

**Comprehensive Large All Risk Policy  
Policy Wording**

The Insurer set forth in the Schedule of Insurers (hereinafter referred to as “the Insurer”) agrees (subject to the terms, conditions and exclusions contained herein or endorsed hereon and subject to the Insured having paid or agreed to pay the premium) to indemnify the Insured in respect of the happening during the Period of Insurance (or any subsequent period in respect of which the Insured shall have paid the premium required for the renewal of this Policy) of any of the contingencies or events specified in this Insurance,

Provided that the liability of the Insurer shall not exceed the Limit of Liability or Sub-Limits expressed in the Schedule, unless agreed herein to the contrary.

**SCHEDULE**

**POLICY NO.:** XXXXXXXXXXXXXXXX

**THE INSURED:** VVVVVVVVVV

**PERIOD OF INSURANCE:**

**THE BUSINESS OF THE INSURED:**

**THE TERRITORIAL LIMITS:** This Policy insures property whilst anywhere in India.

However in respect of the cover provided by:

- (a) Section I of this Policy in respect of property in transit within India and till India port
- (b) Section II of this Policy in respect of the cover provided under the Exhibitions Memorandum the Territorial Limits within India
- (c) Section II of this Policy in respect of the cover provided under the Utilities and Services Extension the cover shall apply to accidental interruption which occurs anywhere in the world.

**SUM INSURED :** XXXXXXXXXXX

**SUB LIMITS OF LIABILITY:** As agreed

**DEDUCTIBLE:**

Section I – Material Damage: - As per reinsurance arrangement

Section II - Business Interruption: - As per reinsurance arrangement

**SECTION I – PROPERTY DAMAGE**

**INSURING CLAUSE**

Subject to the terms, conditions and exclusions hereinafter contained, this Section of this Policy shall insure the Property Insured as specified below against ALL RISKS OF DIRECT PHYSICAL LOSS, DESTRUCTION OR DAMAGE occurring during the Period of Insurance as stated in the Schedule.

**PROPERTY INSURED**

Unless otherwise excluded, this Section of this Policy covers the following property:

1. real and/or personal property of every kind, nature and description (including improvements made during the Period of Insurance) in which the Insured has a legal, beneficial or other interest, including the property of others in the Insured’s care, custody or control or for which the Insured is responsible;
2. personal property of:
  - (i) officers, directors and employees of the Insured while on the premises of the Insured, or which an officer, director or employee of the Insured has taken with him or her whilst travelling on behalf of the Insured, provided that “travelling on behalf of the Insured” shall not mean commuting to or from the officer’s or employee’s normal place of work (this provision does not apply to the Insured’s sales representatives).
  - (ii) customers, guests and visitors to the premises of the Insured while on the premises of the Insured.

In the event of direct physical loss or damage, the Insurer agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.

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

**PERILS EXCLUDED**

This Section of the Policy does not insure loss, destruction or damage:

1. caused by normal and natural:

- (i) wear and tear and gradual deterioration;
- (ii) corrosion; or
- (iii) erosion;

unless direct physical loss, destruction or damage from a peril not otherwise excluded under this Section of this Policy results, in which case this Section of this Policy shall insure against such resulting physical loss, destruction or damage;

2. caused by pollution or contamination except (unless otherwise excluded under this Section of this Policy) direct physical loss, destruction or damage to the Property Insured caused by:

- (i) pollution or contamination which itself results directly from direct physical loss, destruction or damage caused by a peril not otherwise excluded under this Section of this Policy;
- (ii) any of the following perils which itself results directly from pollution or contamination; fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, explosion or implosion of steam boilers, steam pipes, steam turbines, steam engines or other pressure vessels, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal;

3. caused by infidelity or dishonesty of the Insured;

4. caused by theft committed by any of the Insured's employees or in collusion with any of the Insured's employees;

5. caused by theft unless such theft involves entry to or exit from premises by forcible or violent means and/or actual or threatened assault or violence to the Insured or to any employee of the Insured;

6. consisting of Machinery Breakdown other than as defined in Memorandum Number One to this Policy;

7. caused by vermin, unless either:

- (i) such damage caused by vermin results from other direct physical loss, destruction or damage not otherwise excluded by this Section of this Policy;  
or
- (ii) direct physical loss, destruction or damage not otherwise excluded by this Section of this Policy results from damage caused by vermin in which case this Section of this Policy shall insure such resulting physical loss, destruction or damage

8. consisting of error in design, faulty material, faulty workmanship, latent defect or inherent vice unless either

- (i) such error in design, faulty material, faulty workmanship, latent defect or inherent vice results from other direct physical loss, destruction or damage not otherwise excluded by this Section of this Policy or
  - (ii) direct physical loss, destruction or damage not otherwise excluded by this Section of this Policy results from such error in design, faulty material, faulty workmanship, latent defect or inherent vice in which case this Section of this Policy shall insure such resulting physical loss, destruction or damage, this exclusion being limited to the costs that would have been incurred to correct the error, fault, vice or defect prior to the physical loss, destruction or damage. Where direct physical loss, destruction or damage results from such error, fault, vice or defect the Indemnity Period under Section II of this Policy in respect of such resulting direct physical loss, destruction or damage shall apply from the time and date of such direct physical loss, destruction or damage.
9. directly or indirectly occasioned by or in consequence of or arising out of confiscation or nationalisation, expropriation, deprivation requisition seizure of or damage to property by or under the order of any Government or public or local authority, except direct physical loss or damage by order of government or public or local authority to prevent the spread of, or to otherwise contain, control or minimise loss or damage which occurs due to a peril not otherwise excluded under this Policy;

### **PROPERTY EXCLUDED**

This Section of this Policy does not cover:

1. Growing crops, standing timber (but not excluding trees at premises of the Insured used for landscaping purposes only), and animals except for research;
2. Watercraft over 30 feet in length, it being agreed that this exclusion does not apply in respect of watercraft on land (other than in dry dock) or permanently on the bed of any watercourse or body of water or where unfueled and manufactured by the Insured;
3. Aircraft;
4. Motor vehicles, but not equipment thereon used for testing and development purposes, licenced for highway use whilst being operated on public roadways;
5. Land, however, this exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder are defined as any alteration to the natural condition of the land by filling, grading, landscaping (including landscape gardening), earthen dikes or dams, as well as additions to land such as pavements, roadways, car parks, parking lots, transformer enclosures, walkways or similar works,
6. Export shipments after loading on board an overseas vessel, watercraft or aircraft, or after ocean marine insurance attaches, whichever occurs first; and import shipments prior to discharge from the overseas vessel, watercraft, or aircraft, or until the ocean marine insurance terminates, whichever occurs last.
7. overhead power transmission and distribution lines situated more than 1 kilometre outside the perimeter of the premises of the Insured. This exclusion does not apply in respect of the cover provided under the Utilities and Services Extension to Section II of this Policy.

### **GENERAL CONDITIONS**

1. THIS POLICY shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.
2. All insurances under this policy shall cease on expiry of 7 days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED such a fall or displacement is not caused by a peril not excluded by this policy or such loss or damage would be covered if such building, range of buildings or structure were insured under this policy. Notwithstanding the above, the Company, subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

1. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company :-
  - a) If the trade or manufacture carried on be altered, or if the nature of the occupation or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.
  - b) If the building insured or containing the insured property becomes unoccupied and so remains for a of more than 30 days.
  - c) If the interest in the property passes from the insured otherwise than by will or operation of law.
2. The insurer shall specify the cancellation clause and grounds leading to cancellation providing time periods of notifying such action by insured and insurer. The Insurer can cancel the policy mid-term only under grounds of fraud, misrepresentation and moral hazards. The Insurer shall allow the policyholder to cancel at any time by giving prior notice as required under the policy.
3. (i) On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company
  - a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
  - b) Particulars of all other insurances, if any.

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/ external) proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with declaration on oath or in other legal form of the truth of the claims and of any connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

(ii) In no case whatsoever shall the Company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

4. On the happening of loss or damage to any of the property insured by this policy, the Company may -
  - a) enter and take and keep possession of the building or premises where the loss or damage has happened,
  - b) take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage,
  - c) keep possession of any such property and examine, arrange, remove or otherwise deal with the same,
  - d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the Company at any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim.

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

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

5. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.
6. If the Company at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join with any other Company or Insurer in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon.

If the Company so elect to reinstate or replace any property the insured shall at his own expense furnish the Company with such plans specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

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

7. If the property hereby insured shall at the time of reinstatement/replacement repair following a loss or damage indemnifiable under the policy be of greater value than the Sum Insured under the policy, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of loss.

Each item of the policy to which this condition applies shall be separately subject to the foregoing provision. Provided however that if the said Sum Insured in respect of such item(s) of the Schedule shall not be less than 85% (Eighty Five percent) of the value of the item(s) there at, this condition shall be of no purpose and effect.

8. If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.
9. The Insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.
10. The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.  
Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
11. Every notice and other communication to the Company required by these conditions must be written or printed.
12. At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which upon the settlement of any loss under this policy, pro rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the insured to the Company.

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

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



## **EXTENSIONS/CONDITIONS APPLICABLE TO SECTION I OF THIS POLICY**

### **1. VALUATION**

In case of loss or destruction of or damage to the Property Insured, the basis of adjustment of such loss under this Section of this Policy shall be as follows:

- a) Valuable papers and records: the cost to repair or replace the property with other of like kind and quality including the cost of labour incurred by the Insured for transcribing or copying records and the cost of research and other costs of gathering and/or assembling information; or, if not so replaced, actual cash value.

“Valuable papers and records” are defined as written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, micro-inscribed documents, manuscripts, and media but not including money and/or securities.

The term “securities” shall mean all negotiable and non-negotiable instruments or contracts representing either money or other property, and includes revenue and other stamps in current use, tokens, and tickets but does not include money.

- b) (i) Finished goods at the Insured’s place of manufacture and merchandise at the Insured’s premises: the Insured’s selling price F.O.B. shipping point, less any discounts or allowances that would apply had no loss occurred;

(ii) Finished goods away from the Insured’s place of manufacture and merchandise away from the Insured’s premises: the Insured’s selling price plus freight, insurance, labour, unrecoverable taxes, and any other expense incurred in connection with such goods and/or merchandise, less any discounts or allowances that would apply had no loss occurred;

This paragraph (b) only applies in respect of goods, stocks and merchandise held or transported for sale by the Insured;

- c) raw materials and supplies: the replacement cost;
- d) stock in process: the value of raw materials and labour expended plus the proper proportion of overhead charges;
- e) fine arts or antiques: not exceeding the lesser of:
- (i) the cost of repairing or restoring the article to the condition that existed immediately prior to the insured physical loss or damage; or
- (ii) the cost of replacing the article; or

(iii) the value designated for the article on the schedule of fine arts or antiquities, if any, on file with the Insurer.

