



## IFFCO-TOKIO GENERAL INSURANCE CO. LTD

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

### Industrial All Risks Policy

#### Wording

UIN: IRDAN106CP0002V02200001

#### Section I - Material Damage

In consideration of the insured paying to the Company, the premium shown in the schedule, the Company agrees (subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if after payment of the premium any of the property insured be accidentally physically lost destroyed or damaged other than by an excluded cause during the period of insurance or any subsequent period in respect of which the insured shall have paid and the Insurer shall have accepted the premium required for the renewal of this policy, the Insurer will pay to the Insured the value of the property at the time of the happening of its accidental physical loss or destruction or damage (being hereinafter termed Damage) or at its option reinstate or replace such property or any part thereof

**Provided** that the liability of the Insurer in respect of any one loss or in the aggregate in any one period of insurance shall in no case exceed

- i) As regards buildings, plants and machinery, furniture, fixture, fittings etc. the cost of replacement or reinstatement on the date of replacement or reinstatement subject to the maximum liability being restricted to the sum insured in respect of that category of the item under the policy.
- ii) As regards stocks the market value of the same not exceeding the sum insured in respect of that category of item under the policy.

#### **EXCLUSIONS**

##### **A. EXCLUDED CAUSES**

- 1) This policy does not cover damage to the property insured caused by:
  - a) i) Faulty or defective design materials or workmanship inherent vice latent defect gradual deterioration deformation or distortion or wear and tear
  - ii) Interruption of the water supply gas electricity or fuel systems or failure of the effluent disposal systems to and from the premises unless Damage by a cause not excluded in the policy ensues and then the Insurer shall be liable only for such ensuing Damage
  - b) i) Collapse or cracking of buildings
  - ii) Corrosion rust extremes or changes in temperature dampness dryness wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change in colour flavour texture or finish action of light vermin insects marring or scratching unless such loss is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy
  - c) i) Larceny
  - ii) Acts of fraud or dishonesty
  - iii) Disappearance unexplained or inventory shortage misfiling or misplacing of information shortage in supply or delivery of

materials or shortage due to clerical or accounting error

- d) i) Coastal or river erosion  
ii) Normal settlement or bedding down of new structures
- 2) Damage caused by or arising from: -
- a) Any willful act or willful negligence on the part of the Insured or any person acting on his behalf  
b) Cessation of work delay or loss of market or any other consequential or indirect loss of any kind or description whatsoever
- 3) Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences, namely: -
- a) War invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war  
b) Mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power
- 4) i) Permanent or temporary dispossession resulting from nationalisation commandeering or requisition by any lawfully constituted authority  
ii) Permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person  
Provided that the Insurers are not relieved of any liability to the Insured in respect of Damage to the property insured occurring before dispossession or during temporary dispossession which is otherwise insured by this Policy  
iii) The destruction of property by order of any public authority  
In any action, suit or other proceeding where the Insurer alleges that by reason of the provisions of Exclusions A3 (a) and (b) above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.
- 5) Damage directly or indirectly caused by or arising from or in consequence of or contributed confiscation to by: -
- a) Nuclear weapons material  
b) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion Combustion shall include any self-sustaining process of nuclear fission.
- 6) **Terrorism Damage Exclusion Warranty -**  
Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this warranty 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 governments(s) committed for political, religious, ideological or similar purpose including the intention to influence any government and / or to put the public, or any section of the public in fear.

The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or to in any way relating to action taken in respect of an act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance 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.

## B. EXCLUDED PROPERTY

This Policy does not cover:

