any matters connected therewith.

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

- h) In the event of an accident to any insured machinery likely to give rise to a claim under this Policy, the Company shall have the right to take over and control all necessary repairs or replacements.
- i) 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 or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated to upon its paying for or making good any loss or damage under this Policy whether such acts and things are or become necessary or required before or after his indemnification by the Company
- j) 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 this policy or if the Accident be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit is not commenced within three months after such rejection or in case of an arbitration taking place as provided hereunder within three months of this policy after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefits under this Policy shall be forfeited.
- k) If at the time of any accident resulting in a loss under this Policy there be any other insurance covering the same loss or damage, the Company shall not be liable to pay more than its rateable proportion of the loss.
- l) **Midterm increase in Sum Insured -**
If the sum insured is increased during the currency of the policy -
 - i) Short period scale of rate shall apply to the increased amount.
 - ii) If the policy is renewed thereafter for twelve months, for an amount not less than the increased total sum insured, the difference of premium between the short period scale of rates and pro-rata rate, may be refunded, or a new policy for the full increased sum insured, may be issued, at the tariff rate (annual or short period, as required) canceling the old issued policy and allowing a pro-rata refund for the unexpired period of the cancelled policy'.
- n) **Departmental Clause -** Applicable when business has separate section or departments (each earning a different rate of gross profit.)
- o) If the business be conducted in departments, the independent trading results of which are ascertainable, the **provision of clauses (a) & (b) of item 1 of the specification shall apply separately to each department** affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

- p) The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

- q) Every notice and other communication required by these conditions must be in writing.

OPTIONAL COVERS:

1. AGREED BANK CLAUSE

It is hereby declared and agreed: -

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.
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.

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.
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.
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
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.

2. PROLONGATION OF INTERRUPTION PERIOD DUE TO DETERIORATION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon, cover shall be extended to include a prolongation of the

interruption period due to the deterioration of raw materials, intermediate or finished products or operating media, provided that such deterioration is actually caused by an indemnifiable interruption of or interference with the business in consequence of an indemnifiable accident.

3. INCREASED COST OF ELECTRICITY, WATER, GAS OR STEAM SUPPLY

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon, this insurance shall be extended to cover increased cost of electricity, water, gas or steam - hereinafter referred to as energy - due to purchase thereof becoming necessary following an indemnifiable loss of or damage to item(s) No(s) specified in the List of Machinery and Plant Insured.

The sum insured is the product of the increase in unit cost for the purchase of energy (purchase cost minus the cost that would be incurred by the Insured generating his own energy) and the annual amount of the units as generated by the machinery insured. Expenses for maximum demand charges shall be excluded under this Endorsement. Refund of premium may be granted only in respect of the amount of units generated.

4. MAXIMUM DEMAND CHARGES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon, this insurance shall be extended to cover the maximum demand charges as itemized in the power supply contract attached to and deemed to be incorporated in this. Endorsement, such charges falling due to consequence of indemnifiable loss of or damage to item (s) No(s) specified in the List of Machinery and Plant Insured.

The sum insured shall correspond to the maximum possible amount of maximum demand charges which may become due for one year. If, in the case of indemnifiable loss of or damage to the insured items, the maximum demand charges falling due, ie the unit price per kW or kVA and/or the quantity of kW or kVA, exceed the figures stipulated in the power supply contract, average shall be applied separately to each of the above mentioned amounts. Underinsurance shall not be applied in the event that the indemnity period affects two electric power accounting years and the sum insured is less than the actual loss.

Deductible: 20 % of the loss, minimum

5. ADDITIONAL EXPENDITURE OTHER THAN INCREASE IN COST OF WORKING

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon, this insurance shall be extended to cover additional expenditure as specified in the schedule, other than increased cost of working, which may be incurred during the indemnity period as a consequence of an indemnifiable interruption of or interference with the business. The amount of indemnity payable shall be limited to either a) a lump sum payment of or b) a daily limit of and subject to a deductible of 20 % of each claim, minimum . This cover is not subject to average.

6. FAILURE OF PUBLIC POWER, WATER, GAS OR STEAM SUPPLY

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions as contained in the Policy or endorsed thereon, cover shall be extended to include loss of gross profits resulting from interruption of or interference with the business due to failure of the public power, water, gas or steam supply in accordance with the following conditions:

1. Definition

Public supply shall mean the supply by public authority of power, water, gas or steam when required on demand, with sufficient production reserves and alternate switch-over possibilities.

2. Object of insurance

Failure of the public supply shall mean stoppage or reduction in supply caused by sudden and unforeseen material damage occurring beyond the point of transfer to the plant as specified in the Policy. This

Endorsement also covers failure of the public power, water, gas or steam supply due to any cause specified in Exclusions Nos 1 to 3 and 8 of the Policy.

In the case of interruption of the Insured's operation due to failure of the public supply, the Company shall be liable up to the indemnity period limit for any loss of gross profits resulting from this interruption for the period of failure that exceeds the agreed time excess.

