

## Endorsement Wordings

### OFFICE PACKAGE INSURANCE POLICY

#### ***SECTION I- STANDARD FIRE AND SPECIAL PERILS INSURANCE***

#### **I ARCHITECTS, SURVEYORS AND CONSULTING ENGINEERS FEES (IN EXCESS OF 3% OF THE CLAIM AMOUNT)**

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

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

It is permissible to cover cost necessarily incurred by an Insured

- a) in the removal of debris from the premises of the Insured,
- b) dismantling, demolishing,
- c) shoring up or propping

of insured Property following destruction or damage by Insured peril by incorporating the following clause:

“On costs and expenses necessarily incurred by the Insured 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 by (Items..... of) this Policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate Rs. ....”

Note: 1. b & c above should be deleted when neither Building nor Machinery are covered.

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

#### **II DETERIORATION OF STOCKS IN COLD STORAGE PREMISES DUE TO ACCIDENTAL POWER FAILURE CONSEQUENT TO DAMAGE AT THE PREMISES OF POWER STATION DUE TO AN INSURED PERIL**

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

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

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

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

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

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

### **III DETERIORATION OF STOCKS IN COLD STORAGE PREMISES DUE TO CHANGE IN TEMPERATURE ARISING OUT OF LOSS OR DAMAGE TO THE COLD STORAGE MACHINERY(IES) IN THE INSURED'S PREMISES DUE TO OPERATION OF INSURED PERIL.**

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

“In consideration of the payment of additional premium of Rs. \_\_\_\_\_ 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.

#### **IV FOREST FIRE**

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

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

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

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

#### **V IMPACT DAMAGE DUE TO INSURED’S OWN RAIL/ROAD VEHICLES, FORK LIFTS, CRANES, STACKERS AND THE LIKE AND ARTICLES DROPPED THEREFROM.**

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

“In consideration of an additional premium of Rs.\_\_\_\_\_, 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.”

#### **VI SPONTANEOUS COMBUSTION**

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

“In consideration of the payment by the Insured to the Company of additional premium of Rs. \_\_\_\_\_ the Company agrees notwithstanding what is stated in the printed exclusions of

this Policy to the contrary that the insurance by (items ..... ) of this Policy shall extend to include loss or damage by fire only of or to the Property insured caused by its own fermentation, natural heating or spontaneous combustion.”

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

## **VII OMISSION TO INSURE ADDITIONS, ALTERATIONS OR EXTENSIONS**

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

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

- a. at the within described premises
- b. for use as factories
  - i) The liability under this extension shall not exceed in respect of (a) above, 5% of the Sum Insured by each item, in respect of (b) above, 5% of the Sum Insured by item No.....
  - ii) The Insured shall notify the Insurer of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.
  - iii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.
- i) No liability shall attach to the Insurers in respect of any Building, Machinery, Plant or other Contents while such property is otherwise insured. All new additions to Buildings and/or Machinery and Plant not specifically insured/included during the currency of the Policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of completion of the construction /erection of additions may be suitably adjusted.

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

ii) Other contents' in the above clause shall mean 'Furniture and Fittings' and does not include 'Stocks'.

iii) This clause should be incorporated at the time of issuing the Policy.

## **VIII EARTHQUAKE (FIRE AND SHOCK)**

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

If option to delete STFI peril is exercised

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

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

## **IX SPOILAGE MATERIAL DAMAGE COVER**

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

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

- 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.

"In consideration of the payment of an additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under Item No..... of this Policy shall extend to cover loss or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils covered under this Policy, provided that liability for destruction of or

damage to the Property insured described in the schedule to this Policy, or any part of such property, is first admitted by the Company.

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

### **Special Conditions**

For the purpose of this endorsement but no otherwise, the following special conditions shall apply:

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

PROVIDED THAT it is hereby further expressly agreed and declared that the liability of the Company shall in no case under this endorsement and the Policy exceed the Sum Insured by item Nos. \_\_\_\_\_ of this Policy.

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

## **X 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 of Rs..... 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 earnings, 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
- h. Consequential Loss of any nature.

**(B) Where Leakage Cover Alone is Granted:**

“In consideration of the payment of an additional premium of Rs..... 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 earnings, 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 shortage, 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 an initial certificate of fitness to receive and store the insured material shall be deemed to satisfy the above condition in so far as such tanks are concerned. However, a fresh certification as mentioned above would be required in the event of the said tanks being empty and fresh stocks are subsequently pumped/decanted in during the currency of this insurance.
- iv) In case of loss to Property insured hereunder, the basis of adjustment shall be the Market Value at the time and place of loss.
- v) It is understood and agreed that all loss or damage to property occurring during any one period of seventy-two consecutive hours during the currency of this Policy directly caused by earthquake shock shall be deemed to have been caused by single earthquake and therefore to constitute one loss for the purpose of this Policy, the Insured shall select a time from which any such period shall commence but no two such selected periods shall overlap.



- vi) All salvage recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustment shall be made by the parties hereto.
- vii) If any breach of a clause or condition in this contract or policy of insurance shall occur prior to a loss under this Policy, such breach shall not void the Policy nor avail the Company to avoid the liability unless such breach shall exist at the time of such a loss under this contract or Policy, it being understood that such breach of a clause or condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.
- viii) Each claim for loss or damage shall be adjusted separately and each claim is subject to an excess of 1% on each tank with a minimum of Rs. 60,000/- each loss.
- ix) If the Property hereby insured shall at the time of the operation of a peril insured hereunder, be collectively of greater value than the Sum Insured thereof, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition

**Note:** Special Conditions (i), (ii) AND (iii) are not applicable where leakage cover alone is granted.

## **XI      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.

## **XII      LOSS OF RENT CLAUSE**

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

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

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

### **XIII INSURANCE OF ADDITIONAL EXPENSES OF RENT FOR AN ALTERNATIVE ACCOMMODATION**

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

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

1. The cover may be granted for non-manufacturing premises only.
2. The cover may be granted under the Policy and not under Consequential Loss (Fire) Policy
3. The period of Indemnity may be limited to the period during which the original premises remain untenable as a result of occurrence of perils insured against. Maximum indemnity period not to exceed 3 (three) years.
4. The additional expense recoverable under the Policy may be additional rent actually paid i.e. the difference between the new and the original rent only.
5. Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenable will be accepted as adequate proof of the fact that the premises, in fact, have become untenable
6. Insurance should be granted against Fire, Riot, Strike, Malicious and Terrorist Damage and Earthquake (Fire & Shock) and other Extraneous Perils. Cover against Riot, Strike, Malicious and Terrorist Damage should be granted only if it involves actual physical damage to the building. The cover does not intend to pay, if for instance, the insured's entry is barred by strikers, demonstrators and similar occurrences.
7. The cover may be limited to buildings other than those of “Kutchha” construction.
8. The area for alternative accommodation may be equivalent to the area presently occupied. However, no restriction will apply in respect of locality for the alternative accommodation, so long as the alternative accommodation is taken in the same city of town.

9. Cover may be permitted to the tenant as also to the Owner-Occupant. Further, in respect of the Owner-Occupant, the alternative accommodation may be limited to the area presently under his occupation.
10. For the Owner-Occupant, since he will not be paying any rent based on the area occupied by him (in comparison with the actual rent being paid by the tenant in the same building or similar buildings in the same locality) the standard rent based on the rateable values fixed by Municipal/Revenue Authorities for tax purposes may be treated as the original rent for the purpose of this insurance.
11. It will be compulsory for
  - i) the Owner-Occupant to insure both building and contents.
  - ii) the tenant to insure the contents of the premises for which he is seeking this extension

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

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

Provided that the liability of the Company shall not exceed Rs..... the Sum Insured hereby.

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

**Special Conditions:**

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 "Kutchha" 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 rateable 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

## **XIV START UP EXPENSES**

Policy may be extended subject to the following endorsement wordings:

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

## **XV AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

- i. 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.
- ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.

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

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

## **XVI CONTRACT PRICE INSURANCE CLAUSE**

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

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

## **XVII DESIGNATION OF PROPERTY CLAUSE**

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

## **XVIII REINSTATEMENT VALUE POLICIES**

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

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

## **Special Provisions**

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.

## **XIX LOCAL AUTHORITIES CLAUSE**

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

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

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 or 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 Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Insurer under this extension not being thereby increased.
3. If the liability of the Insurer 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 Insurers 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."
6. No additional premium shall be charged for inclusion of this clause in this Policy.



## **XX ESCALATION CLAUSE**

The following Clause shall be used:

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

Item Number	Specified percentage increase per annum
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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:-

- i. the sums to be insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the Policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the Period of Insurance up to that renewal date, and
- ii. 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.”

## **XXI ARCHITECTS, SURVEYORS AND CONSULTING ENGINEER’S FEES (UP TO 3% OF THE CLAIM AMOUNT)**

The following Clause shall be used:

“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 is covered upto 3% of the adjusted loss, but it is understood that this does not include any costs in connection with the preparation of the Insured’s claim or estimate of loss in the event of damage by Insured Perils”.

## **XXII REMOVAL OF DEBRIS CLAUSE (UP TO 1% OF THE CLAIM AMOUNT)**

The following clause shall be used:

“It is hereby declared and agreed that the expenses incurred up to 1% of the claim amount is included in the Sum Insured on:

- a. Removal of debris from the premises of the Insured;
- b. dismantling or demolishing;
- c. shoring up or propping.”

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

## **XXIII FLOATER CLAUSE**

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

“In consideration of floater extra charged over and above the Policy rate the 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 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”

## **XXIV DECLARATION CLAUSE**

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

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 authorised to sign on his behalf.

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

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

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

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

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 hereby, 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 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.
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 this Policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 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 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 50% 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 applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired Period of Policy, at the rate at which the insurance was originally effected and upon expiry of each Period of Insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.
8. 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.
9. It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
10. 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.

## **XXV VOLUNTARY DEDUCTIBLE CLAUSE**

The following clause shall be attached to the Policy (ies) in case the Insured accepts the deductible and the discount therefore:

“It is hereby declared and agreed that the Insured having opted a voluntary deductible of Rs.----- out of net amount of each and every admissible claim under the fire policy(ies) covering the said premises, the company has allowed a discount of ----% on the final premium payable for the policies and Add on Covers.

It is further agreed that the above voluntary deductible opted shall be in addition to compulsory exclusion stipulated under “General exclusions” attached to the Policy (ies) and/or for add-on covers.”

## **XXVI BRANDS AND LABELS**

If branded or labeled property insured by this Policy is physically damaged and the Company elects to take all or any part of that property, the Insured may at the Company’s expense:

1. Stamp “salvage” on the property or its containers; or
2. Remove or obliterate the brands or labels,

If doing so will not damage the Property. In either event, the Insured must relabel such property or its containers to be in compliance with any applicable law.

## **XXVII ADDITIONAL INSUREDS**

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 Insureds; including interest of mortgagees and notice of assignment in respect thereof.

## **XXVIII DECONTAMINATION AND COST OF CLEAN UP EXPENSE**

If insured property is contaminated as a direct result of physical damage insured by this Policy and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. This additional coverage applies only to that part of insured property so contaminated as a direct result of insured physical damage.

The Company is not liable for the costs required for removing neither contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.

#### **XXIX EXPEDITING COSTS:**

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.

This additional coverage does not cover costs:

- 1) recoverable elsewhere in this Policy; or
- 2) of permanent repair or replacement of damaged property.

#### **XXX MODIFICATION COSTS AND EXPENSES FOR INCOMPATIBILITY OF EQUIPMENT**

The Insurance by this Section is extended to cover the cost or expense of

(i) modification of equipment including computer and ancillary equipment (the equipment) being the damaged equipment or undamaged equipment.

and or

(ii) the replacement restoration or recompilation of computer records where there results in the event of the loss incompatibility between the replacement equipment and the existing equipment and or the computer records.