If a covered article is damaged and cannot be repaired or restored to the condition that existed immediately prior to the loss or replaced, the Insurer shall be liable at the option of the Insured for the full amount of the Market value of the article or the value as set forth in paragraph (iii) above.

- f) real property or machinery and equipment, other than stock, offered for sale on the date of loss, the selling price;
- g) Buildings, structures, patterns, moulds, jigs, and dies, and other property not otherwise provided for above:
  - (i) if property is not repaired, replaced or reinstated or if property is replaced but Condition 1.(g)(ii) hereunder does not apply:

at actual cash value on date of loss;

(ii) if property is repaired, replaced or reinstated:

at the cost of reinstatement of the property lost, destroyed or damaged, subject to the following special provisions and subject also to the terms and conditions of this Policy except in so far as the same may be varied hereby.

For the purposes of this Condition “reinstatement” shall mean:

The carrying out of the after mentioned work, namely:

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

#### Special Provisions

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurer not being thereby increased) must be commenced and carried out with reasonable dispatch; otherwise no payment beyond the amount which would have been payable under this Policy if this Condition 1.(g)(ii) had not been incorporated herein shall be made. Where reinstatement is carried out upon another site the cover provided by this

Policy shall include the cost of constructing new foundations, including where the foundations at the site of the original loss did not suffer damage.

2. When any property insured under this Condition 1.(g)(ii) is lost, damaged or destroyed in part only the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to pay for reinstatement if such property had been wholly destroyed.
  3. No payment beyond the amount which would have been payable under this Section of this Policy if this Condition 1.(g)(ii) had not been incorporated herein shall be made until the cost of reinstatement shall have been actually incurred.
  4. The Insured may expend the amount of any reinstatement cost recovery within the scope of the Insured's business (including at another site) subject only to the full amount of the recovery actually being expended in acquiring or constructing buildings or structures and/or in acquiring building equipment, plant equipment, machinery, machine parts, office furniture or office equipment within a reasonable time after the date of loss. In the event of construction or acquisition being carried out in accordance with this Special Provision 4. the cover provided by this Condition 1.(g)(ii) of this Policy shall apply on the basis of the cost of Reinstatement of the Property Insured lost or damaged, notwithstanding the terms of Special Provisions 1. and 3. above.
- h) In the event of insured physical loss, destruction or damage to any article, or articles, which are a part of a pair or set, the measure of such loss or damage to such article or articles shall be, at the Insured's option;
- (i) the reduction in value of insured components or parts of products resulting from insured physical loss or damage to other insured components or parts of such products; or
  - (ii) the Market value of the pair or set;
  - (iii) the amount of loss which would have been otherwise payable under paragraphs (a), (b), (c), (d), (e), (f) or (g) of this Valuation Memorandum in respect of such loss.

For the purposes of this Condition "Market value" means the cash value of a reasonable offer to purchase which the Insured, as a willing seller, would have accepted from a willing buyer had the loss not occurred.

## **2. PRESERVATION OF PROPERTY**

In case of actual or imminent physical loss, destruction or damage of the type insured against by this Section of this Policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of the Property Insured shall be added to the total physical loss, destruction or damage, if any, otherwise recoverable under this Section of this Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Section of this Policy.

## **3. REINSTATEMENT WORKS**

In the event of any loss under this Section of this Policy any cost of reinstatement shall include the cost of reinstating foundations and costs of excavation, grading, filling, site preparation and related civil work necessary for the reinstatement of the Property Insured.

#### **4. DEBRIS REMOVAL**

It is understood that the insurance by this Section of this Policy extends to include costs and expenses reasonably incurred by the Insured for:

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping
- (d) cleaning up and decontamination

of the portion or portions of the Property Insured lost, destroyed or damaged by any contingency insured against under this Section of this Policy.

Further the insurance by this Section of this Policy extends to include costs and expenses reasonably incurred by the Insured in removing from any of the Insured's premises debris of the portion or portions of any property not insured under this Section of this Policy lost, destroyed or damaged by any contingency insured against under this Section of this Policy,

The Insurer will not pay for any cost or expenses:

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
- (ii) arising from pollution or contamination of property not insured by this Section of this Policy.

Notwithstanding the preceding conditions of this Condition, for a period of 12 months from the date of loss, this Section of this Policy shall also cover additional costs of necessary temporary storage and of destruction of remains which are toxic or harmful to the environment in accordance with orders laid down in legislation or public regulations.

#### **5. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES**

This Section of this Policy includes the following expenses resulting from a loss insured hereunder (or from a fire threatening to cause physical loss or damage at or to the Insured's premises):

- (a) service charges and expenses, including fire brigade, police, rescue squad and any government or authority charges, and other extinguishing expenses for which the Insured may be assessed;
- (b) loss of fire extinguishing materials expended including foam.

- (c) expenses incurred by the Insured to recharge or refill any fire protection devices;
- (d) expenses incurred in replacing used sprinkler heads;
- (e) costs incurred for the water used for fighting a fire in, on or exposing the Property Insured.

## **6. EXTRA AND EXPEDITING EXPENSE**

This Section of this Policy includes the reasonable extra cost of temporary repair, of temporary replacement and of expediting the repair of damaged Property Insured, including overtime and express freight or other rapid means of transportation.

## **7. PROPERTY IN TRANSIT**

The cover provided by this Section of this Policy in respect of property in transit applies from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or inbound shipment. Including during deviation and delay, until safely delivered and accepted at place of final destination *within India. For export consignment, the coverage will be till port.*

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

## **8. PROPERTY IN COURSE OF CONSTRUCTION**

The cover provided by this Section of this Policy includes loss, destruction or damage not otherwise excluded under this Section of this Policy during the construction period to any property in the course of construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out including materials and supplies therefor and including loss, destruction or damage during any maintenance period arising from:

- (i) any cause occurring prior to the commencement of the maintenance period;
- (ii) any cause occurring during the course of any operation carried out for the purpose of complying with any obligations under the provisions of the contract in respect of maintenance.

The cover provided by this Condition in respect of such property includes the interest of contractors and/or sub-contractors for which the Insured has agreed to accept responsibility

Provided that all contracts (where the estimated total contract value at the inception of such contracts does not exceed .....for the construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out of property are automatically insured hereunder.

## **9. DEMOLITION AND INCREASED COST OF RECONSTRUCTION**

In the event of any physical loss or damage insured under this Section of this Policy which results in the application or the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of property, the Insurer shall be liable for:

(a) the cost of demolishing undamaged Property Insured including the cost of clearing the site (if any such undamaged property is required to be demolished in order to comply with such law, ordinance, Regulation or Directive;

(b) the proportion that the value of such undamaged part of the Property Insured bore to the value of the entire Property Insured prior to loss;

(c) the increased cost of repair or reconstruction of the damaged and undamaged Property Insured on the same or another site and limited to the costs that would have been incurred in order to comply with the requirements of such law, ordinance Regulation or Directive regulating the repair or reconstruction of the damaged property on the same site. However, the Insurer shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced.

## **10. SERVICE INTERRUPTION**

The insurance by this Section of this Policy includes insurance in respect of direct physical loss, damage or destruction to any Property Insured in consequence of accidental interruption of (or interference with) steam, gas, fuel, refrigeration, water, electricity, sewerage, telecommunications, information or other service.

Provided that :

(i) interruption (or interference) in consequence of the insistence by the gas supply undertaking that the electricity supply to the Insured's premises be disconnected at the mains due to an accidental leakage of gas from pipes within the vicinity of the said premises

(ii) interruption (or interference) by the supply undertaking performed for the purpose of safeguarding life or protecting a part of the supply undertaking's system

(iii) the imposition of a scheme of rationing necessitated by damage to a part of the supply undertaking's system shall also be deemed to constitute an "accidental interruption".

Provided that this Condition shall not apply where the accidental interruption is caused by war or civil war.

## **11. CLEARANCE OF DRAINS**

The cover provided by this Section of this Policy is extended to include expenses necessarily and reasonably incurred in clearing, cleaning and/or repairing drains, gutters, sewers and the like blocked or damaged as a result of the action of any of the perils insured by this Section of this Policy.

## **12. RECORDS AND INSPECTION**

The Insured agrees to maintain an accurate record of all property at risk under this Section of this Policy which shall be open to inspection by the Insurer or their representatives.

## **13. CONTRACTING PURCHASERS CLAUSE**

If at the time of loss or destruction of or damage to any building insured under this Section of this Policy the Insured shall have contracted to sell its interest in such building and the purchase shall not have been but shall be thereafter completed the purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such loss, destruction or damage shall be entitled to the benefit of this Section of this Policy in so far as it relates to such loss, destruction or damage without prejudice to the rights and liabilities of the Insured or the Insurer under this Section of this Policy up to the date of completion.

## **14. ARCHITECTS', SURVEYORS' AND CONSULTING ENGINEERS' FEES**

The insurance by this Section of this Policy includes Architects', Surveyors', Consulting Engineers', Legal and other professional fees (including municipal plans scrutiny fees) reasonably incurred in the reinstatement of the Property Insured consequent upon its loss, destruction or damage, it being understood that the amount payable for such loss, destruction or damage and fees shall not exceed in the aggregate the limit of liability hereunder.

## **15. CONSEQUENTIAL REDUCTION IN VALUE**

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

## **16. OBSOLETE PARTS**

It is understood and agreed that in the event of spare parts currently insured under this Section of this Policy becoming obsolete following a loss indemnifiable under this Section of this Policy to the unit and/or units to which they belong, such spare parts shall be also deemed a constructive total loss provided always that such parts cannot be used as spares for any other units within the Insured's premises.

## **17. DATA PROCESSING AND ANCILLARY EQUIPMENT**

The cover provided by this Section of this Policy is extended to include loss or destruction of or damage to data processing and ancillary equipment caused by dryness or dampness of atmosphere, extremes of



temperature, corrosion or rust if directly resulting from loss or destruction of or damage to any air conditioning facilities caused by a peril insured against under this Section of this Policy.

## **18. INVOLUNTARY BETTERMENT**

The following condition applies in respect of data processing and ancillary equipment only:

Notwithstanding the terms of Condition 1. of this Section of this Policy (Valuation), in the event that property in a condition equal to but not better or more extensive than the condition of the lost, destroyed or damaged property when new is not obtainable, new property which is as similar as possible to that lost, damaged or destroyed and which is capable of performing the same function shall be deemed to be in a condition equal to but not better or more extensive than the condition of the lost, destroyed or damaged property when new and in no event shall this be considered as a betterment to the Insured.