3. Exclusions

Irrespective of any contributory cause, the Company shall not be liable for any loss resulting from interruption of public supply directly or indirectly attributable to:

- a) rationing, which was not caused by unforeseen material damage to the public supply;
- b) water shortage due to climatic or meteorological conditions;
- c) disturbance or damage in the Insured's plant, even if this is caused by failure of the public supply, unless the damaged item(s) also is (are) covered under this Policy;
- d) the production in the Insured's plant still being interrupted or disturbed after the resumption of the public supply, unless otherwise agreed.

7. DELAY IN REPAIR

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Company shall, within the agreed indemnity period limit, be liable for a period not exceeding four weeks for any loss of gross profits due to delay in repair or replacement of damaged machines of foreign make, where such delay results from import or export restrictions, customs regulations, currency restrictions or any other regulations imposed by any government or public authority.

8. INDEMNITY PERIOD LIMITS EXCEEDING 12 MONTHS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon for indemnity period limits exceeding 12 months, the following shall apply:

- 1. The figures for annual sum(s) insured, annual turnover and standard turnover as defined or stated in the Policy shall be increased in the proportion by which the indemnity period limit exceeds 12 months.
- 2. The accounting period as referred to in Memo 2 - Return of Premium shall be the agreed indemnity period limit.

9. PROPORTIONAL TIME EXCESS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the deductible in respect of the time excess shall be determined as follows:

The Company are not liable for the amount of loss corresponding to the agreed time excess, which shall be calculated by multiplying the average daily amount of the indemnifiable loss by the number of working days agreed upon as the time excess.

10. SUM INSURED ON UNIT PRICE BASIS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the sum insured and indemnity shall be defined as follows:

- 1) The annual sum insured shall be calculated on the basis of the agreed unit price multiplied by the number of units the Insured produces during one year. A premium refund according to Memo 2 of this Policy shall be given only on the basis of the number of units actually produced during the period of insurance.
- 2) The indemnity payable shall be the amount calculated by multiplying the number of units which would be produced but for the accident with the agreed unit price. If,

however, the number of units on which the sum insured is based is less than the number of units which would be produced but for the accident during the 12 months immediately preceding the date when the production is no longer affected or when the indemnity period limit ends, the amount payable shall be reduced proportionally. The indemnity shall not put the Insured into a better financial position than he would have been in if the accident had not occurred. The Company shall only be liable for the period within the indemnity period limit that exceeds the agreed time excess.

The deductible shall be 20 % of the loss, minimum.

11. FAILURE OF NON-PUBLIC POWER SUPPLY

It is agreed and understood that, otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the extra premium agreed on, the Company will indemnify the Insured for any deterioration or putrefaction occurring as a result of any failure of the nonpublic power supply, provided that - a standby generator ready for operation at any time (stated in the List of Machinery) is available which is able to supply the required continuous cooling capacity when the cold store is 100 % filled; - the failure of the non-public power supply lasts for an uninterrupted period of at least six hours.

Irrespective of any contributing causes, the Company shall, however, not be liable for deterioration or putrefaction occurring as a result of - scheduled interruptions of the non-public power supply; - interruption of electricity due to shortage of primary energy at the power stations.

12. DEPARTMENTAL CLAUSE

If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of clauses (a) & (b) of item 1 of the specification shall apply separately to each department affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

Details of Property Insured

Item	Number	Description of Machinery	Relative Importance in %
As per Breakdown of Electrical and Mechanical Appliance and Boiler & Pressure Plant Section			
Note: Relative importance means the percentage effect which a breakdown of the particular machine will have on the total gross profit disregarding any loss minimisation measures.			
Total Sum Insured		Rs.	
Indemnity Period			
Net Premium		Rs.	
Add Service Tax (Inclusive of education cess)		Rs.	
Total Premium		Rs.	

Excess / Deductible:

CLAUSES & EXTENSIONS

- 1.
- 2.

SPECIAL CONDITIONS, WARRANTIES AND EXCLUSIONS

- 1.
- 2.

6. Exclusions

The intangible but more correct way of viewing such a policy is through its exclusions. In effect, save the few listed exclusions all accidental or damages are covered.

SECTION 1 - Material Damages

EXCLUSIONS

A. EXCLUDED CAUSES

- 1) This policy does not cover damage to the property insured caused by:
 - i) faulty or defective design materials or workmanship, inherent vice latent defects, gradual deterioration deformation or distortion or wear and tear
 - ii) interruption of the water supply gas electricity or fuel systems or failure of the effluent disposal systems to and from the premises
 - iii) spontaneous combustion unless additional premium is paid towards such coverage and agreed by the insurer
 - iv) leakage &/or contamination of oil, chemicals, or such other like items from its container by accidental means and / or accidental contamination by contact with foreign matter unless the same is covered by additional premium paid by the insured and agreed by the insurer. unless Damage by a cause not excluded in the policy ensues and then the Insurer shall be liable only for such ensuing Damage.
- a) i) collapse or cracking of buildings
 - ii) corrosion rust extremes or changes in temperature dampness dryness wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change in colour, flavour, texture or finish action of light vermin insects marring or scratching unless such loss is caused directly by Damage to the property insured or to premises containing such property by cause not excluded in the policy
- b) i) larceny
 - ii) acts of fraud or dishonesty
 - iii) disappearance unexplained or inventory shortage misfiling or misplacing of information shortage in supply or delivery of materials or shortage due to clerical or accounting error
- c) i) coastal or river erosion
 - ii) normal settlement or bedding down of new structures
- 2) Damage caused by or arising from:-
 - a) any willful act or willful negligence on the part of the Insured or any person acting on his behalf
 - b) cessation of work delay or loss of market or any other consequential or indirect loss of any kind or description whatsoever
- 3) Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences, namely:
 - a) war, invasion act of foreign enemy, hostilities, or warlike operations (whether war be declared or not) civil war
 - b) mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power