Where a claim under (i) or (ii) above shall occur then the basis of settlement shall be whichever is the lesser of the two amounts to achieve compatibility in the event that the loss of the equipment insured by this Policy has resulted in undamaged computer records being unavoidably incompatible with the replaced equipment.

The liability of the Insurer shall not exceed the Inner Limit of Liability stated in the specification

#### **XXXI START-UP / SHUT-DOWN COST**

On the occurrence of an event which leads to a damage or loss covered under Standard Fire Policy or Business Interruption, this extension covers actual loss sustained due to specified start-up / shut-down costs for power and utilities such as electricity, water, steam, gas as well as feedstock, fuels or combustibles to re-establish the plant in the operational state it was at the time of the damage in a normal start-up procedure and subject to the sublimit entered in The Schedule.

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

## **XXXII ACCIDENTAL DAMAGE COVER**

The Policy is extended to cover direct loss or damage to the property described in the schedule subject to the terms, conditions and exclusions herein.

### **EXCLUSIONS**

The Policy excludes

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 systems records, explosives unless otherwise expressly stated in the Policy.
2. Loss, destruction or damage to the insured property premises caused by change of temperature.
3. Loss or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the perils covered.
4. Damage to belts, ropes, chains, rubber tyres, dies, moulds, 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, unless caused by fire, lightning, riot, strike, malicious damage, storm, tempest, flood or inundation.
5. Loss or damage due to breakdown, electrical, electronic and/or mechanical derangement.
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.

### **XXXIII NEW LOCATION COVER**

Property at a new location acquired by the Insured, other than those in operation or acquired prior to the effective date of this coverage, is automatically covered up to \_\_\_\_\_ on content of the location involved for a period up to 15 days from the date of acquisition. It is understood that the Insured shall declare within 15 days from the date of acquisition the value of property at any such location acquired and will pay the appropriate additional premium from the date of acquisition on pro rata basis at the basic rate.

### **XXXIV EXPENSES FOR LOSS MINIMISATION**

This Policy includes expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving / shifting of property if this contributes to loss minimisation, subject to a limit per loss as per schedule.

### **XXXV ADDITIONAL INCREASE COST OF WORKING**

The insurance by this Policy extends to include such additional expenditure (not recoverable under any other item/s to the Schedule of the Policy or any other insurance or in terms of any contractual agreement) incurred with the consent of the Company during the indemnity period in consequence of loss as insured for the purpose of maintaining as far as possible the normal operation of the business.

The Sum Insured in terms of the provisions of this clause shall be independently determined as a separate item to the Schedule of the Policy and shall not be subject to the condition of average in the event of a claim to which this clause is applicable.

### **XXXVI CONTRACT WORKS**

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

Definition (applicable to the cover provided by this extension only): Contract shall mean any Contract with the Insured as Employer for the extension or refurbishment of existing Buildings with a construction period not exceeding twelve months in duration within the Territorial Limits.



The liability of the Insurer shall not exceed the Inner Limit of Liability stated in the specification.

#### **XXXVII CLAIM PREPARATION COSTS**

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.

#### **XXXVIII CAPITAL ADDITIONS / NEWLY ACQUIRED PROPERTY / INTEREST**

Subject to the sub-limit shown in the Schedule Policy is extended to include, in so far as the same are not otherwise insured:

- a) any newly acquired machinery and plant or newly constructed buildings, and
- b) alterations additions and improvements to buildings subsequent to a certificate of completion,
- c) alterations additions and improvements to machinery and plant, at the Insured locations, but not in respect of any appreciation in value during the current Period of Insurance, provided that :

The Insured undertakes to give particulars within 15 days of commencement of the Insurer's liability and to effect specific insurance before the expiry of the Period of Insurance and to pay an additional premium on demand.

#### **XXXIX PARTIAL PAYMENT OF LOSS SETTLEMENT**

In the event of a loss occurring which has been ascertained to be insured loss or damage under this Policy and determined by the Insurer's representatives to be in excess of the applicable Policy deductible, the Insurer will advance mutually agreed upon partial payment(s) on the insured loss or damage, subject to the Policy's provisions. To obtain said partial payments, the Insured will submit a signed and sworn proof of loss as described in this Policy, with adequate supporting documentation.

### ***SECTION II- FIRE LOSS OF PROFIT***

## **I SPECIFICATION A- Insurance on Gross Profit on Turnover Basis**

<i>Item No.</i>	<i>Sum Insured</i>
<b>1. Net Profit</b>	<b>Rs.</b>
<b>2. Standing Charges</b>	<b>Rs.</b>
	-----
<b>Total Sum Insured (Gross Profit)</b>	<b>Rs.</b>
	-----

The insurance under Item No. 1 is 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 thereunder 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, in consequence of the Damage, fall short of the Standard Turnover.
- b) IN RESPECT OF INCREASE IN COST OF WORKING: the addition expenditure (subject to the provisions of Memo 2) 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 the 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 Insured Standing Charges as may cease or be reduced in consequence of the 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, the amount payable shall be proportionately reduced.

### **Departmental Clause:**

“If the Business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (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.”

## Definitions

**GROSS PROFIT** – The sum produced by adding to the Net Profit the amount of the Insured Standing Charges, or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the Business.

**NET PROFIT** – The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business of the Insured at all premises after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**INSURED STANDING CHARGES** – Per listing of Charges stated in the Schedule to the Policy

**TURNOVER** – The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the premises.

**INDEMNITY PERIOD** – the period beginning with the occurrence of the Damage and ending not later than \_\_\_\_ months thereafter during which the results of the Business shall be affected in consequence of the Damage.

<b>RATE OF GROSS PROFIT</b> – the Rate of Gross Profit earned on the Turnover during the financial year 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.
<b>ANNUAL TURNOVER</b> – the Turnover during the twelve months immediately before the date of the Damage.	
<b>STANDARD TURNOVER</b> – the Turnover 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 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 Turnover during the Indemnity Period.

Memo 2. If any Standing Charges of the Business be not insured by this Policy then in computing the amount recoverable hereunder as increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the Standing Charges.

Memo 3. If the Insured declares, at the latest twelve 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 50% 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 twelve months after the expiry of the Period of Insurance, no refund shall be admissible.

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.

## **II Specification B – Insurance on Gross Profit On Output Basis**

<b>Item No.</b>	<b>Sum Insured</b>
<b>1. On gross profit</b>	<b>Rs.....</b>

The insurance under Item No. 1 is limited to loss of Gross Profit due to (a) Reduction in output and (b) increase in cost of working and the amount payable as indemnity thereunder shall be: -

- a) IN RESPECT OF REDUCTION IN OUTPUT: the sum produced by applying the Rate of Gross Profit to the amount by which the Output during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Output,

b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Output which but for that expenditure would have taken place during the Indemnity Period in consequence of the 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 Insured Standing Charges as may cease or be reduced in consequence of the 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 Output, the amount payable shall be proportionately reduced.

\* Insert the appropriate multiple if the Indemnity Period exceeds 12 months.

#### **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 Output thereof, the amount payable shall be proportionately reduced.

#### **Definitions**

GROSS PROFIT – The sum produced by adding to the Net Profit the amount of the Insured Standing Charges, or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all Standing Charges of the business.

NET PROFIT – the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all Standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

INSURED STANDING CHARGES – (appropriate list to be inserted).

OUTPUT – the quantity of + produced at the premises measured in units of+ +

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

+       Insert description of commodity produced by the Insured.

++     Insert unit of weight used.

RATE OF GROSS PROFIT – the rate of Gross Profit per unit earned on the output during the financial year 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 practicable the results which, but for the damage, would have been obtained during the relative period after the damage.
ANNUAL OUTPUT – the output during the twelve months immediately before the date of damage	
STANDARD OUTPUT – the output 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 goods shall be produced elsewhere than at the premises for the benefit of the business either by the Insured or by others on the insured's behalf the quantity so produced shall be brought into account in arriving at the Output during the Indemnity Period.

Memo 2.       If any Standing Charges of the business be not insured by this Policy then in computing the amount recoverable hereunder as increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the Standing Charges.

Memo 3.       If the Insured declares, at the latest twelve 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, 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.

Where, however, the declaration is not received by the Company within twelve months after the expiry of the Period of Insurance, no refund shall be admissible.

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.

### **III Specification C – “Difference” Basis**

<b>Item No.</b>	<b>Sum Insured</b>
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<b>1. On gross profit</b>	<b>Rs.</b>
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The insurance under Item No. 1 is 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 thereunder 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, in consequence of the Damage, fall short of the Standard Turnover,
- 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 the 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 the 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, the amount payable shall be proportionately reduced.

\* Insert the appropriate multiple if the Indemnity Period exceeds 12 months.

**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 I 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.

**Definitions**

GROSS PROFIT – the amount by which

- 1) The sum of the Turnover and the amount of the Closing Stock shall exceed.
- 2) The sum of the amount of the Opening Stock and the amount of the Specified Working Expenses.

Note (i) The amount of the Opening and Closing stocks shall be arrived at in accordance with Insured's normal accountancy methods, due provisions being made for depreciation.

Specified Working 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 (ii) The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.

TURNOVER – the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.



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

RATE OF GROSS PROFIT – the rate of Gross Profit earned on the turnover during the financial year 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.
ANNUAL TURNOVER – the Turnover during the twelve months immediately before the date of the damage	
STANDARD TURNOVER – the Turnover during the 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 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 Turnover during the Indemnity Period.

Memo 2. if the Insured declares, at the latest twelve 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 50% 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 twelve months after the expiry of the Period of Insurance, no refund shall be admissible.

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.

#### **IV Specification I – Revenue Basis**

Specification referred to in Policy No. As per Schedule issued by the Company in the name of \_\_\_\_\_ and forming an integral part of that Policy.

<b>Item No.</b>	<b>Sum Insured</b>
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<b>1. on Gross Profit</b>	<b>Rs.</b>
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The Insurance under Item 1 is limited to (a) loss of Gross Revenue and (b) increase in Cost of Working and the amount payable as indemnity thereunder shall be: -

- a) IN RESPECT OF LOSS OF GROSS REVENUE: the amount by which the Gross Revenue earned during the Indemnity Period shall, in consequence of the damage, fall short of the Standard Gross revenue.
- b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of Memo 2) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided.

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

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

#### **Definitions**

##### **Gross Revenue:**

The money paid or payable to the Insured for \_\_\_\_\_ \* \_\_\_\_\_ in course of the business at the premises.

##### **Indemnity Period:**

The period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ months thereafter during which the results of the business shall be affected in consequence of the damage.

STANDARD GROSS REVENUE – the Gross Revenue during the period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period	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.
ANNUAL GROSS REVENUE – the Gross Revenue earned during the Period in the twelve months immediately before the date of the damage.	

\* here is inserted the appropriate multiple if the Indemnity Period exceeds 12 months.

\*\* here is inserted an agreed description such as “work done and services rendered” or “entertainment provided” and, if necessary, a qualifying exclusion such as “excluding the cost of drink and food supplied.”

Memo 1. if during the Indemnity Period work shall be done or services 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 work of services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Memo 2. In the event of \* the Gross Revenue earned during the accounting period of twelve months most nearly concurrent with any Period of Insurance as certified by the Insured’s Auditors being less than the Sum Insured thereon, a pro-rata return of premium not exceeding 50 percent of the premium paid on such Sum Insured for such Period of Insurance will be made in respect of the difference provided the Insured’s declarations is received within twelve months of the expiry of the Policy. If any damage shall have occurred, giving rise to a claim under the policy, such return shall be made in respect only of so much of the said difference as is not due to such damage.

Note: The words ‘Gross Revenue’, wherever they occur, may be altered to Revenue, Gross Income, Commission, Gross Fees, Royalties or similar term to suit the nature of the income of an insured’s business.

\* Here is inserted the appropriate multiple if the Indemnity Period exceeds 12 months.

