



## IFFCO-TOKIO GENERAL INSURANCE CO. LTD

Regd. Office: IFFCO Sadan, C-1, Distt. Centre, Saket, New Delhi-110017

### Comprehensive Large Risk Insurance Policy UIN:IRDAN106CP0003V01202324

#### Prospectus

**This Policy is specially designed for business enterprises on a package basis. The coverage is on All Risk basis subject to exclusions which are standard in nature. The Policy covers industrial & commercial Risk.**

#### **Scope of Coverage:**

#### **Section I - ALL RISK PROPERTY INSURANCE**

#### **Section – I A - All Risk of Physical Loss or Damage / (Non –Marine) Property**

All (non – marine) property of The Insured and / or held by them in trust and / or on commission and / or in joint account with others and / or for which they have an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises as specified in The Schedule and in all other Premises of the Insured or whilst at vendor's/ service centers Premises as specified in The Schedule.

#### **INSURING CLAUSE**

The Insurer agrees subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy as a whole to indemnify The Insured against risks of fortuitous and accidental physical loss or damage or destruction to the Property Insured occurring during the Period of Insurance, which results in Property Insured needing to be repaired or replaced, other than those specifically excluded.

#### **EXCLUDED CAUSES**

Unless otherwise expressly agreed, this Section does not cover loss or destruction or damage due to any of the following:

- i. The deliberate and sustained operation of the Insured's Plant, Machinery, pipeline or other equipment in excess of the design specification on the specific and intentional instruction of the insured except for the conditions permitted by the manufacturers or by judgment of a competent engineer.
- ii. Withdrawal or go-slow of labor or cessation of work.
- iii. Failure of supply of water, gas, electricity, fuel or power but should any resultant loss or damage occur to the insured property due to any cause which is not otherwise excluded as per the terms and conditions of the policy, the same would be indemnifiable.
- iv. Gradual subsidence and settlement, shrinkage or expansion or erosion of soil unless sudden accidental loss or damage covered under this policy ensues and only such ensuing loss will be covered under this policy.
- v. a. Normal Wear and tear, gradual deterioration, extreme rusting, extreme corrosion, metal fatigue, oxidation, Auto-oxidation, dampness, change in temperature or humidity, action of air or light or natural heating or drying.

- b. Fermentation, evaporation, loss of weight, contamination or change in quality (Except where such is directly caused by an occurrence which is not otherwise excluded)
  - c. Failure, breakdown, malfunction, derangement of any mechanical or electrical or electronic machine apparatus or equipment whatsoever, and explosion collapse or rupture of boiler and / or other pressure vessels caused by other than pressure of chemical action or ignition of the contents or of ignited flue gases.
  - d. Short-circuiting, self-heating, leakage or surge of electrical current, over- loading or excessive power.
  - e. The cost of replacing, repairing or rectifying defective parts, materials, workmanship, design or defect or omission in design or specification or latent defect
  - f. Leakage or overflowing of the contents of any storage tank, vessel or other Container or the flaring of products
  - g. Loss of data, data media and records, as well as its regeneration.
  - h. Seepage and/or pollution and/or contamination, unless caused by a cause otherwise not excluded under this policy.
- vi Any consequential loss or damage . loss of use ,delay or loss of markets, loss of income , depreciation, reduction in functionality ,or increased cost of working.
- vii a) Collapse or cracking of buildings  
b) Corrosion rust extremes or changes in temperature dampness dryness wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change in colour flavour texture or finish action of light vermin insects marring or scratching unless such loss is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy.
- viii a) Larceny  
b) Acts of fraud or dishonesty  
c) Infidelity of an employee  
d) Disappearance unexplained or inventory shortage misfiling or misplacing of information shortage in supply or delivery of materials or shortage due to clerical or accounting error.

### **EXCLUDED PROPERTY**

Unless otherwise expressly agreed, this Section does not cover loss or destruction of or damage to any of the following:

- i. Property in course of construction or erection or dismantling or undergoing testing or commissioning other than as provided elsewhere under this section. However this Exclusion shall not apply in respect of normal maintenance and testing. It is also understood that bringing up from shutdown shall not be construed as testing.
- ii. Road vehicles (other than motor vehicles and construction plant & machinery used exclusively on the Insured's premises), waterborne vessels or craft, aircrafts or helicopters; but this exclusion shall not apply to the Insured's fire fighting vehicles operating within a radius of 50 kilometers of the insured premises, whilst going to or returning from a mutual aid assignment
- iii. Land (including topsoil, backfill) runways, canals, dams, bridges, docks or tunnels (Other than those belonging to the insured and included in the sum insured).
- iv. Property which is insured by more specific policy.
- v. Property underground other than foundations, pipelines, cabling, drains, tanks and contents thereof, utilities and related equipment