- 4)
 - i) permanent or temporary dispossession resulting from nationalisation commandeering or requisition by any lawfully constituted authority
 - ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that the Insurers are not relieved of any liability to the Insured in respect of Damage to the property insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy
 - iii) the destruction of property by order of any public authority.

In any action, suit, or other proceeding where the Insurer alleges that by reason of the provisions of Exclusions A3 (a) and (b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.

- 5) Damage directly or indirectly caused by or arising from or in consequence of or contributed confiscation to by:-
 - a) nuclear weapons material
 - b) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion Combustion shall include any self-sustaining process of nuclear fission
- 6) Deliberate and sustained operation of the plant beyond rated capacity, imposition of abnormal operating conditions directly or indirectly resulting from overload beyond safe limits except for conditions permitted by the Original Equipment Manufacturers/Suppliers (OEM)
- 7) Freezing, solidification, and/or inadvertent escape of molten material
- 8) Damage to boilers economisers turbines or other vessels machinery or apparatus In which pressure is used or their contents resulting from their explosion or rupture. (unless agreed specifically by the Insurer)
- 9) Damage to electronic installations, computers and data processing equipment resulting from their breakdown or derangement.
- 10) Damage due to mechanical or electrical breakdown or derangement of machinery or equipment.
- 11) 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
- 12) 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 organization(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 and its subsequent amendments thereof 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.

- 13) Any loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature

B. EXCLUDED PROPERTY

This Policy does not cover:

- 1) Money, cheques stamps bonds credit cards securities of any description jewellery precious stones precious metals bullion furs curiosities rare books or works of art, Portable Electronic Equipment unless specifically mentioned as insured by this policy and provided that the additional premium towards such coverage has been paid by the insured to the Company (over and above the in-built cover)
- 2) Unless specifically mentioned as insured by this Policy goods held in trust or on commission documents, manuscripts, business books, computer systems records, patterns, models, moulds, plans, designs, explosives.
- 3)
 - a) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives or rolling stock watercraft aircraft spacecraft or the similar like.
 - b) property in transit other than within the premises as specified in the Schedule.
 - c) property or structures in course of demolition construction or erection and materials or supplies in connection therewith unless specifically agreed by the Insurer
 - d) land (including top-soil back-fill drainage or culverts) driveways, pavements, roads, runways, railway lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining property, underground off-shore property unless specifically covered.
 - e) livestock growing crops or trees
 - f) property damaged as a result of its undergoing any process. However, this exclusion does not apply to loss or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils not excluded under this Policy, provided that the additional premium towards such coverage has been paid by the insured to the Company and liability for destruction of or damage to the property insured described in the schedule to this policy, or any part of such property, is agreed by the Company.
 - g) property undergoing testing installation including materials and supplies therefore if directly attributable to the operations of work being performed thereon unless damage by a cause not otherwise excluded ensues and then the insurer will be liable only for such ensuing loss.
 - h) property more specifically insured
 - i) 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 purpose for a period not exceeding 60 days.
 - j) damage to property which at the time of the happening of such damage is insured by or would 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.
 - k) property for which the manufacturer or supplier or repairer is responsible for loss or damage either in law or contract
 - l) property having faults or defects existing at the time of commencement of this insurance and known to the insured or his authorized representative but not disclosed to the Company.

DEDUCTIBLES

This policy does not cover the deductibles as stated in the schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of the policy including any condition of Average.

Warranted that during the currency of the policy the Insured shall not effect insurance in respect of the amount of the deductibles stated in the schedule.

Section II – Business Interruption

Special Exclusions to Section II:

1. This Policy does not cover loss resulting from interruption of or interference with the business directly or indirectly attributable to

1.1 any restrictions on reconstruction or operation imposed by any public authority

1.2 the Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged

1.3 loss of business due to causes such as suspension lapse or cancellation of a lease license or order etc. which occurs after the date when the items lost destroyed or damaged are again in operating condition and the business could have been resumed, if said lease license order etc. had not lapsed or had not been suspended or cancelled.

1.4 Damage resulting from :

- a) Deliberate erasure loss distortion or corruption of data or information on computer systems or other records programs or software.
- a) Other erasure loss distortion or corruption of information or data on computer systems or other records programs of software unless resulting from fire lightning explosion aircraft, impact by any road vehicle or animals earthquake, hurricane, windstorm flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes in so far as it is not otherwise excluded unless caused by Damage to the machine or apparatus in which the records are mounted.