## V Specification D(i) – Wages

### (i) Dual Basis

The Insurance under item \_\_\_\_\_ is limited to loss in respect of “Wages” and the amount payable as indemnity thereunder shall be

a) In respect of reduction in Turnover

- (i) During the portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter the sum produced by applying the Rate of Wages to the Shortage in Turnover/ Output during the said portion in the Indemnity Period.

Less any saving during the said portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid

- (ii) During the remaining portion of the Indemnity Period the sum produced by applying the Rate of Wages to the Shortage in Turnover/ Output during the said remaining portion of the Indemnity Period.

Less any saving during the said remaining portion of the Indemnity Period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the \_\_\_\_\_ sum \_\_\_\_\_ produced \_\_\_\_\_ by applying \_\_\_\_\_ percent of the Rate of Wages to the Shortage in Turnover/ Output during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for saving under the terms of Clause (i) (OPTION TO CONSOLIDATE – at the option of the insured, the number of weeks referred to in clause (a) (i) above may be increased to x provided that the amount arrived at under the provisions of clause (a) (ii) shall not exceed such amount as is deducted under clause (a) (i) for savings effected during the said increased number of weeks.

(x - here insert the equivalent numbers of weeks ascertained from the conversion table provided in Section II – Rule 3 A)

- b) In respect of increase in Cost of Working so much of the additional expenditure described in Clause (b) of Item 1 as exceeds the amount payable thereunder but not more than the

additional amount which would have been payable in respect of Reduction in Turnover/ Output under the Provisions of Clause (a) (i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Sum Insured by this item be less than the sum produced by applying the Rate of Wages to (insert the appropriate multiple if the Indemnity Period exceeds 12 months. E.g. where the indemnity period is eighteen months insert one and a half times) the Annual Turnover/ output, the Amount payable under this shall be proportionately reduced.

### **Definitions**

WAGES – Total Wages of all employees other than those whose wages are insured as standing charge.

Note: - The above definition may be altered to suit the requirements of individual clients.

RATE OF WAGES – The Rate of Wages to Turnover/ Output during the financial year 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.

SHORTAGE IN TURNOVER/ OUTPUT – The amount by which the Turnover/ Output during a period shall in consequence of the damage fall short of the part of the Standard Turnover/ Output which relates to that period.

### **Specification D (ii) – Wages**

#### **(ii) Pro Rata Basis**

The insurance under Item No. \_\_\_\_\_ on \_\_\_\_\_ weeks Wages on Sum Insured Rs. \_\_\_\_\_ is limited to the loss incurred by the Insured by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than \_\_\_\_\_ weeks thereafter.

The amount payable as indemnity under this item shall be the actual amount which the Insured shall pay as Wages for such period to employees whose services cannot in consequence of the damage be utilized by the Insured at all and an equitable part + (based upon shortage of

production) of the Wages paid for such period to employees whose service cannot in consequence of the damage be utilized by the Insured to the full;

Provided that if the Sum Insured by this item shall be less than the aggregate amount of the Wages that would have been paid during the                weeks immediately following the damage, had the damage not occurred, the amount payable shall be proportionately reduced.

For the purpose of this item the term Wages shall mean \*                . It is permissible to omit the words in brackets or to substitute for 'production' some other index of activity.

\*Here insert a precise definition of the scope to which the insurance of Wages (which may, if desired, expressly include Bonuses, Holiday Pay and the like) is to apply

## **VI      Specification E – Lay-off and/ or retrenchment Compensation with or without Notice Wages Liability**

The Insurance under Item No. 3 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 all subsequent amendments 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
- V. Retrenchment Compensation with or without notice Wages Liability.

As the case may be.

## **VII Specification F – Additional Cover Clauses**

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 under the terms of condition 3 of this Policy. 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 Condition 3 of 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.

## **VIII Specification G – 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: -

<p><b>RATE OF GROSS PROFIT</b> – 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</p> <p><b>ANNUAL OUTPUT/ TURNOVER</b> – The proportional equivalent for a period of twelve months or the Output/ Turnover realized during the period between the commencement of the business and the date of the damage.</p> <p><b>STANDARD OUTPUT/ TURNOVER</b> – The proportional equivalent for a period equal to the Indemnity Period of the Output/ Turnover realized during the period between the commencement of the business and the date of the damage</p>	<p>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.</p>
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## IX Specification H – Solicitors’ and Professional Mens’ Fees

Specification referred to in Policy No. \_\_\_\_\_ issued by the \_\_\_\_\_ Insurance Company Limited  
in the name of \_\_\_\_\_ and forming an integral part of that Policy.

Item No.	Sum Insured
1. On Gross Profit	Rs. As per Schedule
2. On Additional Expenditure	Rs. As per Schedule
3. On Legal, Clerical and other charges	Rs. As per Schedule
	-----
	Rs. As per Schedule
	-----

The Insurance under Item 1 is 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 consequence of the damage in connection with the fitting up of temporary offices, increased Rent, Rates, Taxes, Lighting, Heating and Insurance thereof, removal costs and expenses incidental thereto.



The Insurance under item 3 is limited to Legal, clerical and other charges necessarily incurred in the replacement or restoration of deeds 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 of Rs.

### **Definitions**

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

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

* Here is inserted the appropriate multiple if the Indemnity Period exceeds 12 months.
ANNUAL GROSS FEES – the gross fees earned during the twelve months immediately before the date of the damage
STANDARD GROSS FEES – the gross fees earned during that period in the twelve months immediately which corresponds with the Indemnity Period
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.

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 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 Sum Insured thereon, a pro-rata 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 such damage.

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

#### **X Specification I – 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 .

#### **XI Extension to cover Consequential Loss due to other Add-On Covers:**

Add-On Covers such as Earthquake may be included in the Policy by use of an endorsement wording as follows: -

In consideration of the payment of the after mentioned premium, it is hereby agreed and declared that, notwithstanding anything in the within written Policy contained to the contrary, the terms 'Damage' as defined in this Policy shall (subject always to the Special Conditions hereinafter contained) extend to include:

(here insert the appropriate Add-On Cover)

Provided that it is hereby further expressly agreed and declared that: -

- 1) The liability of the Company shall in no case under this endorsement and the Policy exceed the Sum Insured by this Policy.'
- 2) All the conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same may be expressly varied by the above special conditions.
- 3) The special conditions herein shall apply only to the insurance granted by this extension and the conditions of the Policy shall apply in all respects to the insurance granted by the policy as if this endorsement had not been made thereon.

## **XII Spoilage Consequential Loss Cover:**

Loss of Profits as a result of spoilage may be covered as an additional item by extending the Consequential Loss (fire) Insurance Policy subject to the following conditions: -

### **a) Scope of Cover**

The cover shall extend to loss of profits arising out of the spoilage, i.e. interruption of business solely as a result of (i) loss of stock-in-process; and (ii) damage to machinery, containers and equipment. The following endorsement wording shall be used: -  
endorsement for Spoilage Risk Extension under the Consequential Loss (Fire) Policy  
Attached to and forming part of the Policy No.

In consideration of the payment of the sum of Rs.                      additional premium, it is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary, the term 'Damage' as defined under this Policy, shall extend to include loss or damage in consequence of spoilage resulting from the retarding or

interruption or cessation of any process or operation cause by any of the perils covered under this Policy.

Provided that it is hereby further expressly agreed and declared that: -

- 1) The liability of the Company shall in no case under this endorsement and the Policy exceed the Sum Insured by this Policy.
- 2) 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 caused by spoilage which perils this insurance extends to include by virtue of this endorsement.

b) **Sum to be insured:**

Consequential Loss Cover may be covered for an indemnity period selected by the Insured and the Sum Insured being gross profit corresponding to the same indemnity period which shall not be less than one month.

c) **Rate to be charged:**

The rate to be charged shall not be less than the full 'Average Spoilage Rate' of the items covered against Spoilage Risk under the Material Damage Policy. The 'Average Spoilage Rate' shall be the percentage which the aggregate net premium in respect of items covered under the Material Damage Policy against Spoilage risks under the material damage policy. The cover to be otherwise subject to the condition of Average.

### **XIII Insured property stored at other situations**

In consideration of the payment of (the after mentioned additional premium) (an additional premium which is 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 property at the undernoted 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 of the Insured thereunder.

Note: **a) Property of the Insured Stored**

Where the extension relates solely to property of the Insured, the words “property at the undernoted situation” and the heading ‘situation’s should be deleted from the wording and the former replaced by “property of the Insured while stored anywhere than at premises in the Insured’s occupation”.

Note: **b) Suppliers’ Premises**

Where the extension relates to more than one supplier with different limits, the proviso and ‘Situation’ and the heading ‘Situations’ should be amended to read as follows: -

“Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) No.(s) shall not exceed the percentage of the sum insured thereunder shown against each situation,

**SITUATIONS**

**LIMIT”**

“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”.

c) Premises where a Contract is being carried out:

The following should be inserted under ‘SITUATIONS’: -

“Any location where the Insured is carrying out work”.

d) Professional Insured:

(Applicable solely to items on the Gross Revenue/ Fees of a business providing professional or similar services only)

The words ‘Property at the undernoted situations’ and the heading ‘SITUATION’ should be deleted from the wording and the former replaced by ‘documents belonging to or held in trust by the Insured, whilst temporarily at premises not in the occupation of the Insured, or whilst in transit by road, rail or inland waterway’.

#### **XIV Electricity Station, Gas Works and Water Works.**

In consideration of the payment of an additional premium amounting to Rs.                      it is hereby agreed and declared that loss as insured by + (item nos.                      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 purpose 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.

## **XV VOLUNTARY DEDUCTIBLE CLAUSE:**

The Insurer must attach to the Policy(ies) the following clause in case the Insured accept the deductible and the discount in premium is granted.

“It is hereby declared and agreed that Insured having opted to bear the amount of loss as computed hereunder of each and every admissible claim under the Policy.

- I. In respect of a Policy insuring reduction in turnover, the amount equivalent to the rate of Gross Profit applied to the Standard Turnover for        Days.
- II. In respect of a Policy insuring reduction in output, the amount equivalent to the rate of Gross Profit applied to the Standard Output for        Days.

The Company has allowed a discount of        .% on the final premium payable for Consequential Loss (Fire) Policy and its extensions covering all the Special Perils”.

#### **XVI RETURN OF PREMIUM CLAUSE:**

If the Insured declares, at the latest twelve months after the expiry of any Period of Insurance, that the Gross Profits 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 prorate 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.

#### **XVII ACCUMULATED STOCKS CLAUSE**

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to damage is postponed by reason of the Turnover being temporarily maintained from accumulated stock of finished goods in the Insured's warehouses.

#### **XVIII GENERAL EXCLUSION CLAUSE OF SOFTWARE AND YEAR 2000 PROBLEMS**

This Policy does not cover:

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- b) any legal liability of whatsoever nature;
- c) any consequential loss;

Directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer

- i) to treat any date before, during or after the year 2000 as the correct date or true calendar date, or correctly or appropriately to recognize manipulate interpret process store receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date or
- ii) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with any such date.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device or any computer software tools operating system or any computer hardware or peripherals and the information or data stored in or on any of the above, whether the property of the Insured or not.

## **XIX DATA CORRUPTION ENDORSEMENT**

### **PROPERTY ENDORSEMENT**

It is noted and agreed that this Policy is hereby amended as follows:

The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This endorsement shall not exclude subsequent damage or consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

## **XX Customers' premises Extension**



In consideration of the payment of the after-mentioned 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 at the undernoted situations, 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 location shall not exceed in respect of (each of) item(s) No.(s) ..... percent of the Sum Insured thereunder.

**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 (each of ) item(s) no(s) ..... shall not exceed the percentage of the Sum Insured thereunder shown against each situation.

Name of the Customer	Situation of the premises	Selected percentage limit of the sum insured
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### ***SECTION III- BURGLARY AND HOUSEBREAKING INSURANCE***

#### **I AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

- i. 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.
- ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.

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

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

## **II DESIGNATION OF PROPERTY CLAUSE:**

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

### **III REINSTATEMENT VALUE POLICIES**

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

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

#### **Special Provisions**

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.