In the event of replacement with new property, the Insurer will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:

new equipment installed to replace lost, damaged or destroyed equipment; and, undamaged existing equipment at the same or an interdependent location;

provided that:

the loss, damage or destruction was directly caused by a peril insured against under this Section of this Policy, the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the loss, damage or destruction. The Insurer shall be liable for only the difference between:

the highest sales value of the undamaged existing equipment at the same or interdependent location, and the installed cost of the technologically current equipment.

For the purposes of the application of any Deductibles the loss, damage or destruction and the necessity to replace incompatible equipment shall be regarded as one occurrence.

## **19. SUPPLIER'S OR MANUFACTURER'S GUARANTEE OR WARRANTY**

In the event of loss, destruction or damage caused by a peril insured under this Section of this Policy to property which is the subject of a supplier's or manufacturer's guarantee or warranty, the repair, replacement, rectification or reinstatement of such property shall include everything necessary to preserve.

## **20. STATUTORY DUTIES**

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



## **21. CAPITAL ADDITIONS CLAUSE**

It is understood and agreed that the cover provided by this Section of this Policy shall automatically extend to include capital additions or other property newly acquired by the Insured as soon as the Insured shall have an insurable interest therein, the amount of any such addition being limited to 10% of the total insured values hereon unless a higher limit is specifically agreed by the Insurer hereon.

It is further understood and agreed that this Policy excludes any property in which the Insured ceases to have an interest during the Period of Insurance. Cover in respect of such property expires when the Insured's interest ceases.

## **22. VALUES OF EXISTING PROPERTY**

Subject always to the Limit of Liability set forth in the Schedule, the cover provided by this Section of this Policy in respect of any property insured shall be automatically increased up to 10% of the values declared by the Insured in respect of such property to the extent of any increases in reinstatement or indemnity values during the Period of Insurance.

## **23. LOSS OF BOOK DEBTS**

The insurance by this Section of this Policy is extended to insure loss sustained by the Insured in respect of Outstanding Debit Balances following direct physical loss, destruction or damage to the Property Insured caused by a peril insured under this Section of this Policy.

The amount payable in respect of this Condition shall not exceed:

- (i) the difference between the Outstanding Debit Balances and the total of the amounts received or traced in respect thereof;
- (ii) additional expenses reasonably incurred in the tracing and establishing of customers' balances after the loss;
- (iii) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by the direct physical loss, destruction or damage;
- (iv) collection expense in excess of normal collection cost and made necessary because of the direct physical loss, destruction or damage;
- (v) any other necessary and reasonable costs incurred to reduce the loss under this Condition, to the extent the losses are reduced.

“Outstanding Debit Balances” shall mean the amount outstanding in customers' accounts kept by the Insured, at the end of the financial period immediately preceding the occurrence of the direct physical loss, destruction or damage adjusted for Bad Debts and amounts debited and credited to customers' accounts in the period between the end of the said financial period and the date of the direct physical loss, destruction or damage and any condition of trade which had or would but for the direct physical

loss, destruction or damage, have had an effect on the Business so that the amount so adjusted shall represent as nearly as may be reasonably practicable that amount which would have been obtained at the date of the direct physical loss, destruction or damage had the damage not occurred.

#### **24. TAX TREATMENT OF PROFITS**

This Section of this Policy is extended to include the additional loss sustained by the Insured resulting from a peril insured against in the event that the tax treatment of the profit portion of a loss recovery involving finished stock manufactured or purchased by the Insured differs from the tax treatment of profits that would have been incurred had no loss occurred.

#### **25. TENANT'S AND NEIGHBOUR'S LIABILITY**

This Section of this Policy is extended to include liability incurred by the Insured in India as follows

- (i) as tenant or occupant, because of physical loss of or damage to real and personal property caused by any of the perils not otherwise excluded under this Policy;
- (ii) toward neighbours, co-tenants and other third parties for direct physical damage of the type insured to real or personal property of the type insured of neighbours, co-tenants and other third parties.
- (iii) as landlord, because of physical loss or damage to the personal property of tenants caused by any perils not otherwise excluded under this Policy where resulting from constructional defects or lack of maintenance.
- (iv) as tenant or occupant for total or partial loss of use by the owner of the premises resulting from direct physical damage of the type insured.

#### **26. CHANGE IN TEMPERATURE OR HUMIDITY AND ACCIDENTAL INTERRUPTION OF OR INTERFERENCE WITH POWER, HEAT, AIR CONDITIONING OR REFRIGERATION**

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

#### **27. DECONTAMINATION AND CLEAN UP EXPENSE**

The cover provided under this Section of this Policy is extended to include any cost or expense of cleanup, decontamination or removal or disposal of land, soil, water or any similar substance on or under the premises of the Insured incurred by or on behalf of the Insured, including where such cost or expense is incurred during emergency measures undertaken in order to mitigate any circumstances pertaining to pollution or contamination, whether or not such measures are taken at the instruction of any government agency or other authority.

Provided that the Insurer shall have paid, or agreed to pay for, physical loss or damage to the Property Insured, unless such payment is precluded solely by the operation of any Deductible.

Provided also that the Insured shall give written notice to the Insurer of intent to claim for decontamination or clean up expense not later than three hundred and sixty five consecutive days after the date of such physical loss or damage.

## **28. MACHINERY OR EQUIPMENT STARTUP OPTION**

After insured machinery or equipment that has sustained insured physical loss or damage is repaired or replaced and such machinery or equipment is undergoing startup, the following applies:

If physical loss or damage of the type insured directly results to such machinery or equipment from such startup, the Insured shall have the option of claiming such resulting insured damage as part of the original event of physical loss or damage or as a separate loss.

The coverage provided under this Condition applies only:

- 1) to the first startup event after the original repair or replacement; and
- 2) when the first startup event happens during the term of this Policy or its renewal issued by the Insurer.

For the purposes of this Additional Coverage, startup means:

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

## **29. OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION**

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

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

all while within the Territorial Limits but away from the Insured's premises.

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

## **30. PUBLIC LIABILITY**

Under this extension, the Insurer further agrees to defend any suit against the Insured alleging liability for damage, destruction or loss by a peril not excluded under this Section of this Policy and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but the Insurer may

without prejudice, make such investigation, negotiation and settlement of any claim or suit as the Insurer deems expedient

### **31. CONTAMINATION AND CO-MINGLING OF STOCKS:**

It is hereby agreed that notwithstanding anything contained herein to the contrary, that this Policy extends to cover loss or damage to stocks as a result of contamination and/or co-mingling whilst in the Insured's care, custody or control, subject to a limit of ..... each and every loss.

### **32. CATALYSTS, LINING REFRACTORY AND CONSUMABLE LIMITED COVERAGE CLAUSE:**

This policy does not cover destruction of or damage to refractory, lining catalyst or consumable material while in process, production manufacture or transit except from the perils of fire, lightning, windstorm, hail, explosion, aircraft, smoke, earthquake and collapse.

For the purpose of this policy the basis of settlement with respect to destruction of or damage to such refractory, lining, catalyst or consumable material as covered hereunder shall be limited to the actual cash value of such property. Where available, the normal remaining life to the refractory lining, catalyst or consumable material shall be taken into consideration in determining the actual cash value (ACV). The ACV amount shall be calculated by taking.

- i. The Expired Life EL in working hours of the catalyst at the time of occurrence and
- ii. The Normal Life Expectancy (NEL) in hours of the catalyst according to the latest specification issued by the manufacturer
- iii. And applying them in the relationship  $(1-EL/NLE)$  to the total replacement costs of the catalyst

### **33. RIOT, STRIKE, MALICIOUS DAMAGE INCLUDING CIVIL COMMOTION:**

It is hereby agreed that notwithstanding anything contained herein to the contrary, that this Policy extends to cover loss of or visible damage or destruction by external violent means directly caused to the property insured but excluding those caused by,

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

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

#### **34. INADVERTENT OMISSION:**

The Insured having notified the Insurers of their intention to insure all Property in which they are interested and it being their belief that all such Property is insured, if hereinafter any such Property shall be found to have been inadvertently omitted, the Insurers will deem it to be insured within the terms of this Policy, up to a limit of ..... each and every loss and ..... in the annual aggregate.

#### **35. REINSTATEMENT OF SUM INSURED FOLLOWING A LOSS:**

The sums insured shall not be reduced by the amount of any loss and the Insured shall be entitled to automatic reinstatement of the sum insured following a loss.

#### **36. DEMURRAGE CHARGES**

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

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

Insured shall take all reasonable action to stop further consignments from arriving if such demurrage situation arises.

#### **37. LEAK SEARCH COSTS**

The Insurer shall indemnify the insured in respect of reasonable leak search costs.

The costs for leak search shall include the costs incurred for:

- (a) hydrostatic testing, including the cost of all materials used including but not limited to leasing special apparatus and the cost of the operation and transport of such apparatus,
- (b) earthwork in trenches necessary in the search for and repair of leaks, e.g. excavation, uncovering of the pipeline, backfilling.

However such costs will be payable only following an identifiable loss.

#### **38. PROPERTY AND PLANT TESTING AND COMMISSIONING CLAUSE**

It is hereby understood and agreed that this policy does not cover loss or damage to property in course of construction or erection, dismantling, revamp or undergoing testing or commissioning including mechanical performance testing and any business interruption resulting therefrom.

Acceptance of property hereon is subject to satisfactory completion of the following procedures:

1. Mechanical completion including Testing.
2. Testing and Commissioning.

3. Performance Testing conforming to 100 % of design capacity maintained by each separate unit in a stable and controlled manner for a continuous ongoing period of a minimum of 72 ( seventy two) hour's duration.

4. Official acceptance by the insured following formal hand over without reservation or wavier of guarantee conditions. It being understood that no equipment faults or punch list items affecting operational integrity of the plant are outstanding and that no temporary structures and no modifications remain.

Notwithstanding the above, attachment of property and plant here on to be agreed by insurers. It is further understood and agreed that terms and conditions to be reviewed, if required, by Insurers.

It is further understood and agreed that the above provisions do not apply to normal routine maintenance activities and scheduled turnarounds or Minor Works.

### **39. TEMPORARY REMOVAL:**

Subject to the following provisions, the Property Insured by this Section of the Policy is covered whilst temporarily removed for cleaning, renovation, repair and other similar purposes, elsewhere on the same or to any other premises world-wide and in transit thereto and therefrom by air, road, rail or inland waterway and/or whilst temporarily stored elsewhere.