2. This Policy does not cover the deductible as stated in the Schedule to be borne by the Insured.

EXCEPTIONS UNDER SECTION III- BREAKDOWN OF ELECTRICAL AND MECHANICAL APPLIANCE (Machinery Breakdown)

The company shall not be liable under this section in respect of -

10. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly of fire including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lightning, explosion of any kind (other than bursting or disruption of turbines, compressors, cylinders of steam engines, hydraulic cylinders or fly wheels or other apparatus subject to centrifugal force, internal pressure) theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne or waterborne or airborne craft or other aerial devices and/or articles dropped therefrom.

Any loss or damage by fire within the electrical appliances and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portions of the electrical

installation so affected and not to other machines, apparatus, fixtures fittings or portions of the electrical installation which may be destroyed or damaged by fire so set up.

11. Accident, loss, damage/and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
12. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or renewal of the parts affected may be necessary.
13. Deterioration of or wearing away or wearing out of any part of any machine caused by or naturally resulting from normal use or exposure.
14. Loss, damage and/or liability caused by or arising out of the willful act, willful neglect or gross negligence of the Insured or his responsible representatives.
15. Liability assumed by the Insured by agreement unless such liability would have attached to the; Insured notwithstanding such agreement.
16. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the Insured or his responsible representative but not disclosed to the company.
17. Loss of use of the Insured's plant or property of any other consequential loss incurred by the Insured.
18. Loss, damage/and/or liability due to explosions in chemical recovery boilers, other than pressure explosions e.g. smelt, chemical, ignition, explosions etc.

SPECIAL EXCLUSIONS –

The Company shall not be liable for -

1. The Excess, as stated in the Schedule, to be first borne by the Insured out of each and every claim; where more than one item is damaged in one and the same occurrence, the Insured shall not, however, be called upon to bear more than the highest Excess applicable to any one such item;
2. Loss of or damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved or impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerant, dowtherm), felts, endless conveyor belts or wires, sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts.
3. Loss or damage for which the manufacturer or supplier or repairer of the Property insured is responsible either by law or contract.

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of the exceptions or exclusions above, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

Section IV: BUSINESS INTERRUPTION (following Machinery Breakdown)

EXCLUSIONS -

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

- viii) Willful act or willful neglect or gross negligence of the insured or his responsible representatives.

- ix) Loss or damage to machinery or other items which are not listed in the list of machinery insured even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- x) Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the insured or his responsible representatives whether such faults or defects were known to the Company or not.
- xi) Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi-finished or finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- xii) Any restrictions on reconstruction or operation as imposed by any public authority.
- xiii) An extension of the normal repair period for more than 4 weeks on account of -
 - a) the inability to secure or delay in securing replacement parts, machines or technical services.
 - b) the inability to carry or delay in carrying out repairs.
 - c) the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
 - d) transport of parts to and from the Insured's premises.
- xiv) Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.

Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of

- a) War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organization, requisition or destruction or damage by order of any government de jure or de facto or by any public. Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimize the consequences thereof.
- b) Nuclear reaction, nuclear radiation or radioactive contamination.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

The Company shall not be liable to indemnify under any section of this policy any direct or indirect loss/damage or liability or expenses howsoever caused on account of the following unless specifically provided in any of the sections:

1. Liability arising out of violation of any Rules and Regulation of the Govt. or Statutory authorities.
2. Loss or damage directly or indirectly, proximately or remotely occasioned by or which arises out of or in connection with war, invasion, act of foreign enemy, hostilities or civil war, rebellion, revolution, insurrection, warlike operation (whether war be declared or not), usurped power or civil commotion or loss or pillage in connection therein or confiscation or detention by the order of any Government or public authority.
3. 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, 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 organization(s) or government(s) committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear. (A uniform definition of terrorism is used throughout this document)

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

4. Loss or damage arising due to delay/improper packaging.
5. Any loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss and any legal liability of whatsoever nature directly or indirectly, caused by or contributed to by, or arising from ionizing radiation or contamination by radioactivity from any source whatsoever.
6. Any accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
7. Liability arising due to martial law or state of seize or any of the event or cause which determines the proclamation or maintenance of martial law or state of seize
8. Loss or damage wear and tear, depreciation, gradual deterioration/ development of flaws, atmospheric or climatic condition.
9. Loss or damage caused by or arising out of willful act/gross negligence of the insured.
10. Loss of or damage to any Property insured under this Policy in the even of non-cooperation, misrepresentation, mis description or non-disclosure in any material particular or if a claim be fraudulent or any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy

7. Favorable Features

1. Better coverage

- Transit risk cover within compound stands covered.
- Cover provided for equipment and machinery send for repairs outside the premises for a limit of 60 days
- No deduction on account of depreciation from claim amount for damage, whether total or partial
- 15% underinsurance has been allowed without affecting claim amount.
- LOP due to burglary and other accidental damage cover
- Standard time excess under MLOP reduced

2. Administrative control

- The cover is in widest form
- Single policy document

Risk located in various places can be covered under a single policy

8. Sum Insured

SECTION I - Material Damages

- Building, plant, machinery and other fixed assets - at Reinstatement value basis
- Stock and other Current assets - at Market Value

(Or as specified in policy schedule and agreed by Insurer)

SECTION II and IV – Business Interruption

- Gross Profit = Net profit + standing charges or standing charges less net loss
- Turnover less variable Charges

*SI should represent estimated annual gross profit duly adjusted as per trend and indemnity period of the policy.