#### **IV LOCAL AUTHORITIES CLAUSE**

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

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

- 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 of Bye-laws not arisen,
  - c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

- 2) The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Insurer under this extension not being thereby increased.
- 3) If the liability of the Insurer 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 Insurers 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 terms and conditions of the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein."
- 6) No additional premium shall be charged for inclusion of this clause in this Policy.

## **V FLOATER CLAUSE**

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

"In consideration of premium charged, 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 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"

## **VI DECLARATION CLAUSE**

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

- 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 authorised to sign on his behalf.

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

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

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

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

- 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 hereby, 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 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.
- 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 this Policy being cancelled by the Insured during its currency (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 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 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 50% 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 applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an

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

- 8) 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.
- 9) It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
- 10) 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.

## **VII FIRST LOSS COVER CLAUSE**

It is hereby declared and agreed that notwithstanding anything contained herein to the contrary, this Policy is issued on a First Loss Basis and the Company agrees that in case of loss or damage, such loss shall only be paid up to the limit of first loss as indicated in the Policy, subject to the condition of average.

It is further stated that, the first loss limit as indicated in the Policy have been declared and fixed by the Insured, and such shall be neither a proof of existence of nor the value of the property. They are only used as a basis to determine the maximum liability of the Company.

## **VIII LOSS MINIMISATION EXPENSES**

The insurance hereby extends to indemnify the Insured, expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving / shifting of property if this contributes to loss minimisation, subject to a limit per loss as per the Schedule.

## **IX CAPITAL ADDITIONS / NEWLY ACQUIRED PROPERTY / INTEREST**

Subject to the sub-limit shown in the Schedule, Policy is extended to include for an additional premium, in so far as the same are not otherwise Insured:



- d) any newly acquired machinery and plant and or property;
- e) alterations, additions and improvements to risk subsequent to a certificate of completion;
- f) alterations, additions and improvements to machinery and plant, at the Insured Locations, but not in respect of any appreciation in value during the current Period of Insurance,

Provided that the Insured undertakes to give particulars within 15 days of commencement of the Insurer's liability and to effect specific insurance before the expiry of the Period of Insurance.

#### **X EXPENSES TOWARDS RESTORING PAPER FILES, PLANS, RECORDS AND DRAWINGS, DATA AND INSTALLATION COSTS FOR COMPUTER PROGRAMS**

The insurance hereby extends to indemnify the Insured the cost, charges and expenses incurred in replacement or restoring of documents, plans, records and drawings, data and installation costs for computer programs but only for the value of the material and not for their value to the Insured, which may have been destroyed, damaged, lost, or mislaid.

It is understood that the said documents, plans, records and drawings, data and installation costs for computer programs may consist of deeds, views, agreements, maps, plans, records, books, letters, certificates and the like, but bearer bonds, coupons, bank or currency notes or other negotiable instruments shall deemed to be excluded from this insurance.

It is further understood that the company shall be liable for an amount not exceeding INR\_\_\_\_\_ in aggregate.

#### **XI THEFT COVER UNACCOMPANIED BY HOUSEBREAKING**

The insurance hereby is extended to cover 'theft' but excluding theft committed by or with the connivance of the Employees or hires or agents or representatives or custodians responsible for the insured Property or by members of the household of the Insured.

The Company shall in no event be liable for any loss or damage where such loss or damage is:

- a. discovered during any process of stock taking or inventory reconciliation
- b. due to non-return of the insured Property by the agent/custodian/hirer or any other third party to whom the insured Property was given in custody by the Insured or his representative.
- c. following removal of the insured Property from location it is stated as situated

- d. during or after the occurrence of any fire, riot, strike, earthquake or other convulsion of nature affecting the location where the insured Property is situated.
- e. following the insured Property being left unsecured or unattended
- f. in excess of the stated limit of indemnity for each and every loss and not in excess of the stated aggregate limit of indemnity.

## **XII EXPENSES TOWARDS REMOVAL OF DEBRIS AND MOVEMENT AND PROTECTION**

Policy is extended to cover the above subject to following endorsement wordings:

It is permissible to cover cost necessarily incurred by an Insured in the removal of debris from the premises of the Insured, dismantling, demolishing, shoring up or propping, movement to safe premises and protecting the Insured Property following destruction or damage by Insured Peril by incorporating the following clause:

“On costs and expenses necessarily incurred by the insured

- 1. In the removal of debris from the premises of the Insured;
- 2. Dismantling or demolishing;
- 3. Shoring up or propping;
- 4. Protecting and moving the property to safe premises

of the portion or portions of the Property insured by (Items..... of) this Policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate Rs. ....”

## **XIII LOSS OR DAMAGE TO THE PROPERTIES OF THE EMPLOYEES OF THE INSURED**

The Policy is extended to include loss of or damage to Personal Property of Employees for which the Insured is responsible whilst at the Premises of the Insured or damage to Personal Property of Employees for which the insured is responsible while at the Insured's Premises as mentioned in the Policy, provided that the Insurers shall not be responsible for more than Rs..... per employee and Rs. .... in Aggregate per occurrence.

## **XIV COSTS FOR CHANGING LOCKS AND COST FOR REPAIR OF DAMAGE CAUSED TO THE INSURED PREMISES AFTER AN INSURED EVENT**

Policy is extended to insure all costs reasonably incurred in the repair or replacement of door locks of the Insured Premises following an insured event.

## **XV LOSS OR DAMAGE DUE TO RIOT, STRIKE**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to cover loss and / or damage occasioned by Riot & Strike subject to the coverage provided in the operative clause in the Policy.

#### ***SECTION IV- MONEY IN TRANSIT/ SAFE***

##### **I LOSS OR DAMAGE TO SAFES, STRONGROOMS & MONEY RECEPTACLES**

(including damage to property and landlords fixtures & fittings)

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, the insurance by this Policy extends to include:

- (a) the cost of repairing the damage to any safe, strongroom or receptacle of money following an 'insured event' whether or not at the time of the occurrence of damage such safe, strong room or receptacle contained money as defined or otherwise
- (b) the cost of removing and returning such safe or money receptacle from the premises of the Insured to a place of repair as approved by the Company

- (c) the cost of repairing any building, structure or property as a result of the theft of money (as defined) or any attempt of theft or the removal for repair of any safe or money receptacle including damage done to landlords property as a result of the removal or replacement of such safe or receptacle.

All such costs as incurred in terms of the provisions of this clause shall be in addition to the sum or Sums Insured to the Schedule of the Policy but shall be limited to limit mentioned in the Schedule to the Policy.

## **II REPLACEMENT / REPAIR OF KEYS & LOCKS, RECODING OF LOCKING DEVICES**

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, the insurance by this Policy extends to include the cost to the Insured of:

- (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 limit mentioned in the schedule of the Policy in the event of the occurrence of any one loss
- (iii) the insurance in terms of the provisions of this clause shall relate to the premises occupied by the Insured only.

## **III AUTOMATIC REINSTATEMENT**

Subject to otherwise terms, exclusions, provisions and conditions contained in the Policy, notwithstanding the occurrence of a loss this insurance will remain in force for the full amount insured against each item of the Schedule of Benefits to the Policy (where applicable) or as may be adjusted by endorsement thereto; the Insured agreeing to pay additional premium on the amount of such loss pro rata from the date of damage to the expiry or renewal of the Period of Insurance.

#### **IV DIRECTORS, PARTNERS & EMPLOYEES EFFECTS**

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, the insurance by this Policy extends to include theft or damage to weapons; clothing and personal effects of the Insured or any Director, Partner or Employee of the Insured as a result of the theft of money or any attempt thereat provided such property is not insured by any other policy of insurance.

The limit of the Company's indemnity shall be limited to limit mentioned in the Policy in the event of any one occurrence collectively payable to the Insured or such Directors, Partners or Employees

#### **V ASSAULT (Personal Accident)**

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, the insurance by this Policy is deemed to include compensation for bodily injury as a result of the Insured or any Director, Partner or Employee (hereinafter referred to as the 'insured persons') of the Insured being assaulted whilst carrying money of the Insured and acting in the course of their authorised employment in the interests of the insured business.

##### **Definition:**

**"Permanent Total Disablement"** means an accidental injury caused by accident, which as a direct consequence thereof totally disables and prevents the Insured/Insured Person/s from attending to any business or occupation of any and every kind.

- (a) In the event of the Death of such insured persons the procedure of claim shall be:-
  - (i) the insured business or the administrators of the estate of the insured person shall provide the Company with a death certificate as to the cause of death of such insured person or persons and if so required the Company may call for a coroner's certified report in support of the death certificate.

- (ii) the benefit as provided by the Capital payment for the occurrence of Death payment being item (a) of the Schedule of Benefits hereto shall be paid to the estate of the deceased person or persons upon the Company acceptance of the claim.
  - (iii) in the event of any insured persons having received any benefit in terms of (b) of the Schedule of Benefits hereunder; then such amount of benefit shall be deducted from the Capital payment for the occurrence of Death should such insured persons die within twelve (12) months of incurring injury following assault as insured.
- (b) In the event of injury causing Permanent Total Disablement of such insured persons the procedure of claim shall be:-
- (i) the insured person (or their appointed representative) shall provide the Company with a medical report whereby the disability of the insured person shall be determined by two medical examiners representing the insured person as to the degree of their disability following the consequences of assault as insured.
- Should the Company not agree to the findings of such medical reports then they reserve the right to call for an independent medical report for their consideration.
- (ii) should it be determined that the insured person be permanently and totally disabled from pursuing their normal course of employment; then such person shall be compensated in terms of item (b) of the Schedule of Benefits to this clause.

All compensation or payment in terms of the provisions of this clause is limited to a time period of twelve (12) consecutive calendar months from the date of such bodily injury to any person in respect of any one occurrence of injury (or illness following injury) to any one person as insured.

The term 'disable' or 'disablement' shall mean: the disability of a person from engaging in their normal course of occupation for remuneration or reward.

Bodily injury shall include the consequences of any person or persons sustaining a stroke or heart attack following injury caused by assault.

#### **Schedule of Benefits**

- (a) Death: Capital payment of Rs .....\*
- (b) Permanent Total Disablement Rs.....\*

Notwithstanding the occurrence of any event as insured this insurance will remain in force for the full amount insured against each item of the Schedule of Benefits as determined in the Schedule of Benefits or as may be adjusted by endorsement thereto; the Insured agreeing to pay additional premium on the amount of such loss pro rata from the date of the incident of assault to the expiry of the Period of Insurance.

\* or the amount stated in the Schedule in respect of this Clause

## **VI TEMPORARY SAFE RENTAL (and the insurance thereof)**

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, the insurance by this Policy extends to include the cost to the Insured of:-

- (a) hiring a safe of similar size and quality whilst the safe being the subject of a claim is being repaired provided the time required to remove, repair and return such safe to the premises of the Insured exceeds seven (7) consecutive days
- (b) the delivery; and location of the hired safe on the premises of the Insured and return of such hired safe should such cost not be in the cost of the hire agreement as detailed in (a) herein
- (c) the insurance by this clause extends to include the cost of replacing or repairing the hired safe in the event of theft or damage to such safe whilst on hire to the Insured provided there be no other insurance in effect providing insurance following such occurrence.

## **VII BUSINESS / WORKING HOURS EXTENDED**

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, notwithstanding anything in the Policy to the contrary the insurance by this Policy extends the definition of 'business hours' to be that period of time that the Insured or any Director, Partner or Employee of the Insured is on the premises of the Business.