- 1) Money cheques stamps bonds credit cards securities of any description jewellery precious stones precious metals bullion furs curiosities rare books or works of art unless specifically mentioned as insured by this policy.
- 2) Unless specifically mentioned as insured by this Policy goods held in trust or on commission documents manuscripts business books computer systems records patterns models moulds plans designs explosives
- 3)
  - a) Vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives or rolling stock watercraft aircraft spacecraft or the like
  - b) Property in transit other than within the premises specified in the Schedule
  - c) Property or structures in course of demolition construction or erection and materials or supplies in connection therewith
  - d) Land (including top-soil back-fill drainage or culverts) driveways pavements roads runways railway lines dams reservoirs canals rigs wells pipelines tunnels bridges docks piers jetties excavations wharves mining property underground off-shore property unless specifically covered.
  - e) Livestock growing crops or trees
  - f) Property damaged as a result of its undergoing any process
  - g) Property undergoing testing installation including materials and supplies therefore if directly attributable to the operations of work being performed thereon unless Damage by a cause not otherwise excluded ensues and then the Insurer will be liable only for such ensuing loss
  - h) Property more specifically insured
  - i) Property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipments temporarily removed for repairs, cleaning, renovation or other similar purpose for a period not exceeding 60 days.
  - j) Damage to property which at the time of the happening of such damage is insured by or would for the existence of this policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

## C. DEDUCTIBLES

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

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

## D. 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.

3. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company: -
  - a) If the trade or manufacture carried on be altered, or if the nature of the occupation or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.
  - b) If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days.
  - c) If the interest in the property passes from the insured otherwise than by will or operation of law.
  
4. This insurance may be terminated at any time at the request the Insured, in which case the Company will retain the premium at Customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

#### RATES FOR SHORT PERIOD INSURANCE

Policies for a period of less than 12 months shall be issued at the rates set out hereunder:

For period not exceeding	15 days	10% of the Annual rate
-do-	1 month	15% of the Annual rate
-do-	2 months	30% of the Annual rate
-do-	3 months	40% of the Annual rate
-do-	4 months	50% of the Annual rate
-do-	5 months	60% of the Annual rate
-do-	6 months	70% of the Annual rate
-do-	7 months	75% of the Annual rate
-do-	8 months	80% of the Annual rate
-do-	9 months	85% of the Annual rate
For a period exceeding	9 months	The full Annual rate

5. (i) On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company
  - a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
  - b) Particulars of all other insurances, if any.

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/ external) proofs and information with respect to the claim and the origin and cause of the 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.

6. 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.

7. 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.
8. 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.

9. 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) thereat, this condition shall be of no purpose and effect.

10. 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.
11. 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.
12. **Arbitration**
  - i. If any dispute or difference shall arise as to the quantum to be paid by the Policy, (liability being otherwise admitted) such difference shall independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by the parties here to or if they cannot agree upon a single arbitrator within thirty days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act 1996, as amended by Arbitration and Conciliation (Amendment) Act, 2015 (No. 3 of 2016).
  - ii. It is clearly agreed and understood that no difference or dispute shall be preferable to arbitration as herein before provided, if the Company has disputed or not accepted liability under or in respect of the policy.
  - iii. It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon the policy that award by such arbitrator/arbitrators of the amount of expenses shall be first obtained.
13. Every notice and other communication to the Company required by these conditions must be written or printed.
14. 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

### **Special Conditions to Section I**

#### **1. Sums Insured**

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

## 2. Basis of Loss Settlement

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

### 2.1 Reinstatement or replacement shall mean:

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

### 2.2 Special Provisions

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 Insurers not being thereby increased) must be commenced and carried out within 12 months after the destruction or damage otherwise no payment beyond the amount which would have been payable under the policy if this special provisions had not been incorporated herein shall be made
2. Where any property is lost destroyed or damaged in part only the liability of the Insurers shall not exceed the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly destroyed
3. Until the cost of reinstatement or replacement shall have been actually incurred the amount payable under each of the items shall be calculated on the basis of the actual cash value of such items immediately before the loss destruction or damage with due allowance for depreciation for age use and condition.

## 3. Debris Removal

This policy covers the necessary expense for removal of debris of insured property from the described premises as a result of physical loss destruction or damage insured against under this policy.

The Company's total liability for debris removal is limited to the amount entered in the Schedule.