SECTION III - Breakdown of Electrical and Mechanical Appliance (Machinery Breakdown)

- Machinery – at Replacement value basis
- It is the requirement of this Insurance that the Sum Insured shall be equal to the cost of replacement of the Property insured by new property of the same kind and same capacity which shall mean its replacement cost including freight and customs duties, if any, and erection costs.

9. Eligible Discounts

Insured will be eligible for maximum discounts on premium. Criteria for such discount may include but not limited to the following:

1. Type of Construction
2. Age of Risk
3. Surrounding Occupancy Exposure
4. Housekeeping
5. Physical security systems

10. Claims Procedure

The claim would be admissible as per the coverages and the exclusions mentioned in the policy wordings

Claim Intimation

In the event of any circumstances likely to give rise to a claim insured must follow the following.

- a. Reporting and Lodging of complaint with the local police immediately for the loss due to Terrorism /Burglary / Theft / involvement of any third party / injury or casualty/ malicious act.
- b. Take all reasonable steps within the insured's power to recover / minimize the extent of the loss or damage.
- c. Intimate us as soon as reasonably possible. Notice of claim and registration shall be done at our Toll Free Number: 1800-22-4030 or 1800-200-4030, alternatively you can notify your claim by sending mail to <contactclaims@universalsampo.com>.
- d. While notifying your claim, please share your
 - 1) policy number under which you prefer to lodge your claim,
 - 2) date of loss,
 - 3) place of loss,
 - 4) cause of loss
 - 5) estimate of your loss.
 - 6) Details of contact person with mobile no. and e- mail ID.
- e. Preserve the damaged or defective parts / items / assets and make them available for inspection by an official of the insurance company or surveyor /investigator appointed.
- f. Furnish all such information / proofs and documentary evidence as the surveyor / insurance company may require processing your claim.

Followed by notification of a claim, insured is expected to follow the following procedures.

- a. Insured shall do all possible loss minimization activity to reduce further loss or aggravation of loss.
- b. Insured shall not dispose / throwing away /selling / destroying any of damaged item/salvage before inspection of loss by insurer/surveyor been appointed.
- c. Insured shall furnish all necessary documents/photographs/videos and proof / evidence in relevant to their claim to surveyor / insurance company to establish their loss.

- d. Insured shall not offer promise or assurance to any third party for their loss arising out of this incident.
- e. After receipt of all necessary claim documents, re-insatement bills and payment proofs, claim working with surveyor observation would be shared to insured by surveyor / insurance company for their understanding and concurrence.
- f. Based on the final surveyor report, claim preferred by insured would be processed and concluded for settlement.
- g. Post notification of a claim, Insured would be followed for the basic settlement documents or clarification on the discrepancy observed on the basic settlement documents. In spite of our best effort, if insured fails to respond for the basic details within the defined time limit, the claim preferred by insured would be repudiated as " Loss was not established"

Basic documents to be submitted by insured for claim settlement (To be submitted by insured after reporting of loss)

1. Duly filled in Claim Form
2. Statement of Insured/Eyewitness regarding loss
3. Confirmation of Reinstatement (in Case of RIV policy)
4. Last Three years Balance Sheets with Schedules
5. Current year Provisional Trading A/c and balance Sheet
6. GST returns for last FY up to month of loss
7. Stock Registers (Purchase/Sales)
8. Purchase and Sales Invoices
9. Estimate of repairs
10. Detailed Claim Bill with necessary bills / vouchers
11. Departmental Note on the incident
12. F.I.R. in case of fire arising out of rioting mob, striking workers, malicious damage by third parties or terrorist damage
13. Fire Brigade Report
14. Forensic Departments Report, if applicable
15. Laboratory Test Report – in case of quantification of loss to stocks / assessment of nutrient loss
16. Industry Expert's Report – in case of engagement of any civil expert / industry expert
17. Copy of Work Orders / Purchase Orders
18. Repair / Replacement Bills with payment proofs
19. Photographs / Video, if arranged
20. Newspaper cuttings
21. Meteorological Report – In case of involvement of AOG perils
22. Schedule of fixed assets with respective values
23. Basis adopted for fixing sum insured under the policy
24. Stock Register, Copy of declarations submitted to Insurers
25. Layout plans, specifications etc.
26. Proof of Loss: Detailed description of the machinery damage and its impact on operations.
27. Repair or Replacement Estimates: Quotes or invoices from repair shops or suppliers for fixing or replacing the machinery.
28. Income Statements: Financial records showing the loss of profit due to machinery downtime, such as income statements or profit and loss statements.
29. Maintenance Records: Documentation of regular maintenance and any issues with the machinery leading up to the incident.
30. Insurance Policy Document: A copy of your insurance policy that includes coverage details.
31. Incident Report: A report detailing how the machinery was damaged or lost, including any relevant photographs or diagrams.
32. Proof of Ownership: Documentation proving that you own the machinery, such as purchase receipts or registration papers.
33. Business Interruption Records: Records showing how the business operations were affected by the machinery loss, including any correspondence with clients or suppliers.
34. Previous Claims: Any previous claims or relevant correspondence with the insurance company.
35. Other supporting documents as per the claim intimated and demand by the deputed surveyors