## **VIII INFIDILITY OF EMPLOYEE**

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, Loss of Money, Securities or other property, to the amount specified under Item ..... of the Schedule resulting directly from one or more fraudulent or dishonest acts committed by an Employee acting alone or in collusion with others, provided always that:-

1. Such fraudulent or dishonest acts are (a) committed during the Policy Period specified in Item ..... of the Schedule and are discovered in accordance with Condition no 3 of this Policy and,
2. Such fraudulent or dishonest acts as Insured under this section shall mean only fraudulent or dishonest acts committed by an Employee with the manifest intent (a) to cause the Insured to

sustain such loss and (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

## **XVI AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

- i. 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.
- ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.
- iii. 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.
- iv. 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.
- v. 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 authorised 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

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

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

## **XVII DESIGNATION OF PROPERTY CLAUSE:**

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

## **XVIII FLOATER CLAUSE**

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

“In consideration of premium charged, the SumInsured 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”

## **XIX DECLARATION CLAUSE**

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

- 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 authorised to sign on his behalf.

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

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

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

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

- 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 hereby, 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 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.
- 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 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.
- 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 applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of Policy, at the rate at which the insurance was originally effected and upon expiry of each Period of Insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.

- 8) 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.
- 9) It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this Policy.
- 10) 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.

## ***SECTION V- ELECTRICAL AND MECHANICAL APPLIANCES BREAKDOWN***

### **I 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 increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Item Number	Specified Percentage Increase Per Annum

Unless specifically agreed to the contrary the provisions of 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:-

- (i) 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
- (ii) 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.

## **II EXPRESS FREIGHT**

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 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.

Extra Premium Rs. \_\_\_\_\_

## **III AIR FREIGHT**

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.

In consideration thereof an additional premium of Rs. \_\_\_\_ is charged hereby

Limit of indemnity shall be Rs.\_\_\_\_\_ 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.

#### **IV OWNERS SURROUNDING PROPERTY –**

In consideration of insured having paid extra premium amounting to Rs.\_\_\_\_\_ 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 Rs.\_\_\_\_\_ for any one accident or series of accidents arising out of any one event and in the whole the total indemnity of Rs.\_\_\_\_\_ during the currency of the Policy.

The Insured shall bare 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 impairs the stability of the structure nor safety of its users are not covered.

#### **V THIRD PARTY LIABILITY**

In consideration of the payment of the additional premium of Rs.\_\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary stated in this Policy, the Company will indemnify the Insured -

a) against legal liability for the accidental loss or damage caused to the property of other persons.

b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the

works/site/premises location or employees of the other firms/connected with any other work site/premises/location or members of the family of the Insured or any of the aforesaid.

#### EXCLUSIONS UNDER THE TPL EXTENSION -

The Company will not indemnify the insured, under this extension in respect of -

- a) The first amount of Policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under the Policy.
- c) Liability consequent upon -
  - i) Bodily injury to or illness of employees/workmen/members of the families of the Insured or of the owners of the works/site/ premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.
  - ii) Loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/site/ premises/ location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
  - iii) Any accident caused by vehicles licensed for general road use or by waterborne vessels or by aircraft.
  - iv) Any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

#### CONDITIONS APPLYING TO TPL EXTENSION -

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the Insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

b) The Company may, so far as any accident is concerned, pay to the Insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

## **VI ADDITIONAL CUSTOMS DUTY**

In consideration of the Insured having paid an additional premium of Rs. \_\_\_\_\_ it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the Policy, towards the additional Customs Duty, amount of Rs. \_\_\_\_\_ 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.

## **VII Carding Machines in Textile Industry**

It is hereby declared and agreed that notwithstanding anything stated in the Policy to the contrary, any loss or damage to card fillets, Needles and Magnetic tapes of Knitting Machines is excluded under the Policy.

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

## **VIII FURNACE ENDORSEMENT –**

### **a) 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’.



b) **ELECTRICAL FURNACES -**

i) 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.

ii) 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.

iii) 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.

**IX 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 –

(i) 15 % depreciation per annum be made applicable to the Turbo- charger subject to a maximum of 75 %.

(ii) Turbo-charger cannot be insured in isolation.

**X 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.

**XI 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.

**XII Expellers/Expellers Gears –**

a) Expellers - It is hereby declared and agreed that any damage to the following parts of Oil Expellers viz., ball bearing, roller bearing, thrust bearing and bush bearing of all types are specifically excluded from the scope of cover.

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

b) Expeller Gears - It is hereby declared and agreed that all claims pertaining to Gears will be subject to depreciation at the rate of 15 % for every year or part thereof subject to a maximum depreciation of 75 %.

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

### **XIII Plastic Extruders/Injection Moulding Machines –**

It is hereby understood and agreed that the Insurance by this Policy does not cover any loss or damage to the dies, moulds and heating elements used on the Plastic Extruder/Injection Moulding Machines.

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

### **XIV 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.

### **XV 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.

#### **XVI Bakeries –**

It is hereby declared and agreed that any damage to whisks, dough hook and beaters of dough mixers are specifically excluded from the scope of cover.

#### **XVII GAS WORKS PLANTS –**

It is hereby declared and agreed that any damage to underground piping is specifically excluded from the scope of cover.

#### **XVIII FOR ALL TYPES OF IMPORTED MACHINERY –**

The indemnity provided by the Policy does not extend to include cost incurred/time involved in the movement of machinery and/or any other property insured hereunder and/or personnel outside the territorial limits of India other than the cost of delivery or replacements for machinery lost or damaged.

#### **XIX (a) Glass and Graphite Equipments –**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon indemnity granted by this Policy in respect of equipment/apparatus made out of Glass/Graphite described under item No(s) \_\_\_\_\_ of the Schedule is restricted to cover losses due to accidental damage or external impact and not any loss or damage arising out of wear and tear, general usage and/or cracking of the insured item due to continuous working and/or fatigue.

#### **(b) GLASS LINED VESSELS-**

It is hereby declared and agreed that the indemnity granted by this Policy in respect of glass lined production plant described in the Schedule is restricted to cover losses due to accidental damage or external impact and not any loss or damage arising out of wear and tear, general usage and/or cracking of the glass lining due to continuous working and/or fatigue subject otherwise to the terms, exceptions, conditions and limitations of the Policy.

Provided, however, that depreciation at the rate of 10% for every year of operation shall be deducted in respect of all claims arising out of perils covered in form of this endorsement subject to maximum depreciation of 75% in addition to other terms and conditions

#### **XX 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 %.

#### **XXI WIND MILLS ENDORSEMENT –**

Notwithstanding anything to the contrary stated in the Policy, this Policy covers accidental loss/damage to the blades of the Wind Mills whether metallic or non-metallic.

#### **XXII REFRACTORY MATERIALS IN BOILERS –**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall indemnify the Insured for loss of or damage to refractory materials in item(s) \_\_\_\_\_ Nos. \_\_\_\_\_ 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.

#### **XXIII DEPRECIATION ADJUSTMENT FOR COMPONENTS ALONG THE HOT GAS PATH OF GAS TURBINES –**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this Insurance –

In the event of an indemnifiable accident occurring to a component or components in the hot gas path, which have a life expectancy appreciably shorter than that of the gas turbine, the amount indemnifiable in respect of the items thus affected shall be depreciated. The amount payable shall be calculated by taking the expired life (EL) in equivalent working hours of the Component at the time of occurrence, and the normal life expectancy (NLE) in hours of the Component according to the latest specification issued by the manufacturer and then applying them in the relation ship  $(1-EL/NLE)$  to the total replacement costs of the Component.

Should the normal life expectancy for any component or components indicated by the manufacturer be found to be in conflict with the operational and/or claims experience, an

agreement on more realistic component life expectancies shall be reached between the Insured and the Insurer and shall supercede such advices of the manufacturer.

#### **XXIV OVERHAUL OF PLATEN PRESSES –**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions 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.

#### **XXV OVERHAUL OF ELECTRIC MOTORS (ABOVE 750 KW FOR MOTORS WITH 2 POLES AND ABOVE 1,000 KW FOR MOTORS WITH 4 AND MORE POLES) –**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions 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) in a completely opened-up state after 8,000 hours of operation or after 500 start-ups or at least after two years following the last overhaul.

New electric motors shall be overhauled after 2,000 hours or at least after one year of operation. The Insured shall supply the Insurers with reports on this overhaul. 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.

## ***SECTION VI- ELECTRONIC EQUIPMENTS***

### **I Endorsement for exclusion of Damage caused by Fire and Allied Perils -**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the Insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from –

- i) Fire (including losses arising out of fire fighting and rescue work)
- ii) Lightning.
- iii) Explosion/implosion.
- iv) Riot, Strike and Malicious Damage.
- v) An act of terrorism committed by a person or persons acting on behalf of or in connection with any organization and/or the action of any lawfully constituted authority in suppressing or attempting to suppress any such act of terrorism or in minimizing consequences thereof.
- vi) Impact by any rail/road vehicle or animals.
- vii) Aircraft and other aerial and/or space devices and/or articles dropped there from.
- viii) Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- ix) Subsidence and Land Slide including Rockslide.
- x) Earthquake, Fire and Shock.

### **II Medical Equipment using X-ray tubes**

As regards depreciation for Medical Equipment using X-ray tubes, it has been decided to adopt the following 'Endorsement's wordings'

- i) Cover of x-ray valves & tubes

- ii) Special condition Concerning Computer Tecnographs
- iii) Warranty for Lightning and over-voltage Protection Devices
- iv) Warranty concerning Air-conditioning Plant.

### **Cover of Valves and Tubes**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended to include loss of or damage to valves and tubes. Indemnification shall be limited to the actual value of such items (of 1 - 7) immediately prior to the occurrence of the loss or damage, including ordinary freight, erection costs and custom duties and dues, if any.

#### **1. Actual values of**

1.1 stationary anode X-ray tubes in single-tank setup and rotating anode X-ray tubes without exposure counters for diagnostic equipment

1.2 surface and close-range radio-therapy X-ray tubes and valves

1.3 video amplifier tubes

Age (months)	Actual value in % of new replacement value
Less than 18	100
Less than 20	90
Less than 23	80
Less than 26	70
Less than 30	60
Less than 34	50
Less than 40	40
Less than 46	30
Less than 52	20
Less than 60	10
More than 60	0

#### **2. Actual values of valves for diagnostic equipment**

Age (months)	Actual value in % of new replacement value
Less than 33	100
Less than 36	90

Less than 39	80
Less than 42	70
Less than 45	60
Less than 48	50
Less than 51	40
Less than 54	30
Less than 57	20
Less than 60	10
More than 60	0

3. Actual value of rotating anode X-ray tubes with lead-sealed exposure counters for diagnostic equipment

Number of exposures	Actual value in % of new replacement value
Less than 10,000	100
Less than 12,000	90
Less than 14,000	80
Less than 16,000	70
Less than 19,000	60
Less than 22,000	50
Less than 26,000	40
Less than 30,000	30
Less than 35,000	20
Less than 40,000	10
More than 40,000	0

4. Actual values of deep therapy X-ray tubes and valves

Period of operation (hours) <b>OR</b> Age (months) (whichever results in the lower actual value)		Actual value in % of new replacement value
Period of operation hours)	Age (months)	
Less than 400	Less than 18	100
Less than 500	Less than 22	90
Less than 600	Less than 26	80
Less than 700	Less than 30	70
Less than 800	Less than 35	60



Less than 900	Less than 40	50
Less than 1000	Less than 45	40
Less than 1100	Less than 50	30
Less than 1200	Less than 55	20
Less than 1300	Less than 60	10
More than 1300	More than 60	0

5. Actual values of X-ray tubes and valves for material testing equipment

Period of operation (hours) <b>OR</b> Age (months) (whichever results in the lower actual value)		Actual value in % of new replacement value
Period of operation or' (hours)	Age (months)	
Less than 300	Less than 6	100
Less than 380	Less than 8	90
Less than 460	Less than 10	80
Less than 540	Less than 12	70
Less than 620	Less than 14	60
Less than 700	Less than 16	50
Less than 780	Less than 18	40
Less than 860	Less than 20	30
More than 860	More than 20	20

6. Actual values of picture and pick-up tubes for TV equipment

After 12 months' use, the actual values of picture and pick-up tubes shall be reduced by 3% per month down to a minimum of 20% of the new replacement values.