## Section II - Business Interruption

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

### Special Exclusions to Section II:

1. This Policy does not cover loss resulting from interruption of or interference with the business directly or indirectly attributable to
  - 1.1 Any restrictions on reconstruction or operation imposed by any public authority
  - 1.2 The Insured's lack of sufficient capital for timely restoration or replacement of property lost destroyed or damaged

- 1.3 Loss of business due to causes such as suspension lapse or cancellation of a lease licence or order etc. which occurs after the date when the items lost destroyed or damaged are again in operating condition and the business could have been resumed, if said lease licence order etc. had not lapsed or had not been suspended or cancelled.
- 1.4 Damage to boilers economisers turbines or other vessels machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.
- 1.5 Electronic installations, computers and data processing equipment.
- 1.6 Damage resulting from:
  - a) Deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software.
  - b) Other erasure loss distortion or corruption of information on computer systems or other records programs of software unless resulting from fire lightning explosion aircraft, impact by any road vehicle or animals earthquake, hurricane, windstorm flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes in so far as it is not otherwise excluded  
  
Unless caused by Damage to the machine or apparatus in which the records are mounted.
- 1.7 Mechanical or electrical breakdown or derangement of machinery or equipment.
2. This Policy does not cover the deductible stated in the Schedule to be borne by the Insured.

**Basis of Insurance:**

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

- (a) In respect of Reduction in Turnover:  
The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the loss destruction or damage
- (b) In respect of Increase in Cost of Working:  
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of loss destruction or damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

**Less** any sum saved during the indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of loss destruction or damage

Provided that if the sum insured by this item be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

**Definitions:**

**1. Gross Profit**

The amount by which

- The sum of the amount of the Turnover and the amount the closing stock and work in progress shall exceed



- The sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

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

## 2. Uninsured Working Expenses

The following variable expenses of the business are not covered by this policy:

- a. Turnover and purchase taxes
- b. Purchases (less discounts received)
- c. Carriage, packing and freight.

## 3. Turnover

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

## 4. Indemnity Period

The period beginning with the occurrence of loss destruction or damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof. Provided always that the Company is not liable for the amount equivalent to the rate of gross profit applied to the standard turnover during the period of Time Exclusion of days stated in the policy schedule.

## 5. Rate of Gross Profit

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

- **Annual Turnover**

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

- **Standard Turnover**

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

### 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.

### **GENERAL CONDITIONS (APPLICABLE TO ALL SECTIONS)**

#### **1. Contribution**

If at the time of any loss or damage occurrence 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 either such loss or any part of it or the same property The Insurer shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

#### **2. Cyber Exclusion clause:**

This agreement does not apply to, and specifically excludes losses of any kind directly or indirectly caused by, arising from, or consisting of, in whole or in part:

- a) The use or misuse of the Internet or similar facility;
- b) Any electronic transmission of data or other information;
- c) Any computer virus or similar problem;
- d) The use or misuse of any Internet address, Website or similar facility;
- e) Any data or other information posted on a Website or similar facility;
- f) Any loss of data or damage to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by an earthquake, a fire, a flood, or a storm)
- g) The functioning or malfunctioning of the Internet or similar facility, or of any Internet address, Website or similar facility (unless such malfunctioning is caused by an earthquake, a fire, a flood, or a storm); or
- h) Any infringement, whether intentional or unintentional, of any intellectual property rights (including but not limited to trademark, copyright or patent).

#### **3. 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 provisions of such cover, payment of such claim or provision 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.

#### **4. Communicable Disease Exclusion Clause:**

1. Notwithstanding any provision, clause or term to the contrary, this policy excludes any loss, cost, damage, liability, claim, fines, penalty or expense or any other amount of whatsoever nature, whether directly or indirectly and/or in whole or in part, related to, caused by, contributed to by, resulting from, as a result of, as a consequence of, attributable to, arising out of, arising under, in connection with, or in any way involving (this includes all other terms commonly used and/or understood to reflect or describe nexus and/or connection from one thing to another whether direct or indirect):
  - 1.1 A Communicable Disease and/or the fear or threat (whether actual or perceived) of a Communicable Disease and/or the actual or alleged transmission of a Communicable Disease regardless of any other cause or event contributing and/ or occurring concurrently or in any sequence thereto, and
  - 1.2 A pandemic or epidemic, as declared by the World Health Organisation or any governmental authority.