- **Escalation Matrix**

Level 1 - contactclaims@universalsompo.com

Level 2 - grievance@universalsompo.com

Level 3 - gro@universalsompo.com

11. Special Conditions

SPECIAL CONDITIONS TO SECTION I

1. Sums Insured

It is a requirement of this Insurance that the sums insured as stated in the Schedule shall not be less than the cost of reinstatement as if such property (except for stocks) were reinstated on the first day of the Period of Insurance which shall mean the cost of replacement of the insured items by new items in a condition equal to but not better or more extensive than its condition when new.

2. Basis of Loss Settlement

In the event of any loss destruction or damage the indemnification under this section shall be calculated on the basis of the reinstatement or replacement of the property lost destroyed or damaged, subject to the following provisions:

2.1. Reinstatement or replacement shall mean:

- where property is lost or destroyed, the rebuilding of any buildings or the replacement of any other property by similar property, in either case in a condition equal to but not better or more extensive than its condition when new
- where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

2.2. Special Provisions

- The work of 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 Insurers not being thereby increased) must be commenced and carried out within 12 months after the destruction or damage otherwise no payment beyond the amount which would have been payable under the policy if these special provisions had not been incorporated herein shall be made
 - Where any property is lost destroyed or damaged in part only the liability of the Insurers shall not exceed the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly destroyed
 - Until the cost of reinstatement or replacement shall have been actually incurred the amount payable under each of the items shall be calculated based on the actual cash value of such items immediately before the loss destruction or damage with due allowance for depreciation for age use and condition.
3. If the property hereby insured shall at the time of reinstatement/replacement repair following a loss or damage indemnifiable under this section be of greater value than the Sum Insured under the policy, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of loss.

Each item of the section to which this condition applies shall be separately subject to the foregoing provision. Provided however that if the said Sum Insured in respect of such item(s) of the Schedule

shall not be less than 85% (Eighty Five percent) of the value of the item(s) thereat, this condition shall be of no purpose and effect.

4. Cover for Specific Contents

We cover the following, as applicable:

- a. Money for an amount not exceeding INR 50,000 (Rupees Fifty Thousand) during the policy period.
- b. Deeds, manuscripts and business books, plans, drawings, securities, obligations or documents of any kind, but only for the cost of the materials and clerical labour expended in reproducing such records for an amount not exceeding INR 50,000 (Rupees Fifty Thousand) during the policy period.
- c. Computer programmes, information and data but only for the cost of the materials and clerical labour expended in reproducing such records for an amount not exceeding INR 5 Lakh (Rupees Five Lakh) during the policy period.
- d. Employees', Directors', visitors' personal effects of every description (other than motor vehicles) for an amount not exceeding INR 15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 (twenty) persons during the policy period.

Conditions – Section IV

CONDITIONS -

- a) This Policy and the Schedule(s) shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule(s) shall bear such meaning wherever it may appear.
- b) This Policy shall be avoidable in the event of misrepresentation, mis-description or nondisclosure in material particular.
- c) This Policy shall be avoided if,
 - v) the business be wound up or carried on by a liquidator or receiver or permanently discontinued OR
 - vi) the insured's interest ceases otherwise than by death OR
 - vii) any alteration be made whereby the risk of an accident is increased.
- OR
- viii) the retention of standby or spare machinery or any other loss minimizing factors in existence when this insurance was effected be reduced or discontinued unless its continuance is admitted by an endorsement signed by or on behalf of the Company
- d) The insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
- e) i) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.

- a. The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense, such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall if necessary be adjusted accordingly.
- b. Dismantling and reassembling in connection with any examinations shall be carried out by the Insured on such date or dates as the Company and the insured mutually agree upon for the making of such examinations.

No material alteration shall be made or admitted by the insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Company.

- f) The Insured shall be obliged to keep complete records. All records e.g. inventories, production, accounts and balance sheets for the three preceding years shall be held in safe keeping or as a precaution against it being simultaneously destroyed the insured shall keep separate sets of such records.
- g) In the event of any occurrence, which gives rise to or is likely to give rise to a claim under this Policy the Insured shall -
 - vi) Forthwith give notice thereof to the Company
 - vii) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom.
 - viii) as far as may be reasonably practicable without causing any increase in the period of interruption or interference take precaution to preserve all such things which might prove necessary or useful by way of evidence in connection with any claim
 - ix) discontinue the use of any damaged machinery unless the Company authorize otherwise, and the Company shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the insurers.
 - x) in the event of a claim being made under this Policy not later than thirty days after the expiry of the indemnity period or within such further time as the Company may allow in writing at his own expense deliver to the Company a written statement setting forth particulars of his claim together with details of all other policies covering the accident or any part of it or consequential loss of any kind resulting therefrom and the insured shall at his own expense also produce and furnish to the Company such books of accounts and other business books e.g. invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with if required - a statutory declaration of the truth of the claim and of any matters connected therewith.