The amount recoverable under this Extension shall not exceed the amount which would have been recoverable had the destruction or damage occurred in that part of the Premises from which the Property is temporarily removed.

This Extension does not apply to Property if and so far as it is otherwise insured, nor to Property held by the Insured in trust, other than machinery and plant.

### **40. ORIGINAL EQUIPMENT MANUFACTURING PARTS:**

It is further noted and agreed that in the event of physical loss or damage of the property insured hereunder, the insured at it's sole discretion shall have the option

- a. To repair/replace from the insured's own stock of spares and to carry out such repair from its inhouse manpower. The monetary claim in such case shall be calculated on the basis of insured's own value or market price whichever is less without supporting any invoice. So far as the calculation or the cost of inhouse manpower engaged in such repair or replacement is concerned, the basis shall be the payscale of its employees, or
- b. To accept repair/replacement terms as offered by the proprietary supplier (OEM) regardless of any other terms offered by other suppliers, manufacturers or fabricator. In case of claim in respect of proprietary items, the amount of claim shall be settled as per quotation of such supplier. In case of items other than proprietary items, the difference between the higher quote and the lowest does not exceed 50% provided that the quotes are based on same technological Specifications.

### **41. OBSOLETE SPARE PARTS**

In the event of spares currently insured hereunder the represented within the total Sum Insured under the Policy of Insurance becoming obsolete following an indemnifiable loss to the unit and/or units to which they belong such spare parts shall also be deemed a constructive total loss provided always that such parts cannot be used as spares for any other units within the Premises of the Insured. Insurers retain salvage rights over such parts.



Also, any other cover as required.

## **SECTION II - BUSINESS INTERRUPTION**

### **INSURING CLAUSE**

In the event of:

- (a) any building or other property or part thereof used by the Insured (or for which the Insured has contracted use) at the premises of the Insured for the purpose of the Business; and/or
- (b) any property insured under Section I and/or Section II of this Policy which is within the Geographical Scope set forth in the Policy Schedule;

being physically lost or damaged by any of the perils insured against under Section I of this Policy (physical loss or damage so caused being hereinafter in this Section of this Policy termed “Damage”) and the Business within the Territorial Limits being in consequence thereof interrupted or interfered with the Insurer will pay to the Insured in respect of each item in the applicable Specification to this Section of this Policy the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

### **INSURED OPTION**

The Insured has the option to make claim based on either

- (a) Specification A - GROSS PROFIT; or
- (b) Specification B - GROSS EARNINGS

as described in the Specifications below and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the final settlement of the claim

If such claim involves more than one location of the Insured, including interdependency at one or more location of the Insured, all such claim will be adjusted by using the single coverage option chosen above.

In respect of claims which are paid in accordance with Specification B below wherever the terms “Turnover” and “Gross Profit” are used in the Memoranda and Extensions to this Section of this Policy they shall be deemed to be replaced by the term “Gross Earnings”.



**SPECIFICATION A TO SECTION II (GROSS PROFIT)**

<u>Item No.</u>	<u>Limit of Liability</u>
1. on Gross Profit	Included within the Limit of Liability set forth in the Schedule
2. on Rent and Management Fees Receivable	Included within the Limit of Liability set forth in the Schedule

**Item No. 1 - GROSS PROFIT**

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 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

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.

**Item No. 2 - RENT AND MANAGEMENT FEES RECEIVABLE**

The Insurance under Item No. 2 is limited to (a) Loss of Rent or Management Fees and (b) Additional Expenditure and the amount payable thereunder shall be:

- (a) in respect of Loss of Rent or Management Fees Receivable: the amount by which the Rent or Management Fees receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent or Management Fees Receivable
- (b) in respect of Additional Expenditure: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Loss of Rent or Management Fees Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Rent and Management Fees Receivable as may cease or be reduced in consequence of the Damage.

## **DEFINITIONS**

### **GROSS PROFIT**

The amount by which:

- (i) the sum of the amount of the Turnover plus the amounts of the Closing Stock and Work in Progress

shall exceed:

- (ii) the sum of the amounts of the Opening Stock and Work in Progress plus the amount of the variable costs as shown in the Insured's accounts.

NOTE 1: The amounts of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

NOTE 2: 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 including investment interest earned in the course of the Business.

### **INDEMNITY PERIOD**

- (a) The period beginning with the occurrence of the Damage (but with the commencement of the accidental interruption in respect of interruption of or interference with the Business which does not result from direct physical loss, destruction or damage) and ending not later than.....thereafter

**BUT**

- (b) In respect of property or a part thereof in the course of construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out (including materials and supplies therefor) the period beginning with the proposed commissioning date of such property on which but for the Damage (but, in respect of interruption of or interference with the Business which does not result from direct physical loss, destruction or damage, but for the occurrence of the accidental interruption) the property should have been commissioned and ending not later than.....thereafter

during which the results of the Business shall be affected in consequence of the Damage (but, in respect of interruption of or interference with the Business which does not result from direct physical loss, destruction or damage, in consequence of the accidental interruption) .

**RENT OR  
MANAGEMENT  
FEES RECEIVABLE**

The amount of the Rent or Management Fees Received or Receivable (or all payments for services provided) from property owned or for which the Insured are responsible.

**RATE OF GROSS PROFIT**

The Gross Profit earned during the financial year immediately before the date of the Damage, expressed as a percentage of the Turnover for the same 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 peril not  
) occurred, so that the figures thus adjusted shall  
) represent as nearly as may be reasonably  
) practicable the results which but for the  
) occurrence of the peril would have been obtained  
) during the relative period after the Damage

**STANDARD TURNOVER**

The Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

**STANDARD RENT AND MANAGEMENT  
FEES RECEIVABLE**

The Rent and Management Fees Receivable (or all payments for services provided) during the period corresponding with the Indemnity Period in the twelve months immediately before the date of the Damage

However, in respect of loss resulting from Damage to property or a part thereof in the course of construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out (including materials and supplies therefor), the following definitions are applicable:

**RATE OF GROSS PROFIT**

The Rate of Gross Profit that would have been earned on Turnover during the Indemnity Period but for the Damage

) based upon the estimated production programme  
) of the Business, and the costs and prices relating  
) thereto, 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 peril not occurred so that  
) the figures thus adjusted shall represent as nearly  
) as may be reasonably practicable the result which  
) but for the occurrence of the peril would have been  
) obtained during the relative period after the  
) Damage

**STANDARD TURNOVER**

The Turnover which but for the Damage, would have been earned during the Indemnity Period

Where Damage to property in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like results in interruption of or interference with the operation of property already being used by the Insured at its premises for the purpose of the Business then paragraph (b) of the Definition of the Indemnity Period and the preceding Definitions of Rate of Gross Profit and Standard Turnover shall not apply in respect of such resulting interruption or interference.

Provided that the Sub-Limit stated in the Policy Schedule in respect of Business Interruption loss resulting from Damage to property in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like shall not apply in respect of maintenance work and scheduled turnarounds.

In respect of property built for rental purposes, in calculating Standard Rent and Management Fees Receivable such adjustment shall be made as may be necessary to provide for the level of Rent and Management Fees Receivable that would reasonably have been achieved after construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out would have been completed had no Damage occurred.

**SPECIFICATION B TO SECTION II (GROSS EARNINGS)**

<u>Item No.</u>	<u>Limit of Liability</u>
1. ON GROSS EARNINGS	Included within the Limit of Liability set forth in the Schedule

ITEM 1. The Insurance under ITEM NO. 1 is limited to:

- (a) the Actual Loss Sustained by the Insured during the Indemnity Period resulting from the interruption of or interference with the Business. Actual Loss Sustained shall mean the reduction in Gross Earnings, less charges and expenses that do not necessarily continue during the interruption of or interference with the Business,
- (b) Expenses, over and above normal operating expenses, necessarily incurred by the Insured during the Indemnity Period in making up lost production or in reducing loss otherwise payable under Item 1.(a) of this Specification

Resumption of Operations: If it is reasonably possible for the Insured to reduce the loss resulting from the interruption of or interference with the Business:

- (a) by a complete or partial resumption of operations; or
- (b) by making use of available Finished Stock, Merchandise or other property;

any such reduction shall be taken into account in arriving at the amount of loss hereunder.

Indemnity Period: The length of time for which loss may be claimed under this Section of this Policy (hereinafter referred to as “the Indemnity Period”):

- (a) shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, replace, reproduce, recreate or reconstruct such part of the property as has suffered Damage and make it ready for operation under the same or equivalent physical and operating conditions that existed prior to the Damage;

- (b) shall not exceed such additional length of time, not to exceed....., as may be required to restore the Business to the condition that would have existed had no loss occurred;
- (c) with respect to alterations, additions, and property while in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like, shall be determined as provided under Indemnity Period paragraphs (a) and (b) above, but the length of time shall be applied to the planned level of production or the planned level of business operation. For the purposes of this Section of this Policy normal routine maintenance activities or scheduled turnarounds shall be included under “construction, alteration, repair, installation, erection, testing or commissioning and the like”; and
- (d) shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this Policy. Provided that the Sub-Limit stated in the Policy Schedule in respect of Business Interruption loss resulting from Damage to property in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like shall not apply in respect of maintenance work and scheduled turnarounds.

Where Damage to property in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like results in interruption of or interference with the operation of property already being used by the Insured at its premises for the purpose of the Business then paragraph (c) of the Definition of the Indemnity Period shall not apply in respect of such resulting interruption or interference.

#### Experience of the Business:

- (a) In determining the amount of loss payable under this Section of this Policy, due consideration shall be given to the experience of the Business before the date of the Damage and to the probable experience thereafter had no loss occurred.
- (b) With respect to alterations, additions and property while in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like, due consideration shall be given to the available experience of the Business after completion of the construction, alteration, repair, installation, erection, testing or commissioning and the like.

The effects on the results of the Business of any previous occurrence of Damage shall not be taken into consideration when calculating the amount of any loss under this Section of this Policy.

#### Public Authorities

The Indemnity Period shall include any additional time required for making changes to property insured under this Policy as provided in the Demolition and Increased Cost of Construction Condition applicable to Section I of this Policy.

#### Rental Income and Management Fees

The cover provided by this Section of this Policy shall include the actual loss sustained by the Insured resulting from necessary untenantability caused by Damage to any of the property insured under this Policy (or part thereof), but not exceeding the reduction in Rental Income and Management Fees less charges and expenses which do not necessarily continue during the period of untenantability, for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such

part of the property insured under this Policy as has suffered Damage commencing with the date of such Damage and not limited by the date of expiration of this Policy.