- vi. Property belonging to third parties unless specifically declared as insured hereunder or in the insured's care, custody and control and for which they are responsible.
- vii. Cash, bullion, coins, cheques, stamps, precious stones, jewellery Antiques, securities, obligations of any kind, books of account, or other business book or records, computer records or data manuscripts, plans, drawings, patterns or models. more than Rs.10 lac in aggregate.

Note : The customer has the option to exclude the perils of STFI and Earthquake.

### **SECTION – I B: ALL RISK MACHINERY INSURANCE**

All Machinery and Equipment including electrical or electronic machinery of The Insured's manufacturing plants including spare parts with no specification being the property of The Insured and all machinery and equipment in which The Insured has an insurable interest in case of loss or damage covered under this Policy, whilst contained in The Insured's Premises and elsewhere as specified in The Schedule.

#### **INSURING CLAUSE**

The Insurer agrees subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy of Insurance as a whole to indemnify The Insured against accidental physical damage to machinery and / or equipment insured caused by an Accident occurring during the Period of Insurance, which results in such machinery and / or equipment insured needing to be repaired or replaced.

Accident shall mean unforeseen and fortuitously manifested and / or occurred physical damage including Electrical Breakdown and Boiler Explosion to the machinery and / or equipment described above or thereof from any cause not excluded

- (a) while it is at work or at rest or during testing
- (b) while being dismantled for the purpose of cleaning, inspection and overhauling or removal to another position or in the course of these operations themselves or subsequent re-erection within the Premises of The Insured or elsewhere.

#### **EXCLUDED CAUSES**

The Insurer shall not be liable for:

- i. Loss or damage caused by fire, chemical explosion, lightning whether direct or indirect, extinguishing of fire, subsequent demolition, dismantling and clearance of debris, aircraft and other aerial devices or articles dropped there from, collapse of buildings, and theft;  
For the purpose of this Section, explosion shall not mean 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 switchgear;
- ii (a). 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 resulting sudden accidental loss/damage not otherwise excluded.
- (b). 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;

- iii. Loss or damage caused by the imposition of abnormal conditions directly or indirectly resulting from testing or wilful overload beyond safe limits or experiments except for conditions permitted by the manufacturers or by judgment of a competent engineer it being understood that bringing up from shutdown shall not be construed as testing;
- iv. Loss of uses of any machine or consequential loss of any nature whatsoever other than specific coverage available under Section II - BI (Business Interruption).
- v. Loss or damage caused by earthquake, seaquake, tidal wave, subsidence, landslide, Rockslide, hurricane, typhoon, cyclone volcanic eruption or other convulsion of nature, flood, inundation or escape of water from water-containing apparatus;
- vi. Loss or damage caused by the wilful act or wilful neglect of the insured or his representatives. However, acts of malicious damage by employees and/or representatives of the insured are covered;
- vii. a. Loss of or damage to or loss of use of property directly or indirectly caused by seepage or pollution; unless loss not excluded under this section ensues, which would be indemnifiable.  
b. The cost of removing, nullifying or cleaning-up of 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 insurer; or for which the manufacturer is responsible by contract.
- ix. Accidental damage indemnifiable under Section - I 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, pulverizing 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 this policy.
- xi. Loss of data, data media and records as well as its regeneration;
- xii. Lack of power, light, heat, steam or refrigeration unless the result of a sudden and unforeseen happening;
- xiii. Loss or damage to motor vehicles licensed for public roads, waterborne vessels, aircraft or helicopter.
- xiv. loss or damage for which the manufacturer or supplier of the property is responsible either by law or ordinance or under any contract or agreement
- xv. costs of maintenance, upgrade or improvement, normal upkeep

### EXCLUDED PROPERTY

This Section does not cover (unless otherwise expressly agreed in writing) any Accident or Damage to any of the following excluded property:

a)

- consumables, dies or exchangeable tools, moulds, engraved cylinders
- parts which by their use and / or nature suffer a high rate of wear or depreciation, e.g. refractory linings, crushing hammers, objects made of glass, belts, cables, ropes, chains, wires, rubber tyres and all non - metallic parts
- operating media, e.g. lubricants, fuels, batteries
- escape of water from water containing apparatus,