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

- h) In the event of an accident to any insured machinery likely to give rise to a claim under this Policy, the Company shall have the right to take over and control all necessary repairs or replacements.
- i) 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 or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated to upon its paying for or

making good any loss or damage under this Policy whether such acts and things are or become necessary or required before or after his indemnification by the Company

- j) 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 this policy or if the Accident be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit is not commenced within three months after such rejection or in case of an arbitration taking place as provided hereunder within three months of this policy after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefits under this Policy shall be forfeited.
- k) If at the time of any accident resulting in a loss under this Policy there be any other insurance covering the same loss or damage, the Company shall not be liable to pay more than its rateable proportion of the loss.

l) Midterm increase in Sum Insured -

If the sum insured is increased during the currency of the policy -

- ii) Short period scale of rate shall apply to the increased amount.
- ii) If the policy is renewed thereafter for twelve months, for an amount not less than the increased total sum insured, the difference of premium between the short period scale of rates and pro-rata rate, may be refunded, or a new policy for the full increased sum insured, may be issued, at the tariff rate (annual or short period, as required) canceling the old issued policy and allowing a pro-rata refund for the unexpired period of the cancelled policy'.

m) Departmental Clause - Applicable when business has separate section or departments (each earning a different rate of gross profit.)

- n) If the business be conducted in departments, the independent trading results of which are ascertainable, the **provision of clauses (a) & (b) of item 1 of the specification shall apply separately to each department** affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.
- o) The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

- p) Every notice and other communication required by these conditions must be in writing.

GENERAL CONDITIONS – APPLICABLE TO ALL SECTIONS

The Policy and Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

1. The Proposer understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the insurance company's decision to provide this insurance. The applicant further understands that the insurance company will, in its sole discretion, issue this Policy in reliance upon and based on the submissions made to the company by way of the proposal submitted and on belief and with a view that all details and statements and particulars submitted are complete, correct and true.

THIS POLICY SHALL BE VOIDABLE AT THE OPTION OF THE COMPANY IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULAR BY THE INSURED. ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE INSURANCE COMPANY'S SOLE DISCRETION AND MAY RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, DOCUMENT, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR ANY OTHER SUCH DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF WITH AN INTENTION TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY SHALL BE FORFEITED

2. Insurance cover provided under this policy shall cease on expiry of 7 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 a peril not excluded by this policy or such loss or damage 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, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company :-
 - a) If the trade or manufacture carried on be altered, or if the nature of the occupation 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.
 - b) If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days.
 - c) If the interest in the property passes from the insured otherwise than by will or operation of law
4. The Company may cancel this policy on grounds of misrepresentation, fraud, non disclosure of material facts, non cooperation by the insured or anyone acting on his behalf. Such cancellation of the policy will be from inception date or the renewal date (as the case may be) upon 15 days notice and by sending an ENDORSEMENT in this regard at insured's address shown in the SCHEDULE without refund of any premium.

The policy may also be cancelled by the insured at any time by giving at least 15 days written notice to the company. The company will refund premium on a short period basis by reference to the time cover is provided, subject to a minimum retention of premium of Rs. 250/-.

SHORT PERIOD SCALE:

Policies issued or renewed for periods shorter than 12 months must be charged for on the following scale, which must also be applied in calculating the premium where policies are cancelled during currency at the

request of the Insured.

Period	% of rate to be charged
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

5. (i) 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

a) 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.

b) **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 declaration on oath or in other legal form of the truth of the claims and of any connected therewith. No claim under this policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Insurer forthwith

(ii) In no case whatsoever shall the Company be liable for any loss or damage after the expiration 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 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

6. On the happening of loss or damage to any of the property insured by this policy, the Company may

- enter and take and keep possession of the building or premises where the loss or damage has happened,
- 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,
- keep possession of any such property and examine, arrange, remove or otherwise deal with the same,

- d. 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.

7. 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 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.

8. If the property hereby insured shall at the time of reinstatement/replacement repair following a loss or damage indemnifiable under the policy be of greater value than the Sum Insured under the policy, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of loss.
9. Each item of the policy to which this condition applies shall be separately subject to the foregoing provision.
 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.
10. 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
11. The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996

12. Every notice and other communication to the Company required by these conditions must be written or printed.

13. 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. Thus 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 above, 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

14. The Insured shall take all reasonable steps to safeguard the Property insured against any loss or damage. The Insured shall exercise reasonable care that only competent employees are employed and shall take all reasonable steps to prevent all accidents and shall comply with all statutory or other regulations.
15. The Company shall have free access to inspect any Property insured and the books of accounts of the Insured. If at any time any event shall occur materially affecting the risks insured hereunder the Insured shall give notice in writing to the Company immediately

The Insured shall not admit any liability or make payment of or negotiate any sum without the consent in writing of the Company. The Company shall be entitled if it so desires to take over and conduct in the name of the Insured the defense or settlement of any claim or to prosecute in the name of the Insured at its own expense and for its own benefit any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Company shall be or would become entitled or subrogated upon its indemnifying the Insured and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require