For the purpose of this extension “Rental Income and Management Fees” is defined as the sum of:

- (a) the total anticipated gross rental income or management fees received or receivable from tenant occupancy of the property insured under this Policy as furnished and equipped by the Insured, and
- (b) the amount of all charges which are the legal obligation of the tenants and which would otherwise be obligations of the Insured, and
- (c) the fair rental value of any portion of such property which is occupied by the Insured.

In determining Rental Income and Management Fees due consideration shall be given to the rental and management fee experience before the date of Damage and the probable experience thereafter had no loss occurred.

In respect of property being built for rental purposes, in calculating Rental Income and Management Fees Receivable such adjustment shall be made as may be necessary to provide for the level of Rental Income and Management Fees Receivable that would reasonably have been achieved after construction, alteration, repair, installation, erection, demolition, testing or commissioning or fitting out would have been completed had no Damage occurred.

## **DEFINITIONS**

The following terms wherever used in this Section of this Policy shall have the following meanings:

### **GROSS EARNINGS:**

- (1) For manufacturing operations, Gross Earnings are defined as the sum of:
  - (i) the total Net Sales Value of Production,
  - (ii) the total net sales of Merchandise, and
  - (iii) other earnings derived from the Business,

### **LESS THE COST OF:**

- (iv) Raw Stock from which such production is derived,
- (v) supplies consumed in the conversion of such Raw Stock into Finished Stock or in supplying the services sold by the Insured,
- (vi) Merchandise sold, including packaging materials, and
- (vii) services purchased from outsiders for resale which do not continue under contract.

No other costs shall be deducted in determining Gross Earnings for manufacturers.

(2) For non-manufacturing operations, Gross Earnings are defined as the sum of:

- (i) total net sales, and
- (ii) other earnings derived from the operations of the Business,

LESS THE COST OF:

- (iii) Merchandise sold,
- (iv) materials and supplies consumed, and
- (v) services purchased from outsiders for resale which do not continue under contract.

No other costs shall be deducted in determining “Gross Earnings” for non-manufacturing business.

**RAW STOCK:** Material in the state in which the Insured receives it for conversion by the Insured into Finished Stock.

**STOCK IN PROCESS:** Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture by the Insured, but which has not become Finished Stock.

**FINISHED STOCK:** Stock manufactured by the Insured, which in the ordinary course of the Business is ready for packing, shipping or sale.

**MERCHANDISE:** Goods kept for sale by the Insured, which are not the product of manufacturing operations conducted by the Insured.

**NORMAL:** The condition that would have existed had no loss occurred.

**NET SALES VALUE OF PRODUCTION:** The sum of the net sales of the Insured’s product during the Year (gross sales less discounts, returns, allowances, bad debts and prepaid freight to the extent included in sales figures), less inventory of Finished Stock at the beginning of the Year priced at sales value, plus the inventory of Finished Stock on hand at the end of the Year priced at sales value. The Year means the 365-day period ending on the date of the Damage.



## **MEMORANDA APPLICABLE TO SECTION II OF THIS POLICY**

### **Provisions:**

#### **Memo 1 - Benefits from Other Premises**

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

#### **Memo 2 - Return of Premium**

If the Insured declares at the latest nine months after the expiry of any policy year that the Gross Profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance, was less than the sum insured thereon a pro rata return of premium not exceeding one third of the premium paid on such sum insured for such period of insurance shall be made in respect of difference. If any loss destruction or damage has concurred giving rise to a claim under this policy, such return shall be made in respect only of so much of said difference as is not due to such loss destruction or damage.

#### **1. ACCUMULATED STOCKS CLAUSE**

In adjusting any loss under this Section of this Policy, account shall be taken and an equitable allowance made if any shortage in Turnover due to loss insured under this Section of this Policy is postponed by reason of the Turnover being temporarily maintained from accumulated stocks.

#### **2. ALTERNATIVE TRADING CLAUSE**

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Insured's premises for the benefit of the Business either by the Insured or by others on its 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.

#### **3. ALTERNATIVE BASIS CLAUSE**

It is agreed and declared that, at the option of the Insured, the term Output may be substituted for the term Turnover and for the purposes of this Section of this Policy "Output" shall mean the sale value of goods manufactured by the Insured in the course of the Business provided that:

- (i) only one such meaning shall be operative in connection with any one event involving loss insured under this Section of this Policy
- (ii) if the meaning set out above be used the Alternative Trading Clause shall be altered to read as follows:

If during the Indemnity Period goods shall be manufactured other than at the Insured's 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.

#### **4. AUDITOR'S CLAUSE**



Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer for the purpose of investigating or verifying any claim under this Section of this Policy may be produced and certified by an independent firm of professional Accountants and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates. In the event of a loss, where required by the Insured, the Insured's accountants shall be consulted concerning any trends in or other circumstances affecting the Business and the costs of any such consultation shall be for the account of the Insurer.

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

#### **5. DEPARTMENTAL CLAUSE**

If the Business be conducted in departments, the independent trading results of which are ascertainable, the provisions of this Section of this Policy shall apply, at the option of the Insured, separately to each department affected by a loss insured by this Section of this Policy.

#### **6. EXHIBITIONS**

Cover under this Section of this Policy includes loss resulting from Damage at Exhibition premises and/or the premises of any suppliers of goods or services to be employed by the Insured at an Exhibition premises.

In the event of the Insured not intending to sell goods or services during the course of an Exhibition, then the indemnity hereunder shall be such proportion of the actual cost incurred by the Insured up to the time of the Damage as the number of days an Exhibition fails to be open bears to the total number of days that the Exhibition was intended to be open.

#### **N.B.**

The word Exhibition shall inter alia include Conferences, Displays and Trade Shows.

#### **7. INTERDEPENDENCY**

This Section of this Policy insures loss sustained by the Insured caused by perils not excluded under this Policy during the term of this Policy to property not excluded situated anywhere in the World.

#### **8. ACQUISITIONS**

The cover provided by this Section of this Policy shall automatically apply in respect of any new acquisition made by the Insured with effect from the date upon which the Insured acquires an insurable interest therein. Provided that nothing contained within this clause shall increase the sub-limits of liability in respect of earthquake.

## **EXTENSIONS APPLICABLE TO SECTION II OF THIS POLICY**

### **1. ADDITIONAL INCREASED COST OF WORKING**

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

### **2. ADDITIONAL RENT DATA PROCESSING AND ANCILLARY EQUIPMENT**

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

### **3. HINDRANCE OF ACCESS**

The insurance by this Section of this Policy is extended to insure loss during the period of time when, as a result of Damage within 10 kilometres of the perimeter premises of the Insured, ingress to or egress from real and personal property not excluded hereunder, is thereby denied, hindered or restricted.

### **4. GOVERNMENTAL REGULATIONS**

The insurance by this Section of this Policy is extended to insure loss resulting from the additional time (not exceeding the maximum Indemnity Period in all) required to rebuild, replace or repair both damaged and undamaged property, as a consequence of any law, governmental order or directive which regulates, prohibits, or restricts construction, the acquisition of machinery, equipment or other means required for the replacement or repair of property.

### **5. INTERRUPTION BY CIVIL OR MILITARY AUTHORITY**

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

### **6. PUBLIC RELATIONS EXPENSES**

The insurance by this Section of this Policy is extended to insure the costs incurred by the Insured to employ suitable public relations personnel to deal with press and public announcements and other necessary activities reasonably incurred with the Insurer's consent following loss hereunder.

### **7. RESEARCH AND DEVELOPMENT COSTS**

The insurance by this Section of this Policy is extended to insure the costs incurred in reworking any research and/or development projects interrupted or interfered with as a result of a loss insured hereunder and the amount payable hereunder shall be the cost of reworking such projects to the state that they had reached immediately prior to loss.

## **8. ROYALTIES**

The insurance by this Section of this Policy is extended to insure loss of income to the Insured under royalty, licensing fees, or commission agreements between the Insured and another party which is not realisable due to Damage which occurs during the term of this Policy to property of the other party. Such other party shall be located anywhere in the World, but such party shall not be an Insured under this Policy. Coverage under this extension shall apply to loss experienced by the Insured anywhere in the World.

Such loss shall be adjusted on the basis of actual loss sustained of such income referred to above which would have been earned had no loss occurred.

## **9. SUPPLIERS AND CUSTOMERS PREMISES**

The insurance by this Section of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of Damage:

- (a) which occurs at the premises or locations of any direct supplier, manufacturer or processor of components, goods or materials or direct supplier of services or both to the Insured, or
- (b) which occurs at the premises or locations of any direct receiver of goods or services or both from the Insured, or
- (c) which occurs at the premises of customers or suppliers of any direct supplier, manufacturer or processor of components, goods or materials or direct supplier of services or both to the Insured, or
- (d) which occurs at the premises of customers or suppliers of any direct receiver of goods or services or both from the Insured, or
- (e) affecting premises where property of the Insured is stored, or
- (f) affecting premises where the Insured is carrying out a contract

located anywhere in the World.

This Extension does not apply in respect of loss resulting from interruption of steam, gas, water, electricity, sewerage, telecommunications, information or other utility service.

For the purposes of this Extension where:

- (i) a supplier supplies the Insured through an agent (for example a freight forwarding agent) such supplier shall be considered to be a direct supplier.

- (ii) a customer receives goods or services through an agent (for example a freight forwarding agent) such customer shall be considered to be a direct customer.

## **10. UTILITIES AND SERVICES**

The insurance by this Section of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of accidental interruption of (or interference with) steam, gas, water, electricity, sewerage, telecommunications, information or other service.

Provided that :

- (i) interruption (or interference) in consequence of the insistence by the gas supply undertaking that the electricity supply to the Insured's premises be disconnected at the mains due to an accidental leakage of gas from pipes within the vicinity of the said premises
- (ii) interruption (or interference) by the supply undertaking performed for the purpose of safeguarding life or protecting a part of the supply undertaking's system
- (iii) the imposition of a scheme of rationing necessitated by damage to a part of the supply undertaking's system

shall also be deemed to constitute an "accidental interruption".

Provided that this Extension shall not apply where the accidental interruption is caused by war or civil war.

## **11. FINES, PENALTIES AND DAMAGES**

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

## **12. SPARE PARTS**

The insurance by this Section of this Policy is extended to insure the anticipated loss of Gross Profit on spare parts beyond the 24 month Indemnity Period hereunder arising from lost production of vehicles following a loss insured hereunder. The indemnity under this extension will be paid at the time of settlement of the original loss and will be calculated using the following percentage factors applied to the agreed Gross Profit for each unit not produced as noted in the insured's books at the time of the calculation of the sum insured but not exceeding the percentages as agreed between the insured and insurer.