7. Actual values of other types of tubes and valves

For other types of tubes and valves the actual values on the date of an occurrence shall be determined on the basis of data furnished by the supplier.

**Special condition concerning Computer Tomographs**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not be liable for any damage consisting in the failure of individual construction elements or components, unless it can be proved that such damage has been caused by an external event acting on the system or by a fire generated within the system.

In contrast to the indemnity scales of endorsement on “**Cover for valves and tubes**” incorporated in medical equipment, the following scales shall apply to the tubes indicated below built into computer tomographs:

**1. X-ray tubes**

With high-voltage time meter (stationary-anode tubes): (operating hours up to)	With exposure counter (rotating-anode tubes): (No. of exposures up to)	Indemnity: ( % )
400	10,000	100
440	11,000	90
480	12,000	80
520	13,000	70
600	15,000	60
720	18,000	50
840	21,000	40
960	24,000	30
1,080	27,000	20
1,200	30,000	10

**2. Tubes for voltage stabilization and regulation**

Period of use (months)	Indemnity %
36	100
39	90
41	80
44	70
47	60
49	50
52	40
55	30

57	20
60	10

### **III Warranty for Lightning and Overvoltage Protection Devices**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss of or damage to electronic equipment or data media or increased cost of working as a result of lightning or overvoltage if the electronic equipment is fitted with lightning and overvoltage protection devices and alarm system and these have been installed and maintained in accordance with the recommendations of the manufacturers of the electronic equipment and the lightning and overvoltage protection devices.

This means that the lightning and overvoltage protection devices and alarm system

- a. are regularly serviced by qualified personnel of the manufacturer or supplier,
- b. are kept under supervision by trained personnel,
- c. are provided with an automatic switch-off device complying with the latest requirements for electronic equipment and the manufacture's recommendations.

### **IV Warranty Concerning Air-Conditioning Plant**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of any loss or damage in regard to electronic equipment, data media and increased cost of working due to the failure of the air-conditioning plant, if this air-conditioning plant is not covered against material damage and has been equipped, installed or maintained in accordance with the recommendations of the manufacturers of the electronic equipment and air-conditioning plant.

This means that the insured air-conditioning plant

- a. and the alarm and switch-off devices are maintained by qualified personnel of the manufacturer or supplier at least every six months;
- b. is equipped with independent sensors to monitor temperature and humidity, to detect smoke and to release visual and acoustical alarms;
- c. is kept under supervision by trained personnel who are able to take all loss prevention measures necessary in the event of an alarm;

- d. is provided with an automatic emergency switch-off device complying with the requirements stipulated by the manufacturers of the electronic equipment.

## **V 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 increased each day by an amount representing 1/365th of the specified percentage increase per annum.

<b>Item Number</b>	<b>Specified Percentage Increase per annum</b>

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:-

- i) 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
- ii) 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.

## **VI Express Freight**

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 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.

Extra Premium Rs. \_\_\_\_\_

## **VII Air Freight**

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.

In consideration thereof an additional premium of Rs. \_\_\_\_ is charged hereby

Limit of indemnity shall be Rs. \_\_\_\_\_ 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.

## **VIII Owners Surrounding Property**

In consideration of the Insured having paid extra premium amounting to Rs. \_\_\_\_\_ 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 Rs.\_\_\_\_ for any one accident or series of accidents arising out of any one event and in the whole the total indemnity of Rs.\_\_\_\_ during the currency of the Policy.

The Insured shall bare 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 impairs the stability of the structure nor safety of its users are not covered.

## **IX Third Party Liability**

In consideration of the payment of the additional premium of Rs.\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary stated in this Policy, the Company will indemnify the Insured –

- a) against legal liability for the accidental loss or damage caused to the property of other persons.
- b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the Insured or his own employees or employee of the owner of the works/site/premises location or employees of the other firms/connected with any other work site/premises/location or members of the family of the Insured or any of the aforesaid.

Exclusions under TPL Extension:

The Company will not indemnify the Insured, under this extension in respect of -

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under the Policy.
- c) Liability consequent upon -
  - i. Bodily injury to or illness of employees/workmen/members of the families of the Insured or of the owners of the works/site/ premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.

- ii. loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/site/ premises/ location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
- iii. any accident caused by vehicles licensed for general road use or by waterborne vessels or by aircraft.
- iv. any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Conditions applying to TPL Extension:

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the Insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.
- b) The Company may, so far as any accident is concerned, pay to the Insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

## **X Additional Customs Duty**

In consideration of the Insured having paid an additional premium of Rs. \_\_\_\_ it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the Policy, towards the additional Customs Duty, amount of Rs. \_\_\_\_ 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.

## ***SECTION VII- PORTABLE EQUIPMENT ALL RISK***

### **I LOSS MINIMISATION EXPENSES**

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, the insurance hereby extends to indemnify the Insured, expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving / shifting of property if this contributes to loss minimisation, subject to a limit per loss as per the Schedule.

### **II NEWLY ACQUIRED PROPERTY / INTEREST**

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 and sublimit as stated in the Schedule.

Policy is extended to include, in so far as the same are not otherwise insured:

- a) any newly acquired machinery and plant or newly constructed buildings;
- b) alterations additions and improvements to machinery and plant, at the Insured Locations, but not in respect of any appreciation in value during the current Period of Insurance, provided that:

The Insured undertakes to give particulars within 15 days of commencement of the Insurer's liability and to effect specific insurance before the expiry of the Period of Insurance and to pay an additional premium on demand for there to be a cover under this extension.

### **III EXPENSES TOWARDS RESTORING PAPER FILES, PLANS, RECORDS AND DRAWINGS, DATA AND INSTALLATION COSTS FOR COMPUTER PROGRAMS**

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, the insurance hereby extends to indemnify the Insured the cost, charges and expenses incurred in replacement or restoring of documents, plans, records and drawings, data and installation costs for computer programs but only for the value of the material and not for their value to the Insured, which may have been destroyed, damaged, lost, or mislaid.

It is understood that the said documents, plans, records and drawings, data and installation costs for computer programs may consist of deeds, views, agreements, maps, plans, records, books, letters, certificates and the like, but bearer bonds, coupons, bank or currency notes or other negotiable instruments shall deemed to be excluded from this insurance.

It is further understood that the company shall be liable for an amount not exceeding INR\_\_\_\_\_ in aggregate.

#### **IV AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

i. 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.

ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.

iii. 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.

iv. 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.

v. 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 authorised 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.

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

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

## **V DESIGNATION OF PROPERTY CLAUSE:**

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

## **VI REINSTATEMENT VALUE POLICIES**

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

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

### **Special Provisions**

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 of 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 under 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.

## **VII LOCAL AUTHORITIES CLAUSE**

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

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

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 of Bye-laws not arisen,
- c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

2) The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so

necessitate) subject to the liability of the Insurer under this extension not being thereby increased.

3) If the liability of the Insurer 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 Insurers 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."

6) No additional premium shall be charged for inclusion of this clause in this Policy.

## **VIII DECLARATION CLAUSE**

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

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 property covered less any amount insured by Policies other than declaration policies, on the following basis namely – "the values at risk at for 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 authorised to sign on his behalf.

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

On the expiry of each Period of Insurance the premium shall be calculated at the rate of .....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 25% 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 or reinstatement value as mentioned in the Policy and any loss hereunder shall be settled on the intrinsic value basis.

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 property hereby insured, this Policy shall apply only to the excess of the value of such property 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 property, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the property.

4) In event of this Policy being cancelled by the Insured during its currency (whether property exists 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 25% 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 25% of the provisional premium whichever is greater.

5) 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.

## **IX FLOATER CLAUSE**

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

“In consideration of premium charged, 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 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”

## **X Endorsement for exclusion of Damage caused by Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the Insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from –

- i) Fire (including losses arising out of fire fighting and rescue work)
- ii) Lightning.
- iii) Explosion/implosion.
- iv) Impact by any rail/road vehicle or animals.
- v) Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi) Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii) Subsidence and Land Slide including Rockslide.
- viii) Earthquake, Fire and Shock.

#### **XI      Endorsement for exclusion of Damage caused by Riot, Strike, and Malicious Damage (RSMD)**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the Insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from Riot, Strike and Malicious Damage.

#### **XII      Endorsement for Midterm inclusion of Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to include Fire and Allied Perils mentioned below subject to the following conditions:

- i. Fire (including losses arising out of fire fighting and rescue work)
- ii. Lightning.
- iii. Explosion/implosion.
- iv. Impact by any rail/road vehicle or animals.
- v. Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi. Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii. Subsidence and Land Slide including Rockslide.
- viii. Earthquake, Fire and Shock.

- Company must receive specific advice from the Insured accompanied by payment of the required additional premium, as demanded by the company.

- Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection.
- Cover shall commence 15 days after the receipt of the premium.



### **XIII Endorsement for Midterm inclusion of Riot, Strike and Malicious Damage cover**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to include Riot, Strike and Malicious Damage cover subject to the following conditions:

- Company must receive specific advice from the Insured accompanied by payment of the required additional premium, as demanded by the company.
- Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection.
- Cover shall commence 15 days after the receipt of the premium.

## ***SECTION VIII- FIXED GLASS AND SANITARY FITTINGS***

### **I EXPENSES TOWARDS REMOVAL OF DEBRIS AND MOVEMENT AND PROTECTION**

Policy is extended to cover the above subject to following endorsement wordings:

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 permissible to cover cost necessarily incurred by an Insured in the removal of debris from the premises of the Insured, dismantling, demolishing, shoring up or propping, movement to safe premises and protecting the Insured Property following destruction or damage by Insured Peril by incorporating the following clause:

“On costs and expenses necessarily incurred by the Insured

- a. In the removal of debris from the premises of the Insured;
- b. Dismantling or demolishing;
- c. Shoring up or propping;
- d. Protecting and moving the property to safe premises

of the portion or portions of the Property insured by (Items..... of) this Policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate Rs. ....”

### **II LOSS MINIMISATION EXPENSES**

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, the insurance hereby extends to indemnify the Insured, expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule.

### **III AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

i. 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.

ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.

iii. 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.

iv. 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.

v. 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 authorised 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.

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

N.B: In cases where the name of any Central Government or State Government owned and / or sponsored Industrial Financing or Rehabilitation Financing Corporations and /or Unit Trust of

India or General Insurance Corporation of India and/or its subsidiaries or LIC of India/ any Financial Institution is included in the title of the Policy as mortgagees, the above Agreed Bank Clause may be incorporated in the Policy substituting the name of such institution in place of the word 'Bank' in the said clause.

#### **IV DESIGNATION OF PROPERTY CLAUSE:**

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

#### **V REINSTATEMENT VALUE POLICIES**

"It is hereby declared and agreed that in the event of the Property insured under (Item Nos.....of ..... ) 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 the 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 of 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 under 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.

## **VI LOCAL AUTHORITIES CLAUSE**

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

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

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 or damage;

iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged;

b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations of Bye-laws not arisen.

c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

- 2) The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Insurer under this extension not being thereby increased.
- 3) If the liability of the Insurer 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 Insurers 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."
- 6) No additional premium shall be charged for inclusion of this clause in this Policy.

#### **XIV Endorsement for exclusion of Damage caused by Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from –

- i) Fire (including losses arising out of fire fighting and rescue work)
- ii) Lightning.
- iii) Explosion/implosion.
- iv) Impact by any rail/road vehicle or animals.
- v) Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi) Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii) Subsidence and Land Slide including Rockslide.
- viii) Earthquake, Fire and Shock.

#### **XV Endorsement for exclusion of Damage caused by Riot, Strike, and Malicious Damage (RSMD)**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the Insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from Riot, Strike and Malicious Damage.

## **XVI Endorsement for Midterm inclusion of Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to include Fire and Allied Perils mentioned below subject to the following conditions:

- i. Fire (including losses arising out of fire fighting and rescue work)
- ii. Lightning.
- iii. Explosion/implosion.
- iv. Impact by any rail/road vehicle or animals.
- v. Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi. Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii. Subsidence and Land Slide including Rockslide.
- viii. Earthquake, Fire and Shock.