2. As used herein, Communicable Disease means: any infectious, contagious or communicable substance or agent and/or any infectious, contagious or communicable disease which can be caused and/or transmitted by means of substance or agent where:
  - 2.1 The disease includes, but is not limited to an illness, sickness, condition or an interruption or disorder of bodily functions, systems or organs, and
  - 2.2 The substance or agent includes, but is not limited to, a virus, bacterium, parasite, other organism or other micro-organism (whether asymptomatic or not); including any variation or mutation thereof, whether deemed living or not, and
  - 2.3 The method of transmission, whether direct or indirect, includes but not limited to, airborne transmission, bodily fluid transmission, transmission through contact with human fluids, waste or the like, transmission from or to any surface or object, solid, liquid or gas or between organisms including between humans, animals, or from any animal to any human or from any human to any animal, and
  - 2.4 The disease, substance or agent is such:
    - 2.4.1 That causes or threatens damage or can cause or threaten damage to human health or human welfare, or
    - 2.4.2 That causes or threatens damage to or can cause or threaten damage to, deterioration to, contamination of, loss of value of, loss of marketability of or loss of use or usefulness of, tangible or intangible property. For avoidance of doubt, Communicable Disease includes but is not limited to Coronavirus Disease 2019 (Covid -19) and any variation or mutation thereof
3. For further avoidance of doubt, any contingent or other business interruption loss, cost, damage, loss of income, loss of use, increased cost of working and/or extra expense arising out of or attributable to:
  - 3.1 any partial or complete closure of and/or slowdown in, including but not limited to any closure by or under the advisories of public, military, government or civil authorities, or any denial of access to insured premises, or customer and or supplier premises (including service / utility providers), or
  - 3.2 change in consumer behaviour, or
  - 3.3 an absence of infected employees or employees suspected of being infected shall not be covered by the policy.
4. For still further avoidance of doubt, loss, cost, damage, liability, claim, fines, penalty or expense or any other amount excluded hereby, includes but is not limited to any cost to identify, clean-up, detoxify, disinfect, decontaminate, mitigate, remove, evacuate, repair, replace, monitor, sanitize or test:
  - (1) for a Communicable Disease or
  - (2) any tangible or intangible property covered by this policy that is affected by such Communicable Disease.
5. It is clarified that
  - (1) no other prior, concurrent or subsequent provision, clause, term or exception of this policy (including (but not limited to) any prior, concurrent or subsequent endorsement and/or any provision, clause, term, buy back or exception that operates, or is intended to operate, to extend the coverage of, or protections provided by, this contract by whatever name called like any coverage extension, additional coverage, global extension, exception to any exclusion);
  - (2) any change in the law, clause or similar provision;
  - (3) any follow the fortunes clause or similar provision; and/or
  - (4) no change in the law or any regulation (to the extent permitted by applicable law), shall operate to provide any insurance, coverage or protection under this policy that would otherwise be excluded through the exclusion set forth in this clause.

6. If the Insurer alleges that by reason of this clause, any amount is not covered by this policy, the burden of proving the contrary shall rest with the Insured.

#### 5. Architects' Surveyors and Consulting Engineers' Fees Clause

It is hereby declared that the amount insured on building, machinery, accessories and equipment is understood to include Architects', Surveyors' and Consulting Engineers' Fees for Plans, Specifications, Tenders, Quantities and Service in connection with the superintendence of the reinstatement of the building, machinery, accessories and equipment Insured under this policy but it is understood that this does not include any costs in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by Insured Perils and further that the amount payable in respect of Architects', Consulting Engineers' fees for service and superintendence of the reinstatement of the building, machinery, accessories and equipment insured shall not exceed on the amount paid for loss on the building, machinery, accessories and equipment insured by the policy.

#### 6. Grievance or Complaint:

Policyholder/ Insured Person(s) may register a grievance or complaint by visiting the website [www.iffcotokio.co.in](http://www.iffcotokio.co.in). Policyholder may also contact the offices from where they have bought the policy or the grievance officer who can be reached at IFFCO-Tokio's corporate office.