## **13. DATA PROCESSING AND ANCILLARY EQUIPMENT**

The insurance by this Section of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of loss or destruction of or damage to data processing and ancillary equipment caused by dryness or dampness of atmosphere, extremes of temperature, corrosion or rust if directly resulting from Damage to any air conditioning facilities.

#### **14. TAX TREATMENT OF PROFITS**

The insurance by this Section of this Policy is extended to insure the additional loss sustained by the Insured in the event that the tax treatment of loss recoveries under this Policy differs from the tax treatment that would have been experienced by the Insured had no loss occurred.

#### **15. IMPOUNDED WATER**

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

#### **16. LEASEHOLD INTEREST**

The insurance by this Section of this Policy is extended to insure the pro rata proportion from the date of Damage to expiration date of the lease (to be paid without discount) on the Insured's interest in:

- (a) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease for the unexpired term of the lease;
- (b) improvements and betterments to real property insured under this Policy during the unexpired term of the lease which is not covered under any other Section of this Policy;
- (c) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease for the unexpired term of the lease;

when property insured under this Policy is rendered wholly or partially untenable by any of the contingencies insured against under this Policy during the term of this Policy and the lease is cancelled by the lessor in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which such property is located; and

- (d) "Interest of the Insured as Lessee" when property insured under this Policy is rendered wholly or partially untenable by any of the contingencies insured against under this Policy during the term of this Policy and the lease is cancelled by the lessor in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the lost or damaged property is located.

The "Interest of the Insured as Lessee" as referred to herein shall be paid for the first three months succeeding the date of the Damage and the "Net Lease Interest" shall be paid for the remaining months of the unexpired lease.

#### **Definitions:**

The following terms, wherever used in this Extension shall mean as follows:

- (a) the "Interest of the Insured as Lessee" is defined as:

- i. the excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease;
- ii. the rental income which would have been earned by the Insured from sublease agreements, to the extent not covered under any other Section of or Extension to this Policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

(b) “Net Lease Interest” is defined as that sum, which placed at the prime rate of interest plus 3% compounded annually will be equivalent to the “Interest of the Insured as Lessee”.

The Insurer shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the Insured exercising an option to cancel the lease.

#### **17. LOGISTICS EXTRA COST**

The insurance by this Section of this Policy is extended to insure the extra cost incurred by the Insured during the Indemnity Period due to the disruption of the normal movement of goods or materials:

- (a) directly between premises of the Insured; or
- (b) directly between premises of the Insured and a location of a direct customer, supplier, contract manufacturer or contract service provider to the Insured,

provided that such disruption is a direct result of Damage to property of a type not excluded under this Policy located within the Territorial Limits.

Measurement of Loss:

The recoverable extra cost loss will be the reasonable and necessary extra costs incurred by the Insured to temporarily continue as nearly normal as practicable the movement of goods or materials.

This Extension will apply when the Indemnity Period is in excess of 48 hours except 168 hours applies for earthquake, windstorm and flood.

This Extension does not insure:

- (i) any loss of income;
- (ii) costs which usually would have been incurred in conducting the Business during the same period had there been no disruption of normal movement of goods or materials;
- (iii) costs of permanent repair or replacement of property that has been damaged or destroyed;
- (iv) any expense recoverable elsewhere in this Policy;

- (v) any loss resulting from disruption caused by physical loss or damage to personal property of the Insured while in transit.

The Indemnity Period for this Extension will be the period of time:

- (1) starting at the time of physical loss or damage causing the disruption of the normal movement of goods or materials directly between premises of the Insured; or directly between premises of the Insured and the location of the direct customer, supplier, contract manufacturer or contract service provider to the Insured, and
- (2) ending not later than when with due diligence and dispatch the normal movement of goods or materials directly between premises of the Insured; or directly between premises of the Insured and the location of the direct customer, supplier, contract manufacturer or contract service provider to the Insured could be resumed.

## **18. ATTRACTION PROPERTY**

The insurance by this Section of this Policy is extended to insure the actual loss sustained and Additional Increase in Cost of Working incurred by the Insured during the Indemnity Period directly resulting from Damage to property of the type not excluded under this Policy which attracts business to premises of the Insured and is within 300 metres of the premises of the Insured.

## **19. CRISIS MANAGEMENT**

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

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

This Extension of coverage will apply when the Indemnity Period is in excess of 4 hours. The Indemnity Period will commence at the time the civil or military authority prohibits access.

## **20. PROTECTION AND PRESERVATION OF PROPERTY BUSINESS INTERRUPTION**

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

This Extension is subject to the deductible provisions that would have applied had the physical loss or damage happened.

## **21. SOFT COSTS**

The insurance by this Section of this Policy is extended to insure Soft Costs on Property in the Course of Construction where such costs result from Damage to Property in the Course of Construction.



“Property in the Course of Construction” shall include property in the course of construction, alteration, repair, installation, erection, testing or commissioning and the like, including materials and supplies therefor.

“Soft Costs on Property in the Course of Construction” (hereinafter referred to as “Soft Costs”) shall mean:

- (a) additional interest on money borrowed to finance construction or repair;
- (b) additional land and property taxes incurred for the period of time that construction extends beyond the projected completion date;
- (c) additional legal and accounting fees;
- (d) additional advertising and promotional expenses which become necessary as a result of Damage to Property in the Course of Construction.

The “Soft Costs” coverage provided by this Extension is subject to the following additional provisions:

- (i) the Insurers shall pay such Soft Costs which are incurred during the Indemnity Period in respect of Property in the Course of Construction as defined in the applicable Specification to this Section of this Policy;
- (ii) as soon as practicable after any Damage to Property in the Course of Construction, the Insured shall utilise every available means to reduce the amount of the loss under this Extension, including:
  - (A) resumption of construction, business or operations completely or partially;
  - (B) making use of materials, equipment, supplies, or other property at the premises of the Insured or elsewhere; or
  - (C) making use of substitute facilities or services where practical;

and such reduction will be taken into account in arriving at the amount of such loss.

In the event that the construction contract for Property in the Course of Construction contains a penalty clause providing for payments to the Insured for a delay (caused by Damage) in the completion of the construction, any portion of such penalty inuring to the benefit of the Insured shall be taken into consideration in the settlement of any loss under this Extension.



**GENERAL CONDITIONS APPLICABLE TO  
ALL SECTIONS OF THIS POLICY**

**1. SEVERAL LIABILITY NOTICE**

The Insurer(s) is(are) the company or companies named in The Schedule; if there is more than one company, each company shall be separately liable only to indemnify The Insured for that proportion of any claim as set out in The Schedule of this Policy of Insurance.

**2. ERRORS AND OMISSIONS**

The cover provided under this Policy shall not be prejudiced by any misdescription or alteration of occupancy or unintentional and/or inadvertent breach of a term, condition or warranty or any omission, error, incorrect valuation or incorrect description of the interest, risk or property provided notice is given as soon as practical upon discovery thereof by the Insured's home office insurance department. Where this Policy covers the interest of more than one party any act of neglect of any individual party will not prejudice the rights of the remaining party/ies. Further if any identifiable division of the Insured, whether or not being a registered company in its own right, shall commit any such act error or omission, this Policy shall be void or voidable in respect of that division only as if a separate policy had been issued to that division.

**3. FRAUD**

If a claim under this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured, all benefit in respect of such claim under this Policy shall be forfeited.

**4. CLAIMS PROCEDURE**

- a. Any claim or proceedings and any loss, destruction or damage which might give rise to a claim under this Policy must be notified as soon as is reasonably practicable in writing to the Insurer and a detailed statement of any claim must be submitted as soon as is reasonably practicable.
- b. All particulars information and assistance as may be reasonably required by the Insurer must be supplied by the Insured.
- c. It is understood and agreed that the cover of this Policy includes costs reasonably incurred by the Insured in producing, obtaining and certifying any particulars or details required by the Insurer or to substantiate the amount of any claim.

**5. FAILURE OF DETECTION, PROTECTION OR EXTINGUISHMENT SYSTEMS**

This Policy shall not be invalidated in the event of the failure of any detection, protection and/or extinguishment system due to any defect in the said system or any cause extraneous to the Insured's premises (or in the case of goods in transit to the vehicle) unknown to or beyond the control of the Insured provided that all reasonable precautions have been taken by the Insured to prevent such failure and provided notice is given to the Insurer immediately it comes to the notice of the Insured's home office insurance department.

## **6. BRANDS AND TRADEMARKS**

In case of physical loss, destruction or damage by a peril not otherwise excluded under this Policy to property bearing a brand or trademark or name or which in any way carries or implies the guarantee or the responsibility of the manufacturer or Insured, the salvage value of such lost, destroyed or damaged property shall be determined after removal at the Insurer's expense in the customary manner of all such brands or trademarks or other identifying characteristics, any incidental damage being made good by the Insurer. The Insured shall have full right to the possession of all property involved in any loss under this insurance and shall retain control of all damaged property. The Insured, exercising a reasonable discretion, shall be the sole judge as to whether the property involved in any loss under this insurance are fit for consumption. No property so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow the Insurer any salvage obtained by the Insured on any sale or other disposition of such property.

## **7. INCREASED COST OF WORKING**

The insurance by this Policy is extended to include increased cost of working and the amount payable as indemnity under this extension shall be the additional expenditure over and above any amount payable elsewhere under this Policy necessarily and reasonably incurred during the Indemnity Period as a result of direct physical loss or destruction of or damage to Property Insured by a peril not otherwise excluded under this Policy, such expenditure being incurred in order to minimise any loss under this Policy and/or to resume or maintain the Insured's normal business operations, subject to the applicable Sub Limit of Liability shown in the Schedule.

For the purposes of this Extension the Indemnity Period shall be the period beginning with the occurrence of the direct physical loss, destruction or damage and ending not later than 24 months thereafter during which the results of the Insured's normal business operations shall be affected in consequence of such direct physical loss, destruction or damage.

Further this extension shall only cover expenditure incurred by the Insured in respect of its operations in territories where it has commercial operations (such as dealerships and sales offices) but where no Business Interruption policy has been issued to the Insured in respect of its operations in that territory only.

Provided that the liability of the Insurer under this extension shall not exceed the applicable Sub-Limit of Liability specified in the Schedule to this Policy.

## **8. WORKMEN'S CLAUSE**

Workmen are allowed on the premises of the Insured for the purpose of making structural and other alterations from time to time without prejudice to this insurance.