Company must receive specific advice from the Insured accompanied by payment of the required additional premium, as demanded by the company. Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection. Cover shall commence 15 days after the receipt of the premium.

## **XVII Endorsement for Midterm inclusion of Riot, Strike and Malicious Damage cover**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to include Riot, Strike and Malicious Damage cover subject to the following conditions:

- Company must receive specific advice from the Insured accompanied by payment of the required additional premium, as demanded by the company.
- Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection.
- Cover shall commence 15 days after the receipt of the premium.

**I AUTOMATIC REINSTATEMENT**

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy, notwithstanding the occurrence of a loss this insurance will remain in force for the full amount insured against each item of the Schedule of Benefits to the Policy (where applicable) or as may be adjusted by endorsement thereto; subject to the Insured paying additional premium on the amount of such loss pro rata from the date of damage to the expiry or renewal of the Period of Insurance.

**II AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

- i. 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.
- ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.
- iii. 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.
- iv. 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.
- v. 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 General Condition 3 of the Policy, except where a breach of the condition has been committed by the Bank or its duly authorised 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 property hereby insured or any risk location in which the property



insured under the Policy is situated without the knowledge of the Bank, provided always and subject to the condition 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.

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

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

### **III DESIGNATION OF PROPERTY CLAUSE:**

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

### **IV REINSTATEMENT VALUE POLICIES**

"It is hereby declared and agreed that in the event of the property insured under (Item Nos.....of ..... ) 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 of 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 under 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.”

## **V FLOATER CLAUSE**

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

“In consideration of premium charged and paid by the Insured to the Company, the Sum Insured (as mentioned in the schedule) in aggregate under the Policy, is available for any one, more, or all Insured persons in respect of personal Baggage, subject to the per person limit described in the schedule, if any.

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 can be established at any particular time, if required.

## **VI DECLARATION CLAUSE**

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

- 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 baggage less any amount insured by Policies other than declaration policies 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 authorised to sign on his behalf.

If other policies on declaration basis cover the items hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the items 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 of ..... (insert the Tariff rate) on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

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

- 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 items hereby insured, this Policy shall apply only to the excess of the value of such items 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 items, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the items.
- 4) 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.

- 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 items destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
- 6) In the event of this Policy being cancelled by the Insured during its currency (whether items 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.
- 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 applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of Policy, at the rate at which the Insurance was originally effected and upon expiry of each Period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.
- 8) If the items 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.
- 9) It is warranted that every other policy on a declaration basis covering the items insured hereby shall be identical in wording with this Policy.
- 10) 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.

## ***SECTION X- SIGNAGE***

### **I EXPENSES TOWARDS REMOVAL OF DEBRIS AND MOVEMENT AND PROTECTION**

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, Policy is extended to cover the above subject to following endorsement wordings:

It is permissible to cover the cost necessarily incurred by an Insured in the removal of debris from the premises of the Insured by dismantling, demolishing, shoring up or propping, movement to safe premises and protecting the Insured property following destruction or damage by Insured peril by incorporating the following clause:

“On costs and expenses necessarily incurred by the Insured

- a. In the removal of debris from the premises of the Insured;
- b. Dismantling or demolishing;
- c. Shoring up or propping;
- d. Protecting and moving the property to safe premises

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

### **II LOSS MINIMISATION EXPENSES**

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, the insurance hereby extends to indemnify the Insured, expenses for loss minimisation necessarily incurred by the Insured to prevent any aggravation of an Insured Loss following a loss or damage at any Insured's Premises specified in the Schedule.

### **III THIRD PARTY LIABILITY**

The Company will indemnify the Insured against liability at law towards third parties (including Claimant's law costs) for death of or bodily injury to any person or damage to property caused by the said Signage.

Provided that the Company shall not be liable under this section in respect of

- a) Death of or bodily injury to any person in the employment of the Insured arising out of and in the course of such employment.
- b) Damage to property to or held in trust by or in the custody or control of the Insured.

#### **IV AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

- i. 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.
- ii. That the receipts of the Bank shall be complete discharge of the Company therefor 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.

- iii. That if and whenever any notice shall be required to be given or any 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.
- iv. 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 the rights of the Bank to recover the full amount of any claim it may have on other parties Insured hereunder.
- v. 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 general condition 3 of the Policy, except where a breach of the condition has been committed by the Bank or its duly authorised 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 property hereby insured or any risk location in which the property insured under the Policy is situated without the knowledge of the Bank, provided always and subject to the condition 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.

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

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

## **V DESIGNATION OF PROPERTY CLAUSE:**

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

## **VI REINSTATEMENT VALUE POLICIES**

"It is hereby declared and agreed that in the event of the property insured under (Item Nos.....of ..... ) 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**

5. 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.

6. 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.
7. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement of 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 under 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.
8. 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.

## **VII LOCAL AUTHORITIES CLAUSE**

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

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

- 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 of Bye-laws not arisen.
  - c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.
- 2) The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Insurer under this extension not being thereby increased.
  - 3) If the liability of the Insurer 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 Insurers 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."
  - 6) No additional premium shall be charged for inclusion of this clause in this Policy.

### **VIII Endorsement for exclusion of Damage caused by Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the Insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from –

- i) Fire (including losses arising out of fire fighting and rescue work)
- ii) Lightning.
- iii) Explosion/implosion.
- iv) Impact by any rail/road vehicle or animals.

- v) Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi) Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii) Subsidence and Land Slide including Rockslide.
- viii) Earthquake, Fire and Shock.

#### **IX Endorsement for exclusion of Damage caused by Riot, Strike, and Malicious Damage**

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is hereby agreed and understood that the Company shall not be liable to indemnify the insured in respect of any loss, damage or liability directly or indirectly caused by or resulting from Riot, Strike and Malicious Damage.

#### **X Endorsement for Midterm inclusion of Fire and Allied Perils**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the insured, it is hereby agreed and understood that the Company agrees to include Fire and Allied Perils mentioned below subject to the following conditions:

- i. Fire (including losses arising out of fire fighting and rescue work)
- ii. Lightning.
- iii. Explosion/implosion.
- iv. Impact by any rail/road vehicle or animals.
- v. Aircraft and other aerial and/or space devices and/or articles dropped there from.
- vi. Storm, cyclone, typhoon, tempest, hurricane, tornado, flood and inundation.
- vii. Subsidence and Land Slide including Rockslide.
- viii. Earthquake, Fire and Shock.

Company must receive specific advice from the insured accompanied by payment of the required additional premium, as demanded by the company. Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection. Cover shall commence 15 days after the receipt of the premium.

#### **XI Endorsement for Midterm inclusion of Riot, Strike and Malicious Damage cover**

Notwithstanding the conditions, provisions and other endorsements of this Policy, on the request of the Insured, it is hereby agreed and understood that the Company agrees to include Riot, Strike and Malicious Damage cover subject to the following conditions:

- Company must receive specific advice from the insured accompanied by payment of the required additional premium, as demanded by the company.

- Mid-term cover shall be granted for the entire property covering the entire interest of the Insured. Insured shall not have any option for selection.
- Cover shall commence 15 days after the receipt of the premium.

## ***SECTION XI- INFIDELITY / DISHONESTY OF EMPLOYEES***

### **I        AUTOMATIC REINSTATEMENT**

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy, notwithstanding the occurrence of a loss this Insurance will remain in force for the full amount Insured against each item of the Schedule of Benefits to the Policy (where applicable) or as may be adjusted by endorsement thereto; subject to the Insured paying additional premium on the amount of such loss pro rata from the date of damage to the expiry or renewal of the Period of Insurance.

### **II        AGREED BANK CLAUSE**

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

"It is hereby declared and agreed:-

i.        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.

ii.       That the receipts of the Bank shall be complete discharge of the Company therefor 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.

iii.       That if and whenever any notice shall be required to be given or any 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.

iv.       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 the rights of the Bank to recover the full amount of any claim it may have on other parties Insured hereunder.

v. 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 general condition 3 of the Policy, except where a breach of the condition has been committed by the Bank or its duly authorised 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 property hereby insured or any risk location in which the property insured under the Policy is situated without the knowledge of the Bank, provided always and subject to the condition 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.

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

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

### **III DESIGNATION OF PROPERTY CLAUSE:**

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

## ***SECTION XII- LEGAL LIABILITY***

## **I        ENDORSEMENT FOR COVERING GOODS KEPT IN CUSTODY OF INSURED:**

(Applicable to Hotels, Motels, Club Houses, Restaurants, Boarding and Lodging Houses, Flight Kitchens)

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of the Insured for loss or damage to property of residents/bonafide guests whilst they are under care control and custody of the Insured in the premises referred to in the Schedule subject to Limit of Indemnity not exceeding the following which shall form part of the overall Limit of Indemnity as mentioned in the Policy Schedule.

Any one Accident : \_\_\_\_\_

Aggregate during the Policy period: \_\_\_\_\_

It is expressly agreed and understood that the cover granted under this endorsement shall not apply to legal liability arising out of loss or damage to valuables of residents/bonafide guests unless they are kept in the strong room/cloak room maintained by the Insured for safe keeping and the Insured maintains proper records showing the items deposited therein by each resident/bonafide guest. In no case shall the Policy cover Loss of Monies, Securities, Documents (including credit cards) and Plans.

Each claim under this extension shall be subject to an excess of Rs. \_\_\_\_\_

Also provided always that all other terms, conditions provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

## **II        ENDORSEMENT FOR COVERING FOOD AND BEVERAGES**

(Applicable to all Non-Industrial risks except Shops and Godowns)

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of Insured for death and/or bodily injury and/or loss of or damage to or loss of use of property arising out of poisoning by foreign or deleterious matter in food, beverages and/or any other edible items supplied by the Insured, provided always that the Insured shall take every possible precaution to prevent supply of any food/beverages/edible items which are not in good condition or free from contamination or fit for human consumption subject to Limit of Indemnity not exceeding the following which shall form part of the overall limit as mentioned in the Policy Schedule.

Any one Accident: \_\_\_\_\_

Aggregate during the Policy period: \_\_\_\_\_

Also provided always that all other terms, conditions provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

### **III SPORTS FACILITIES COVERED BY THE INSURED AS LISTED BELOW:**

(Applicable to Hotels / Motels / Club Houses / Restaurants / Boarding and Lodging Houses / Schools / Educational Institutions)

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of the Insured for death bodily injury or loss of or damage to or loss of use of property arising out of use of sport facilities subject to compliance of the conditions that:

- i) the equipments are kept in a state of good and proper maintenance.
- ii) adequate guards and experienced trainers are on duty, where necessary.
- iii) the premises/places used for sports/games are kept in a state of proper maintenance.

subject to Limit of Indemnity not exceeding the following, which shall form part of the overall limit of indemnity as mentioned in the Policy Schedule.

Any one Accident \_\_\_\_\_

Aggregate during the Policy period \_\_\_\_\_

Also provided always that all other terms, conditions provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

### **IV SWIMMING POOL EXTENSION**

(Applicable to all Non-Industrial risks except Shops and Godowns)

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accidents (including accidents arising out of contamination of water) in connection with the use of the Swimming Pool in the insured premises subject to the compliance of the following conditions:

- i) Swimming Pools are in hygienic condition with regular cleaning/maintenance
- ii) Sanitary arrangements are proper
- iii) Life guards/Attendants are on duty when the pools are in use

subject to Limit of Indemnity not exceeding the following, which shall form part of the overall Limit of Indemnity as mentioned in the Policy Schedule.