It is noted however that :

this exclusion shall not be applicable when damage to these parts only is part of a loss and / or damage to an insured machine. This exclusion shall only refer to these parts and not to any resulting damage to the machinery insured under this Section of the Policy of Insurance;

- electrical cables and instrumentation cables are not excluded in this clause
- b) Mechanical, electrical and electronic equipment prior to the successful completion of their performance acceptance tests
- c) Transmission and distribution lines outside insured plant Premises
- d) Any property underground or offshore
- e) Property of The Insured, which has been, transferred into the possession of others, under leasing or rental agreements, hire, purchase, credit or other suspensive sale agreements.

#### **ADDITIONAL OPTIONAL COVERS (Applicable for Section – I A & I B)**

<b>Additional Optional Covers Name</b>
Additional Custom Duty
Catalyst And Consumable (Including Lining And Refractory) Interest In Process
Cleaning Up And Other Costs Clause
Contamination And Co-Mingling Of Stocks
Trace And Access To Damaged Utility Systems
Trace And Access
Deferred Payments
Deliberate Damage
Increased Costs Of Construction And Demolition Clause
Undamaged Parts Clause / Destruction Of Sound Property
Dewatering Expenses
Stock Deterioration In Cold Storage Due To Power Failure Arising Out Of Insured Peril
Escalation Clause
Exhibition , Exposition ,Fair Or Trade Show
Expediting Expenses
Fine Arts / Works Of Art
Stock Deterioration In Cold Storage To Changed Temperature Caused By Damaged To Insured Property

Forest Fire
Inadvertent Omission / Error & Omission
Inland Transit
Internal Decoration Fixtures And Fittings
Key And Lock
Insurance Of Additional Expenses Of Rent For An Alternative Accommodation
Land And Water Containment Cleanup, Removal And Disposal
Land Improvements
Leak Search/ Finding Cost Clause
Loss Of Rent
Metered Water
Minimum Demand Charges
Molten Metal Spillage Cover
Involuntary Betterment / Modification Cost/ Incompatibility Expenses / Technological Advancement
Mould And Fungi
Additions / Alternation Or Extensions During The Policy Period
Personal Effects Clause / Property Of Employees And Visitors
Plans, Documents & Computer Systems Records & Archives
Pot Freezing
Minor Works/ Property In The Course Of Construction / Erection
Outbuilding Clause / Roads Pavement / Street Furniture / Landscaping
Property Outside / Away From Premises
Cost Of Demolition And Debris Removal
Removal Of Debris (Including External Debris)
Seasonal Enhancement Of Stocks
Startup Costs / Shutdown
Snowfall Damage
Spoilage Material Damage Cover
Sprinkler Upgrading Costs
Sue And Labour Charges
Tenant's Liability
Undamaged Foundations
Unrepaired Damage
Vessel Impact To Jetty
Decontamination , Cost Of Clean Up Expenses / Industry's Seepage , Pollution And Contamination Clause
Automatic Cover For Unspecified/Unnamed Locations

Broad Water Damage
Contract Works
Cost Of Clearing Drains Clause
Coverage For Underground Assets
Damage To Underground Services
Foam Consumption And Fire Extinguishing Expenses
Fire Extinguishing /Fighting Expenses
Green Clause
Immediate Repairs
Impact Damage Due To Insured's Own Rail/Road Vehicles, Fork Lifts, Cranes, Stackers And The Like And Articles Dropped Therefrom
Lawns, Plants, Shrubs Or Trees
Obsolete Equipment Clause
Obsolete Parts Clause
Original Equipment's Manufacturer Clause
Pipelines Outside/ Away From The Premises
Pair And Set Clause
Smoke Damage
Spontaneous Combustion
Stocks In Process
Temporary Removal Of Stocks Clause
Temporary Removal of Property (Excluding Stocks)
Testing And Commissioning Clause
Expenses For Loss Minimization / Loss Prevention
Crane Hiring Charges
Architects, Surveyors and Consulting Engineers Fees Clause

### **Clauses (Applicable for Section – I A & I B)**

<b>Clauses Name</b>
Brand And Trademark Clause
Floater Clause (Excluding Machinery Breakdown Coverage)
Floater Declaration Clause (Excluding Machinery Breakdown Coverage)
Acquired Companies Clause
Aggravation Clause
Building Ordinance /Civil Or Local Authorities Clause ,Demolition And Increased Cost Of Construction
Contract Price Insurance
Control Of Damaged Goods Clause
Customer's Goods Clause