## **9. TENANTS AND CONCESSIONAIRES CLAUSE**

The insurance hereby shall not be prejudiced by any act or omission unknown to or beyond the control of the Insured on the part of a Tenant or Concessionaire occupying or using the premises of the Insured provided that the Insured's home office insurance department, as soon as reasonably practicable after it becomes aware thereof, shall give notice in writing to the Insurer.

#### **10. NO CONTROL**

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

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

#### **11. LOSS IN PROGRESS AT EXPIRY**

Should any physical loss or damage causing loss under this Policy commence prior to the expiration of this Policy and extend beyond the expiration of this Policy, this Policy shall pay for all such insured loss occurring during such period as if such period fell entirely within the Period of Insurance.

#### **12. SUBROGATION**

Any claimant under this Policy shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Insurer.

However, where any law or contract made prior to loss under this Policy requires the Insured to waive its rights of recourse against any party, then the Insurer expressly waives its corresponding rights of subrogation against such parties. Further any release from liability entered into by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. In addition the right of subrogation against the Insured, affiliated, subsidiary and associated companies or corporations, or any other corporations or companies associated with the Insured through ownership or management, is waived and at the option of the Insured against a tenant of the Insured.

#### **13. SALVAGES AND RECOVERIES**

Where legally permitted all salvages, recoveries, and payments, including proceeds from subrogation, recovered or received prior to a loss settlement under this insurance shall reduce the loss accordingly.

If recovered or received subsequent to a loss settlement under this insurance, such net amounts recovered shall be divided between the interests concerned, that is the Insured and any other Insurer participating in the payment of any loss, in the proportion of their respective interests.

#### **14. ABANDONMENT**

There shall be no abandonment to the Insurer of any property nor shall any assignment or transfer of this Policy be valid except with the written consent of the Insurer.

#### **15. CANCELLATION**

The policy may also be cancelled by the insured at any time by giving thirty days' notice in writing to the Company and in such event the Company shall allow refund of premium at Company's short period premium calculation as given below provided no claim has occurred up to the date of cancellation.

The Company may at any time cancel the Policy on grounds of mis-representation, non-disclosure of material facts, fraud, non-cooperation by the insured or if any adverse in selection of risk is noticed by the insurer, by sending thirty days' notice in writing to the insured at his last known address in which case the Company shall return to the insured a proportion/ pro-rata portion of the premium corresponding to the unexpired period of insurance provided that if no claim has been paid under the policy.

Cancellation shall not affect coverage on any shipment in transit on the date of cancellation. Coverage under this Policy will continue in full force until such property is safely delivered and accepted at place of final destination.

#### **16. TIME CLAUSE**

- a) Each loss by earthquake, volcanic action, storm, tempest, flood or lightning shall constitute a single loss hereunder.
  - i. If more than one earthquake shock, volcanic action, storm, windstorm or tempest occurs within any period of 72 hours during the term of this Policy, the beginning of which 72 hour period may be determined by the Insured; or
  - ii. If any number of floodings occur within a period beginning with the rising or overflow of any river(s) or stream(s) and ending with the subsidence of such river(s) or stream(s) within their banks ; or
  - iii. If any number of floodings results from any tidal wave or series of tidal waves caused by any one disturbance;

such earthquake shocks, volcanic action, storm, tempest or flood shall be deemed to be a single occurrence within the meaning of this Policy.

All lightning damage which occurs within a period of 24 hours shall be deemed to be a single loss occurrence within the meaning of this Policy, the beginning of which 24 - hour period may be determined by the Insured.

- b) Should any time period referred to in paragraph (a) of this General Condition extend beyond the expiration date of this Policy and commence prior to expiration, the Insurer shall pay all such earthquake, volcanic action, flood or lightning losses occurring during such period as if such period fell entirely within the term of this Policy.
- c) The Insurer shall not be liable, however, for any loss caused by any earthquake shock, volcanic action, flood or lightning occurring before the inception date and time or commencing after the expiration date and time of this Policy.

## **17. OTHER INTERESTS**

Various parties may be interested in the insurance by this Policy and the Insured undertake to declare the names, nature and extent of any interest of any such parties at the time of any loss. The cover provided by this Policy includes such interest of such other parties.

Further insofar as is necessary to comply with the terms of any contractual agreement, the contracting parties and others named therein are deemed to be Joint Insureds under this Policy.

## **18. AUTOMATIC REINSTATEMENT**

The Sums Insured and/or Limits of Liability will not be reduced by the amount of any loss

## **19. LAW AND JURISDICTION:- India**

## **20. DIFFERENCE IN CONDITIONS/ DIFFERENCE IN LIMIT:- As per negotiation**

## **21. WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), 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.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Notwithstanding the terms of this Exclusion, this Exclusion does not override the provisions of the Policy.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNALTERED**

## **22. MOULD EXCLUSION**

Notwithstanding anything contained within or forming part of this Policy to the contrary, this Policy does not insure against :

- A) any cost or expense incurred to clean up, remove or remediate any Mould, except where the growth of such Mould is a consequence of a risk not otherwise excluded herein;
- B) any cost or expense incurred to test for, monitor, or assess the existence, concentration, or effects of Mould.

For the purpose of this Exclusion, Mould shall mean any form of fungus including, but not limited to, yeast, mould, mildew, smut, mushroom, spores, mycotoxins, odors, or any other substances, products, or by-products produced by, released by, or arising out of the current or past presence of Mould.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**

It is hereby understood and agreed that with effect from inception the following clause applies to this Policy:

## **23. ELECTRONIC DATA ENDORSEMENT**

### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use or reduction in functionality, cost, expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss

**ELECTRONIC DATA** means facts concepts and information converted to a form usable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment, and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment

**COMPUTER VIRUS** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **COMPUTER VIRUS** includes but is not limited to “Trojan Horses”, “worms” and “time or logic bombs”.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

## **2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any **ELECTRONIC DATA** contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed EUR20,000,000 each and every loss, incurred by the Insured in recreating, gathering and assembling such **ELECTRONIC DATA**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such **ELECTRONIC DATA** to the Insured or any other party, even if such **ELECTRONIC DATA** cannot be recreated, gathered or assembled.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**

## **24. ELECTRONIC DATA RECOGNITION CLAUSE**

Notwithstanding any provisions to the contrary contained in this Policy, this Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss;



Date or Time Recognition by Electronic Data Processing Equipment or Media, and Remediation or Repair, in accordance with the following Definitions.

Definitions:

“Date or Time Recognition” means the recognition, interpretation, calculation, comparison, differentiation, sequencing, accessing or processing of data involving one or more dates or times, including the Year 2000.

“Electronic Data Processing Equipment or Media” means any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether the property of the Insured or not.

“Remediation or Repair” means any remediation, change, correction or repair involving one or more dates or times, including the Year 2000, to any Electronic Data Processing Equipment or Media, including any assessment or other actions taken to determine whether any remediation, change, correction or repair is necessary or appropriate.

“loss or damage” shall include any cost, claim, or expense, whether preventative, investigative, remedial or otherwise, including temporary protection and preservation of property.

1. If direct physical loss or damage not excluded by this Policy results from Date or Time Recognition by Electronic Data Processing Equipment or Media, then only that resulting physical loss or damage is insured. Insured resulting physical loss or damage shall not include Date or Time Recognition by any Electronic Data Processing Equipment or Media, or Remediation or Repair.
2. If covered resulting physical loss or damage of the type described in 1. above occurs, and if this Policy provides business interruption coverage, then subject to all of its terms and conditions, the Policy also covers any insured business interruption loss directly resulting therefrom.
3. If data is property insured by this Policy, then notwithstanding 1. above, this Policy excludes physical loss or damage to data if it occurs:
  - a) during or as a result of Remediation or Repair; or
  - b) directly from Date or Time Recognition by Electronic Data Processing Equipment or Media

ALL OTHER TERMS AND CONDITIONS REMAIN UNALTERED

It is hereby understood and agreed that with effect from inception the following clause applies to this Master Policy:

**25. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL BIOLOGICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE (CL370)**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.**

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
  - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
  - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

10/11/03  
CL370

However, if fire not otherwise excluded under this Policy results from the foregoing the Insurer shall be liable for loss, destruction or damage resulting from such fire.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

## **26. SANCTION LIMITATION AND EXCLUSION CLAUSE**

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

**(LMA3100)-15-09-2010**

Also, any other cover as required.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

**MEMORANDUM NUMBER ONE ATTACHING TO AND FORMING PART OF POLICY NO:**

**1. MACHINERY BREAKDOWN EXTENSION**

This Policy extends to include loss, destruction or damage consisting of Machinery Breakdown.

“Machinery Breakdown” shall mean a sudden and accidental breakdown of an Object, or part thereof, that necessitates repair or replacement of the Object or part thereof.

“Object” shall mean any machinery, plant and equipment (including computers and associated equipment).

This extension does not insure loss caused by or resulting from imposition of abnormal conditions directly or indirectly resulting from intentional overloading.

Provided that, notwithstanding any exception or exclusion to the contrary, this Extension insures mechanical or electrical breakdown and/or derangement of computer and associated equipment which is not recoverable under the terms of the manufacturers’ guarantee and/or the maintenance agreement with the manufacturers or the manufacturers’ appointed agents.

The company shall not be liable for:

- i. loss or damage caused by fire, lightning, extinguishing of fire, subsequent demolition, dismantling and clearance of debris, aircraft and other aerial devices or articles dropped therefrom, collapse of buildings, and theft;
  - a. For the purpose of this Section, explosion shall not mean chemical explosion or the bursting or disruption of turbines, boilers, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformer switches or oil immersed switch gear;
  - b. wastage of material, wearing away or wearing out of any part of a machine caused by or resulting from ordinary usage, rust, boiler scale or other deposits, corrosion or deterioration due to chemical or atmospheric conditions or otherwise scratching of painted or polished surfaces; This exclusion will not apply to loss resulting from sudden accidental loss/damage not otherwise excluded.
  - c. slowly developing deformation, distortion, cracks, fractures, blisters, laminations, flaws or grooving or the making good of defective tube joints or other defective joints or seams unless such defects result in damage otherwise insured under the Policy;
- ii. loss or damage caused by the imposition of abnormal conditions directly or indirectly resulting from testing or willful overload beyond safe limits, or experiments it being understood that bringing up from shutdown shall not be construed as testing;
- iii. loss of use of any machine or consequential loss of any nature whatsoever; other than specific coverage available under Section BI (Business Interruption).