Any one Accident

Aggregate during the Policy period

Also provided always that all other terms, conditions provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

## **V OTHER FACILITIES EXTENSIONS COVERED BY INSURED AS LISTED BELOW \*\*:**

(Applicable to All Non-Industrial risks except Shops and Godowns)

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accidents caused by the use of such facilities subject to the conditions that:

- i) the premises/places are kept in state of good repair/maintenance
- ii) properly trained personnel take care of operation of such facilities
- iii) the materials used are proper and free of defects

subject to Limit of Indemnity not exceeding the following which shall form part of the overall Limit of Indemnity as mentioned in the schedule of the Policy.

Any one Accident

\_\_\_\_\_

Aggregate during the Policy period

\_\_\_\_\_

Also provided always that all other terms, conditions provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

\*\* Name of facilities

## **VI SUDDEN & ACCIDENTAL POLLUTION EXTENSION**

Notwithstanding anything herein contained to the contrary, it is hereby understood, agreed and declared that this insurance does not cover any liability for:

1. Death or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for death or bodily injury or loss of physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy period.
2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy period.
3. Fines, penalties, punitive or exemplary damage.

This clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this clause not been attached, except in so far as detailed herein.

This endorsement is granted in consideration of additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured.

Also provided always that all other terms, conditions provisions, exclusions, limitations and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

## **VII LIFT LIABILITY EXTENSION**

Notwithstanding anything herein contained to the contrary, it is hereby understood, agreed and declared that the insurance under this Policy shall extend to include legal liability of Insured for death and/or bodily injury and/or loss of or damage to or loss of use of property arising out of arising out of accidents in connection with the use of the Lifts in the Insured's premises, subject to the Insured's compliance of the following conditions in relation to the Lifts in the Insured's premises:

1. Ensuring that statutory periodic thorough examinations are undertaken
2. Having any necessary remedial action carried out by a competent repairer
3. Informing the competent person of all relevant in-house safety procedures
4. Providing such preparation/assistance including unrestricted safe access as is requested by



the competent person

5. Ensuring that, where a competent person directs that tests or detailed examinations of certain components be performed by a competent third party, the third party is suitable for such works

Subject to limit of indemnity not exceeding INR\_\_\_\_\_ (the specific limit) within the overall limit in respect of Any One Accident (AOA) or aggregate during Policy period (AOY) as mentioned in the Policy Schedule.

Also provided always that all other terms, conditions, provisions, limitations, exclusions and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

## **VIII ACT OF GOD PERILS EXTENTION**

Notwithstanding anything herein contained to the contrary, it is hereby agreed and declared that exclusion no. 9.2 under the Policy is hereby deleted.

This coverage is subject to limit of indemnity not exceeding the specific limit within the overall limit in respect of Any One Accident (AOA) or aggregate during Policy period (AOY) as mentioned in the Policy Schedule.

Provided always that all other terms, conditions, provisions, limitations, exclusions and exceptions in the Policy shall apply to this extension as if they have been incorporated herein.

## **IX TERRORISM LIABILITY EXTENTION ENDORSEMENT**

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ received by the Insurer from the Insured it is hereby understood and agreed that the insurance under this Policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property caused by terrorism and to which this insurance applies subject to limit of indemnity not exceeding the following which shall form part of the overall limit of indemnity as mentioned in the Schedule to the Policy.

Any One Accident:Rs.\_\_\_\_\_

Aggregate during the Policy Period:Rs.\_\_\_\_\_

Excess for the purpose of this endorsement will be Rs. \_\_\_\_\_ of each and every claim

For the purpose of this endorsement, 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.

It is hereby understood and agreed that for the purpose of this endorsement, in addition to the Exclusions mentioned in the Policy, this endorsement does not cover liability:

1. arising out of **Injury** or **Damage** caused by terrorism by electronic means including computer hacking or the introduction into any computer of any form of corrupting, harmful or otherwise unauthorized instructions or code. This exclusion shall not apply to the detonation of any explosive, bomb or missile which is controlled by any remote device or reliant upon electronic means in its launch, guidance or firing systems.
2. arising out of **Injury** or **Damage** due to nuclear reaction, nuclear radiation or radioactive contamination, however caused.
3. arising out of damages arising from any confiscation, nationalization, requisition or **Damage** by or pursuant to the order of any government or governmental entity.
4. arising out of damages arising from Insured's provision of financial services in violation of generally accepted anti-money laundering and/or anti-terrorist financing principles and standards.

It is hereby understood and agreed that Exclusion 9.17 is deleted in its entirety from this Policy.

All other terms, conditions, provisions, limitations, exclusions and exceptions of the Policy remain unaltered.

## **X Sudden and Accidental Pollution Extension**

Notwithstanding anything herein contained to the contrary, it is hereby understood and agreed that this Insurance does not cover any liability for:

1. Death or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for death or bodily injury or loss of physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage,

pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy Period.

2. The reasonable cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening which takes place in its entirety at a specific time and place during the Policy Period whether a claim has been made or not against the Insured.
3. Fines, penalties, punitive or exemplary damages.

This clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this clause not been attached, except in so far as detailed herein.

This endorsement is granted in consideration of additional premium of Rs. \_\_\_\_\_ subject otherwise to the terms, exceptions, conditions, provisions and limitations of the within mentioned Policy.

#### **XI CARRIAGE OF EFFLUENTS (OUTSIDE THE PREMISES) EXTENSION.**

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ it is hereby understood and agreed that the insurance under this Policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accident directly caused by treated effluents whilst being carried by pipe lines outside the premises insured to the discharge point as declared to the Company and, claims made during the Policy Period.

It is expressly agreed and understood that the cover granted under the endorsement shall not include pollution risk, howsoever caused, unless specifically covered by attaching an appropriate clause.

Provided always that the statutory provisions as may be in force from time to time for treatment and discharge of effluents are complied with.

Also provided always that all other terms, conditions provisions, limitations and exceptions under the Policy shall apply to this extension as if they have been incorporated herein.

## **XII ENDORSEMENT TO COVER LIABILITY ARISING OUT OF TRANSPORTATION**

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ it is hereby understood and agreed that the insurance under this Policy shall extend to include legal liability of the Insured for death or bodily injury or loss of or damage to or loss of use of property arising out of accident directly caused by materials/dangerous or hazardous substances as per list submitted to the Company whilst being transported by rail/road/pipeline and claims made during the Policy Period subject to limit of indemnity not exceeding the following which shall form part of the overall limit of indemnity as mentioned in the Schedule to the Policy.

Any One Accident:

Aggregate during the Policy Period:

It is expressly agreed and understood that the cover granted under the endorsement shall not include pollution risk, howsoever caused unless specifically covered by attaching an appropriate clause.

Provided always that the statutory provisions as may be in force from time to time for carriage of dangerous/hazardous substances are complied with.

Also provided always that all other terms, conditions, provisions, limitations and exceptions of the Policy shall apply to this extension as if they have been incorporated herein.

## **XIII TECHNICAL COLLABORATORS INCLUSION ENDORSEMENT**

Notwithstanding anything herein contained to the contrary and in consideration of an additional premium of Rs. \_\_\_\_\_ it is hereby understood and agreed that this Policy is extended to include the legal liability of \_\_\_\_\_ (hereunder referred to as the collaborator) with respect to the Technical Collaboration Agreement between the named Insured and the collaborator. The declarations, insuring agreements, all definitions, exclusions, terms, conditions and limit of indemnity of this Policy otherwise remain unchanged.

No claim shall be payable under this Policy unless the cause of action arises in India and the liability to pay claim is established against the Insured in an Indian Court. It is further agreed and understood that only Indian Law shall be applicable to actions brought in India.

## **XIV DEFENCE COST INCLUSIVE ENDORSEMENT**

Notwithstanding anything stated to the contrary anywhere in the Policy, it is hereby understood and agreed that all expenses the Insurer incurs or all expenses incurred by the Insured at the Insurer's request to assist the Insurer in the investigation or defence of the claim or 'suit' shall serve to reduce the limits of liability of this Policy as stated in the Schedule.

All other terms, conditions, provisions, limitations and exceptions to the Policy remain unchanged.

#### **XV PROFESSIONAL LIABILITY EXCLUSION**

Notwithstanding anything stated to the contrary anywhere in the Policy, it is hereby understood and agreed that this Policy does not apply to any financial loss or claim arising out of any act of negligence, error, mistake or omission in rendering or failing to render professional services, whether performed by the Insured or by others for whom the Insured is legally responsible.

All other terms, conditions, provisions, limitations and exceptions to the Policy remain unchanged.

#### **XVI CARE CUSTODY AND CONTROL EXCLUSION**

Notwithstanding anything stated to the contrary anywhere in the Policy, it is hereby understood and agreed that the Insurer shall not be liable to make any payment for loss in connection with any claim made against the Insured arising out of, based upon or attributable to any property within the care, custody or control of the Insured.

All other terms, conditions, provisions, limitations and exceptions to the Policy remain unchanged.

#### **XVII UNDERGROUND FACILITIES EXCLUSION**

Notwithstanding anything stated to the contrary anywhere in the Policy, it is hereby understood and agreed that this Policy does not cover liability for any claim made against the Insured which is directly or indirectly caused by, based on arising out of or howsoever attributable to loss of or damage to existing underground cables / equipment and / or pipes, network or other underground facilities.

It is further understood and agreed that this Policy does not cover any indirect or consequential losses arising from the above.

All other terms, conditions, provisions, limitations and exceptions to the Policy remain unchanged.

## **SECTION XIII- EMPLOYEES' COMPENSATION**

### **I Coverage for Medical Expenses**

In consideration of the payment of an additional premium it is hereby understood and agreed that this Policy is extended to cover **Insured's** liability towards medical expenses for treatment of **Injury** arising out of accident in respect of which indemnity granted under this Policy otherwise applies.

Provided always that the liability of the Company under this endorsement shall be limited to Rs\_\*\_\_\_\_.in respect of each **Employee** per accident.

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

\*If the Underwriter wants to give complete coverage for actuals incurred the last paragraph of the endorsement can be deleted

### **II Coverage for Occupational Diseases**

In consideration of the payment of additional premium it is hereby understood and agreed that the indemnity herein granted is extended to cover the legal liability of the **Insured to Employee for Occupational Diseases** solely and directly contracted due to employment under the **Insured** in the **Business** in respect of which the within Policy is granted,

Provided always that the liability of the Company under this endorsement shall be limited to Rs\_\*\_\_\_\_.in respect of each **Employee** and the aggregate liability of the Company for all **Employees** during the **Period of Insurance** to Rs.\_\_\_\_\_.

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

\*If the Underwriter wants to give complete coverage for actuals incurred the last paragraph of the endorsement can be deleted

### **III Coverage for Contractor's Workers / Employees**

In consideration of the payment of an additional premium it is hereby understood and agreed that the indemnity herein granted is extended to cover the legal liability of the **Insured to Employees** in the employment of Contractors performing work for the **Insured** while engaged in the **Business** in respect of which the within Policy is granted, but only so far as regard claims under the Employees Compensation Act, 1923, and subsequent amendments of said Act prior to the date of the issue of this Policy.

1. Contractor's Name

Registered Address:

<b>SN</b>	<b>Description of work done by Employees</b>	<b>Declared Number of Employees</b>	<b>Declared Wages/Contract Value during the Period of Insurance</b>	<b>Place/Places of Employment</b>
1				
2				
3.				
4.				

2. Contractor's Name

Registered Address:

<b>SN</b>	<b>Description of work done by Employees</b>	<b>Declared Number of Employees</b>	<b>Declared Wages/Contract Value during the Period of Insurance</b>	<b>Place/Places of Employment</b>
1				
2				
3				
4				

#### ***SECTION XIV- TENANT'S LEGAL LIABILITY***

##### **Tenant's Legal Liability Coverage Endorsement :**

In consideration of the payment of premium, it is hereby understood and agreed that the indemnity herein granted is extended to cover legal liability as per the operative clause, only to the extent that the Insured would be held legally liable in the absence of any specific tenancy agreement.

The limit of liability under the policy is.....% of the sum insured of the contents insured under Section I herein above, in respect of each occurrence and .....% for all occurrences during the Policy period.

**INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION**