

## FG BUSINESS SURAKSHA-LAGHU

### ADD ON COVERAGES

#### Details of additional covers (add-ons) offered under Section 1 of the policy:

These are add on covers that extends the insurance cover that We give under the FG Business Suraksha-Laghu. We give these add on covers if You have applied to and paid premium for the covers and We have accepted to give covers to You.

#### **1) INVOLUNTARY BETTERMENT (UIN: IRDAN132CP0001V02202122/A0001V01202223)**

It is understood and agreed that in the event that new property of like kind and quality is not obtainable, property which is as similar as possible to that which has sustained damage and which is capable of performing the same function shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment to the Insured.

In the event of replacement with new property, the Company will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment which has sustained damage and undamaged existing equipment at the same or an interdependent location.

Provided always that

- a) damage was directly caused
- b) the Company shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the damage
- c) the Company shall be liable for only the difference between
  - i) the highest sales value of the undamaged existing equipment at the same or interdependent location, and
  - ii) the installed cost of the technologically current equipment.

Limit of Indemnity/Sum Insured – Up to 25% of Total Sum Insured (excluding stock)

Deductible: As per base product, “Section I”

#### **2) ADDITIONAL CUSTOM DUTY (UIN: IRDAN132CP0001V02202122/A0004V01202223)**

In consideration of the Insured having paid the additional premium, it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the Policy, towards the additional Customs Duty amount stated (in respect of this endorsement) in the Schedule which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the sum insured of the affected items. The limit of liability will stand reduced by such Additional Customs Duty after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Limit of Liability/Sum Insured- Up to 50% of Total Sum insured or 5 Crores, whichever is less (excluding Stock).

Deductible: 5% of the admissible custom duty incurred in addition to the excess amount applicable for the affected item under the policy.

**3) BRANDS AND LABELS (UIN: IRDAN132CP0001V02202122/A0005V01202223)**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the insurance shall be extended to cover the loss or damage to branded or labelled property insured by this Policy and the company elects to take all or any part of that property, the Insured may at the Company's expense:

- a) stamp "salvage" on the property or its containers; or
- b) remove or obliterate the brands or labels,

if doing so will not damage the property. In either event, the Insured must re-label such property or its containers to be in compliance with any applicable law. However the Insured will have the liberty to destroy the damaged articles in the presence of Insurer's representative if the Insured feels that the product can be misused by any one exposing the company to legal liabilities and penalties as per the prevailing law of the land.

This cover is applicable for finished goods only.

Limit of Liability/Sum Insured – Up to 25% of Finished Goods Sum Insured

Deductible: As per base product, "Section I"

**4) ESCALATION (UIN: IRDAN132CP0001V02202122/A0006V01202223)**

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

Item Number	Specified percentage increase per annum
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Unless specifically agreed to the contrary the provisions of this clause shall only apply to the sums insured in force at the commencement of each period of insurance.

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

- a. The sum to be insured under each item above, but the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by the any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this

Clause during the period of insurance upto that renewal date, and

b. The specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

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

Escalation will apply to Building, Machinery and Accessories only and will not apply to Stock.

Limit of Liability/Sum Insured: - The selected percentage increase shall not exceed 25% of Total Sum Insured (excluding Stock)

Deductible: As per base product, "Section I"

**5) IMMEDIATE REPAIR CLAUSE (UIN: IRDAN132CP0001V01202122/A0007V01202223)**

It is agreed and declared that in case of loss the Insured, if they so elect, may immediately begin repair or reconstructions but such work at all times be open to supervision by the company and in case of dispute as to the cost of repairs and/or reconstruction the loss shall be settled in accordance with the terms of this policy, the sole object of this condition being not to deprive the insured from the use of operating properties which may be necessary to their business. Evidence of loss to be photographed and if any damaged items are replaced, the damaged item to be preserved for inspection by the surveyor.

Limit of Liability/Sum Insured – Up to 25% of Total Sum insured (excluding Stock)

Deductible: As per base product, "Section I"

**6) LOSS OF RENT CLAUSE (UIN: IRDAN132CP0001V02202122/A0008V01202223)**

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage by the perils insured against and then the amount payable shall not exceed such portion of the sum insured on Rent as the period necessary for reinstatement bears to the term of the Rent Insured. Maximum indemnity period not to exceed 3 (three) years.