- iv. loss or damage caused by earthquake, seaquake, tidal wave, subsidence, landslide, Rockfall, hurricane, typhoon, cyclone, volcanic eruption or other convulsion of nature, flood, inundation or escape of water from water-containing apparatus;
- v. loss or damage caused by the willful neglect of the Insured or his representatives, which includes also abandonment of property. However, acts of malicious damage by employees and/or representatives of the Insured are covered;
- vi. loss of or damage to or loss of use of Property directly or indirectly caused by seepage or pollution;
- vii. the cost of removing, nullifying or cleaning-up, seeping, polluting or contaminating substances;
- viii. Loss or damage due to any faults or defects known to the Insured at the time this insurance was arranged and not disclosed to the company; or for which the manufacturer is responsible by contract.
- ix. Accidental damage indemnifiable under All risk section (Section One) of this policy;
- x. loss or damage to foundations and masonry, refractory linings exchangeable or replaceable parts and attachments such as flexible drives or tools used for cutting, drilling, grinding, polishing or similar purposes or moulds, patterns pulverising and crushing surfaces, screens and sieves, engravings on cylinders, ropes, chains, belts, elevator and conveyor bands, batteries, tyres, connecting wire and cables, flexible pipes, joining and packing material and all other parts not made of metal (except the insulation of electrical conductors), fuels, filter fillings, cooling media, lubricants, catalysts, chemicals or other operating media;. However, this exclusion will not be applicable when damage to these parts is part of a loss and/or damage to an insured machine by a cause not excluded. Further, this exclusion shall only refer to these parts and not to any resulting damage to the machinery insured under this section of the policy.
- xi. Loss of data, data media and records as well as its regeneration;
- xii. loss or damage caused by flue gas and/or chemical explosion to boilers and/or pressure vessels;
- xiii. Lack of power, light, heat, steam or refrigeration unless the result of a sudden and unforeseen happening;
- xiv. loss or damage to vehicles licensed for road use and/or vessels, except construction and maintenance plant & machinery which are not licensed for road use.

Notwithstanding any provisions to the contrary within this Policy or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost of expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any act or terrorism regardless of any other cause or event contributing concurrently or any other sequence to the loss.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNALTERED**

**MEMORANDUM NUMBER TWO ATTACHING TO AND FORMING PART OF POLICY NO:**

It is hereby understood and agreed that with effect from inception the following clause applies to this Policy:

**2. LIQUID DAMAGE ENDORSEMENT**

It is hereby understood and agreed that with effect from inception the following clause is added to this Policy and the insurance provided thereunder shall apply notwithstanding anything to the contrary contained within the Policy.

**LIQUID DAMAGE INSURANCE**

1. The scope of the insurance

In the event of outflow (whether sudden or not) of liquid from a cistern (or rock cavity) or a connecting or associated pipe system, owned or used by the Insured, or from a petrol truck or tank car used by the Insured for transport to or from its plant without intermediate storage (within its business activities) which:

1.1 results from a Specified Peril as defined in this Endorsement the insurance shall indemnify the Insured (in accordance with the deviations and special conditions set forth below) in respect of physical loss of or damage to:

1.1.1 property belonging to the Insured (including land and sources of water supply); or

1.1.2 any other real and/or personal property in which the Insured has a legal, beneficial or other interest, including the property of others in the Insured's care, custody or control or for which the Insured is responsible, subject to the Property Excluded under this Policy;

resulting from such outflow;

1.2 causes the occurrence of a Specified Peril as defined in this Endorsement the insurance shall indemnify the Insured (in accordance with the deviations and special conditions set forth below) in respect of physical loss of or damage to:

1.2.1 property belonging to the Insured (including land and sources of water supply); or

1.2.2 any other real and/or personal property in which the Insured has a legal, beneficial or other interest, including the property of others in the Insured's care, custody or control or for which the Insured is responsible, subject to the Property Excluded under this Policy;

resulting from such Specified Peril caused by such outflow.

Note: The term liquid is in this clause understood to include all liquids used in production except water.

## 2. Deviation

The cover provided under this insurance excludes:

- 2.1 in respect of the cover provided under article 1.1 and 1.2 above:
  - 2.1.1 claims for the cistern that has the leak and the connecting or associated pipe system,
  - 2.1.2 the discharged liquid,
  - 2.1.3 claims arising from the mixture of the liquid with other liquids, except surface and ground water,
  - 2.1.4 claims that result from normal and expected spills.
- 2.2 in respect of the cover provided under article 1.2 above:
  - 2.2.1 loss or damage as a result of normal and expected spillage
  - 2.2.2 loss or damage to the extent that indemnity is payable in accordance with the law relating to railway operations, air or vehicle transports, as compulsory insurances provide the cover.

## 3. Special Provisions

- 3.1 Insurance amounts and deductibles
  - 3.1.1 The Insurer's liability to compensate for each loss, combined property and financial loss, is limited to the applicable Sub-Limit of Liability shown in the Schedule.
  - 3.1.2 For every loss, the deductible that is stated in the insurance policy shall be deducted from the combined loss amount.
- 3.2 Safety regulations
  - 3.2.1 The regulations designed to prevent or limit losses resulting from the discharge of liquids set forth in law and statute or by public authorities are considered as included in this Endorsement.
  - 3.2.2 In order to make it easier to quickly respond when there is a discharge of liquid, the facility shall have the personnel and equipment available as may be prescribed in this Policy.
- 3.3 Definition

For the purposes of this Endorsement "Specified Peril" shall mean "any peril not excluded under this Policy".

Provided that the liability of the Insurer under this clause shall not exceed the applicable Sub-Limit(s) of Liability specified in the Schedule to this Policy.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

**Claims notification:**

Received any Claim or notice of intention to make a Claim or of any Inquiry, Insured shall give written notice to the Insurer as soon as practicable.

In respect of the Policy Coverage Section only where there has been non-disclosure or misrepresentation of facts or untrue statements in the Proposal, then provided that the Insured establishes to the Insurer's satisfaction that such alleged non-disclosure or misrepresentation of facts or untrue statements are free of any fraudulent intent to deceive, the Insurer will not exercise the Insurer right to avoid this policy from the date of inception.

Following information needs to be furnished by you while intimating a claim:

- Your Contact Numbers
- Policy Number
- Name of Insured person
- Date & Time of accident
- Location of Loss
- Brief description on how the accident took place
- Extent of loss



## **REDRESSAL OF GRIEVANCE**

In case of any grievance the insured person may contact the company through

Website: <https://general.futuregeneralali.in/> Toll Free: 1800-220-233 / 1860-500-3333 / 022-67837800

Email: [Fgcare@futuregeneralali.in](mailto:Fgcare@futuregeneralali.in)

Courier: Grievance Redressal Cell, Future Generali India Insurance Company Ltd. Lodha I –Think Techno Campus, B Wing –2nd Floor, Pokhran Road –2, Off Eastern Express Highway Behind TCS, Thane West – 400607

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance.

If Insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at [fggro@futuregeneralali.in](mailto:fggro@futuregeneralali.in) or call at: 7900197777

For updated details of grievance officer, kindly refer the link <https://general.futuregeneralali.in/customer-service/grievance-redressal>

If Insured person is not satisfied with the redressal of grievance through above methods, the insured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. Kindly refer the annexure on Grievance Redressal Procedures.

Grievance may also be lodged at IRDAI Bima Bharosa (an Integrated Grievance Management System) - <https://bimabharosa.irdai.gov.in/>

# GRIEVANCE REDRESSAL PROCEDURE

Dear Customer,

At Future Generali, we continuously strive for service excellence to give you exceptional customer experience. This helps us build trust and long-term relationship with you.

We request you to read the policy document including the terms and conditions carefully. This will help you understand your plan and drive maximum benefits. We want to ensure the plan is working for you and welcome your feedback.

## What is a grievance?

“Complaint” or “Grievance” means expression (includes communication in the form of electronic mail or other electronic scripts, Inbound Call, SMS, Letter), of dissatisfaction by a complainant with insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities about an action or lack of action about the standard of service or deficiency of service of such insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities.

- ▶ Explanation: An inquiry/ query or request does not fall within the definition of the 'complaint' or 'grievance'.
- ▶ Complainant means a policyholder or prospect or any beneficiary of an insurance policy who has filed a complaint or grievance against an insurer or a distribution channel.

**We are always here for your help. You may use any of the following channels to reach us-**

Helpline	Website	Email	Branch GRO	Complaint form
Call us on 1800 220 233/ 1860 500 3333/ 022-67837800	<a href="#">Click here</a> to know more	Write to us at <a href="mailto:fgcare@futuregenerali.in">fgcare@futuregenerali.in</a>	<a href="#">Click here</a> to know your nearest branch.	<a href="#">Click here</a> to raise a complaint

## By when will my grievance be resolved?

- ▶ You will receive grievance acknowledgement from us within 3 business days for your complaint.
- ▶ Final resolution will be shared with you within 2 weeks of receiving your complaint.
- ▶ Your complaint will be considered as closed if we do not receive any reply from you within 8 weeks from the date of receipt of response.

## How do I escalate my complaint if I don't receive a response on time?

- ▶ You may write to our Grievance Redressal Office at [fggro@futuregenerali.in](mailto:fggro@futuregenerali.in)
- ▶ You may send a physical letter to our Grievance Redressal Cell, Head Office at the below address-

**Future Generali India Insurance Company Ltd.**

Lodha I – Think Techno Campus, B Wing – 2nd Floor, Pokhran Road – 2,  
Off Eastern Express Highway Behind TCS, Thane West – 400607

# GRIEVANCE REDRESSAL PROCEDURE

## What if I am not able to register my grievance?

You can comfortably raise a grievance via any of the above-mentioned avenues. If you face any challenge, you may write to the provided email IDs for help.

If you still face any challenge, you may use any of the below options to raise a complaint with the Insurance Regulatory and Development Authority (IRDAI)-

- ▶ Call toll-free number **155255**
- ▶ **Click here** to register complaint online

## Is there any special provision for senior citizen to raise grievance?

We understand our customers and their needs. Thus, have a separate channel to address the grievances of senior citizens. The concerns will be addressed to the senior citizen's channel ([care.assure@futuregenerali.in](mailto:care.assure@futuregenerali.in)) as complaints for faster attention or speedy disposal of grievance, if any.

## Insurance Ombudsman:

If you are still dissatisfied with the resolution provided, you may opt to approach the Office of the Insurance Ombudsman, provided the same is under their purview.

**Click here** to know the guidelines for taking up a complaint with the Insurance Ombudsman.

In case you wish to send your complaint to insurance ombudsman.

**Click here** to access the list of insurance ombudsman offices.