Declaration Clause
Designation Of Property Clause
Goods Held On Trust
Loss Payee Clause
Margin Clause
New Acquisitions And Capital Addition
Non Invalidation
Non-Vitiation Clause
Multiple Insured Clause
Primary And Non-Contributory
Seventy Two Hours Clause
Vehicle Load Clause
Waiver Of Recourse
Waiver Of Subrogation
Waiver Of Under Insurance

## **SECTION II – BUSINESS INTERRUPTION**

### **Section II - A Loss of Profit –All Risk**

### **Section II – B Loss of Profit Machinery Breakdown**

#### **INSURING CLAUSE**

The Insurer shall indemnify The Insured subject to the terms, definitions, warranties, exclusions, limits provisions and conditions of this Section and of the Policy of Insurance as a whole for a loss of the Interest Insured unless specifically excluded if at any time during the Period of Insurance the Property insured situated at their Manufacturing Units as described in the Schedule, under any of the operational material damage Sections I A & I B of this Policy of Insurance, suffers loss or damage indemnifiable under the operational material damage Sections I A & I B or which would have been indemnifiable under the operational material damage Sections I A & I B but for the application of a deductible, thereby causing an interruption of or interference with the Business Insured in the proportion of said interruption or interference for the part of the Property concerned.

#### **EXCLUSIONS FOR BUSINESS INTERRUPTION**

Loss of Interest Insured due to an interruption of or interference with the Business Insured resulting from:

- (a) loss or damage covered under the operational material damage Section I A & I B by way of endorsement, unless expressly specified as covered in The Schedule;
- (b) any restrictions imposed by public authority, including restrictions imposed on reconstruction or operation;
- (c) Consequential Loss due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc., which occurs after the date when the items lost, destroyed or damaged are in operating condition again and the Business Insured could have been resumed if said lease, licence or order, etc. had not lapsed or had not been suspended or cancelled



- (d) loss or damage due to abnormal conditions directly or indirectly resulting from experimental testing, testing during the first 72 hours continuous operation of performance/acceptance tests or intentional overloading beyond approved safety limits;
- (e) shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item indicated in the list of Property Insured is involved
- (f) Erasure, loss, distortion or corruption of information on computer systems or other records or software programs unless resulting from an occurrence of loss or damage indemnifiable under the operational material damage section.
- (g) Loss or damage for which the manufacturer or supplier of the property is responsible either by law or under contract
- (h) Insufficient capital / fund;
- (i) The Insurer shall not be liable for the amount of any fines or damages for breach of contract, for late or non-completion of orders, or for penalties of whatever nature.

### INDEMNIFICATION

The indemnity for the loss of Interest Insured shall be in respect of

- i). Gross Profit, the loss actually sustained during the indemnity period resulting from a reduction in turnover including any Increased Cost of Working
- ii). Specified standing charges, the amount actually not earned during the indemnity period resulting from a reduction in turnover including any Increased Cost of Working.

The indemnity shall not exceed the Sum Insured for the maximum indemnity period.

### Additional Optional Covers (Applicable for Section –II)

Additional Optional Covers Name
Additional Increased In Cost Of Working
Professional Account's And Auditors Clause
Customers , Suppliers And Fabricators Extension
Export Tax Benefits
Prevention Of Access
Public Utilities Extension
Service Interruption Time Element
Tax Treatment Of Profit
Accounts Receivable
Denial Of Access
Port Blockage
Uninsured Standing Charges Clause
Overhauls
Interruption by Civil Authority
Insured Property Stored At Other Situations

## Clauses (Applicable for Section –II)

Clauses Name
Interdependency Cover
Alternative Basis Clause
Departmental Clause
Group Interdependency
Accumulated Stocks Clause
Relative Importance
Alternative Premises Clause
Premium Adjustment

### Disclaimer:

The above information is only indicative in nature. For details of the coverage and exclusions, please refer to the policy wordings.

## SECTION 41 OF THE INSURANCE ACT 1938

### PROHIBITION OF REBATES

Payment of rebates is expressly prohibited under Section 41 of the Insurance Act, 1938.

1. No person shall allow or offer to allow either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind or risk relating to lives or property in India any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.
2. Any person making default in complying with the provisions of this Section shall be punishable with fine, which may extend to ten lakh rupees.