Limit of Liability/Sum Insured: Up to 25% of Total Sum Insured

Deductible: As per base product, "Section I"

**7) INSURANCE OF ADDITIONAL EXPENSES OF RENT FOR AN ALTERNATIVE ACCOMMODATION (UIN: IRDAN132CP0001V02202122/A0002V01202223)**

Additional expenses of rent for an alternative accommodation may be covered on the following basis :

a) The period of Indemnity may be limited to the period during which the original premises remain untenable as a result of occurrence of perils insured against. Maximum indemnity period not to exceed 3 (three) years.

b) The additional expense recoverable under the policy may be additional rent actually paid i.e. the difference between the new and the original rent only.

- c) Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenable will be accepted as adequate proof of the fact that the premises, in fact, have become untenable.
- d) Insurance should be granted against Perils covered under “Section I of FG Business Suraksha-Laghu” should be granted only if it involves actual physical damage to the building. The cover does not intend to pay, if for instance, the insured’s entry is barred by strikers, demonstrators and similar occurrences. e) The cover may be limited to buildings other than those of “Kutchha” construction.
- f) The area for alternative accommodation may be equivalent to the area presently occupied. However, no restriction will apply in respect of locality for the alternative accommodation, so long as the alternative accommodation is taken in the same city or town.
- g) Cover may be permitted to the tenant as also to the Owner-Occupant. Further, in respect of the Owner-Occupant, the alternative accommodation may be limited to the area presently under his occupation.
- h) For the Owner-Occupant, since he will not be paying any rent based on the area occupied by him (in comparison with the actual rent being paid by the tenant in the same building or similar buildings in the same locality) the standard rent based on the rateable values fixed by Municipal/Revenue Authorities for tax purposes may be treated as the original rent for the purpose of this insurance. i) It will be compulsory for
- i. the Owner-Occupant to insure both building and contents.
  - ii. the tenant to insure the contents of the premises for which he is seeking this extension

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

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

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

#### SPECIAL CONDITIONS :

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being “Kutchha” Construction.
2. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this

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

#### EXPLANATION

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

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

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

Limit of Liability/Sum Insured: Up to 25% of Total Sum Insured

Deductible: As per base product, "Section I"

### **8) DETERIORATION OF STOCKS IN COLD STORAGE PREMISES (UIN: IRDAN132CP0001V02202122/A0003V01202223)**

#### **A. Deterioration Of Stocks In Cold Storage Premises Due To Accidental Power Failure Consequent To Damage At The Premises Of Power Station Due To An Insured Peril**

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

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

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

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

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

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

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

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

**B. Deterioration Of Stocks In Cold Storage Premises Due To Change In Temperature Arising Out Of Loss Or Damage To The Cold Storage Machinery(Ies) In The Insured’s Premises Due To Operation Of Insured Peril**

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

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

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

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

Limit of Liability/Sum Insured: \_\_\_\_\_Any One Accident (AOA) : \_\_\_\_\_Any One Year (AOY)

(with AOY Upto 25% of Total Sum Insured)

This cover is on first loss basis without application of average.

Deductible: As per base product, “Section I”

**9) ACCIDENTAL DAMAGE (UIN: IRDAN132CP0001V02202122/A0010V01202223)**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the policy extends to indemnify the Insured against loss, destruction of or damage to the insured property and property held in trust as mentioned in the schedule caused by accidental external damage, excluding damages caused by or in consequence of:

- a) Mechanical or electrical breakdown or derangement of machinery or equipment

- b) The freezing solidification or inadvertent escape of molten material
- c) Damage resulting from over load experiments or tests requiring the imposition of abnormal conditions.
- d) Damage due to wear and tear, rust, corrosion, erosion, cavitations, boiler scale, incrustation, deterioration, settling, gradual cracking, gradually developing deformation or distortion, gradual deterioration due to atmospheric conditions or due to such other causes.
- e) Property Insured in transit other than within the premises specified in the Schedule.
- f) Plant machinery or equipment during installation removal or reciting (including dismantling rerection stripping down and assembly) if directly attributable to such operations
- g) Property Insured undergoing manufacture alteration, repair, testing, installation or servicing including materials and supplies thereof if directly attributable to the operations or work being performed thereon unless damage by a cause not otherwise excluded ensues and then company will be liable only for such ensuing loss
- h) Collapse either full or partial
- i) Any other cause specifically excluded hereunder

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

Limit of Liability/Sum Insured: \_\_\_\_\_ Any One Accident (AOA) : \_\_\_\_\_ Any One Year (AOY) (with AOY Upto 25% of Total Sum Insured)

This cover is on first loss basis without application of average

Deductible: As per base product, "Section I"

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