16. The Company may after admission of liability pay to the Insured/third party the maximum indemnity amount on receiving the documentary evidence and thereafter the Company shall not be under further liability in respect of such occurrence except for the payment of costs and expenses of litigation incurred prior to the date of payment
17. No claim shall be payable under this Policy unless the cause of action arises in India and the liability to pay claim established against the Insured in any Indian court. It is further agreed and understood that only Indian Law shall be applicable to any such action however, in case the liability is otherwise clear on the basis of evidence produced by the Insured, the Company may entertain the claim without reference to a court of law
18. The Company shall be entitled to take over and conduct in the name of Insured the defense or settlement of any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Company shall be or would become entitled or subrogated upon its indemnifying the Insured. The Company shall have full discretion in conduct of any proceedings and in settlement of any claim and the Insured shall give all such assistance and information as the Company may require
19. The Company shall be under no obligation to renew the policy on expiry of the period for which premium has been paid. The Company reserves the right to offer revised rates, terms and conditions at renewal based on claim experience and a fresh assessment of the risk. This policy may be renewed only by mutual consent and subject to payment in advance of the total premium at the rate in force

at the time of renewal. The Company, however, shall not be bound to give notice that the policy is due for renewal or to accept any renewal premium. Unless renewed as herein provided, this policy shall automatically terminate at the expiry of the period for which premium has already been paid..

20. Any person who has a grievance against the Company, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998 (Ombudsman Rules). Proviso to Rule 16(2) of the Ombudsman Rules however, limits compensation that may be awarded by the Ombudsman, to the lower of compensation necessary to cover the loss suffered by the insured as a direct consequence of the insured peril or Rs. 20 lakhs Rupees Twenty Lakhs Only) inclusive of ex-gratia and other expenses. A copy of the said Rules shall be made available by the Company upon prior written request by the Insured.
21. MID – TERM INCREASE IN SUM INSURED shall be allowed as follows:
- INCREASE IN SUM INSURED – on Pro Rata Basis
 - DECREASE IN SUM INSURED – on Short Period Scale

Condonation of Delay:

The Company may at its discretion condone delay on merit basis where it is proved that delay in reporting of claim or submission of claim documents is due to reasons beyond the control of the insured.

Notwithstanding the above, delay in reporting of claim or submission of claim documents due to reasons beyond the control of the insured shall not be condoned where such claim even if reported in time would in any which ways be rejected.

12. Contact Details for Queries, Requests and Suggestions

24*7 toll free Nos: 1800 - 22- 4030 or 1800-200-4030

Senior Citizen: Toll free: 1800 267 4030.

Email : contactus@universalsompo.com

Courier: Universal Sampo General Insurance Co. Ltd. Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra – 400708

13. Grievances

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

➤ Step 1

a. Contact Us

1-800-224030/1-800-2004030

b. **E-mail Address:** Contactus@universalsompo.com

c. Write to us Customer Service Universal Sampo General Insurance Company Limited

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

d. **Senior Citizen Number:** 1800 267 4030

➤ Step 2

If the resolution you received, does not meet your expectations, you can directly write to our Grievance Id. After examining the matter, the final response would be conveyed within two weeks from the date of receipt of your complaint on this email id.

Email Us- grievance@universalsompo.com

Drop in Your concern

Grievance Cell: Universal Sampo General Insurance Co. Ltd, Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

Visit Branch Grievance Redressal Officer (GRO)

Walk into any of our nearest branches and request to meet the GRO

- We will acknowledge receipt of your concern immediately.
- Within 2 weeks of receiving your grievance, we will respond to you with the best solution.
- We shall regard the complaint as closed if we do not receive a reply within 8 weeks from the date of our response.

➤ **Step 3:**

In case, You are not satisfied with the decision/resolution of the above office or have not received any response within 15 working days, You may write or email to:

Chief Grievance Redressal Officer

Universal Sampo General Insurance Company Limited

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Thane- Belapur Road, Airoli, Navi Mumbai, Maharashtra - 400708

Email : gro@universalsompo.com

For updated details of grievance officer, kindly refer the link <https://www.universalsompo.com/resource-grievance-redressal>

➤ **Step 4.**

Insurance Ombudsman

You can approach the Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at www.irdai.gov.in, or of the General Insurance Council at <https://www.gicouncil.in/>, the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices.

The updated contact details of the Insurance Ombudsman offices can be referred by clicking on the Insurance ombudsman official site: <https://www.cioins.co.in/Ombudsman>

Note: Grievance may also be lodged at IRDAI <https://bimabharosa.irdai.gov.in/>

INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

- 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 a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.
- Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to ten lakhs rupees.

Please note: The prospectus contains only an indication of cover offered, for complete details on terms, conditions, coverages and exclusions. For complete details please get in touch with us or our agent and read policy wordings carefully before concluding a sale. Insurance is a subject matter of the solicitation.

Universal Sampo General Insurance Co. Ltd.,

Registered and Corporate Office: 8th Floor & 9th Floor (South Side), Commerz International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai - 400063

Email: contactus@universalsampo.com

CIN: U66010MH2007PLC166770