Grievance Department details are as mentioned below:

E-Mail ID: [chiefgrievanceofficer@iffcotokio.co.in](mailto:chiefgrievanceofficer@iffcotokio.co.in)  
Address: IFFCO-Tokio General Insurance Company Limited.  
IFFCO TOWER – II  
Plot No.3, Sector-29, Gurgaon  
Haryana-122001

#### Endorsements/ Clauses/ Warranties/ Extensions Wordings

Following are the wordings of the endorsements/ clauses/ warranties/ extensions. Only those endorsements/ clauses/ warranties/ extensions stands covered which are mentioned on the schedule of the policy. Rest of the endorsements/ clauses/ warranties/ extensions stands deleted for all purposes. The applicable endorsements/ clauses/ warranties/ extensions mentioned on the schedule are part of the policy and shall be taken into account for interpretation and determination of coverage and liability under the policy.

#### 1. ACCIDENTAL DAMAGE –

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the policy extends to indemnify the Insured against loss, destruction of or damage to the insured property (excluding fragile items such as glass) 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 due to impact by rail/road vehicle or animal belonging to or owned by the insured or any occupier of the Premises or his employees.
- d) Damage resulting from over load experiments or tests requiring the imposition of abnormal conditions.
- e) Damage due to wear and tear, rust, corrosion, erosion, cavitation, boiler scale, incrustation, deterioration, settling, gradual cracking, gradually developing deformation or distortion, gradual deterioration due to atmospheric conditions or due to such other causes.
- f) Property Insured in transit other than within the premises specified in the Schedule
- g) Plant machinery or equipment during installation removal or reciting (including dismantling re-erection stripping down and assembly) if directly attributable to such operations

h) 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

i) Collapse either full or partial

j) 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 Indemnity 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.

## 2. ACCOUNTS RECEIVABLE –

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

a) The Company will pay for direct physical loss of or damage caused by an insured peril to Insured's records of accounts receivable in respect of the following:

i. All sums due to insured from their customers,

ii. Interest charges on any loan to offset such impaired collections pending repayment of those sums made non- collectible by loss or damage;

iii. Collection expense in excess of normal collection cost and made necessary because of loss of accounts receivable;

iv. Other expenses, when reasonably incurred by insured in re-establishing records of accounts receivable following loss in respect of this policy.

v. For the purpose of this Policy, credit card charge records shall be deemed to represent sums due to Insured from customers, until the charge records are delivered to the credit card company.

b) When there is proof that a loss of records of accounts receivable has occurred but Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of loss, the amount of recovery shall be computed as follows:

i. The monthly average of accounts receivable during the last available twelve (12) months, together with collection expenses in excess of normal collection costs and made necessary because of loss or damage, and reasonable expenses incurred in re-establishing records of accounts receivable following loss, shall be adjusted in accordance with the percentage increase or decrease in the twelve (12) months average of monthly gross revenues which may have occurred in the interim.

ii. The monthly amount of accounts receivable as established above shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred. Consideration will also be given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

c) Company will pay no more than the applicable sub-limit of insurance as specified in the schedule.

There shall be deducted from the total amounts of account receivable, however established, the amount of accounts evidenced by records not lost or damaged, or otherwise established or collected by Insured, and an amount to allow for probable bad debts which Insured normally would have been unable to collect and for the normal collection costs incurred due to accounts receivable.

## 3. ACCUMULATED STOCKS CLAUSE – (Applicable to Section 2)

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

## 4. ACQUIRED COMPANIES CLAUSE –

It is understood and agreed that in the event of the Insured acquiring a controlling interest in companies or other organizations during the Period of Insurance, coverage provided by this Policy extends to include said property subject to the Insured declaring details of such acquisition within thirty (30) days following the date of acquisition and subject to review by the Insurer.

Provided the Occupancy of the new acquisition shall be similar to the Occupancy as stated in the Schedule.

For the purposes of this Clause a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

**5. ADDITIONAL INSURED CLAUSE –**

Notwithstanding anything to the contrary contained in this Policy, it is hereby agreed and declared that any individual, firm, corporation and/or its joint ventures, for whom or with whom the Insured may be operating is hereby named as additional Insured in The Schedule when required by contract, or as required. It is further understood and agreed that in the event there is any violation of the terms and conditions of this insurance by one Insured, it shall not affect the rights of other Insured's; including interest of mortgagees and notice of assignment in respect thereof.

Nothing contained in this Endorsement shall be deemed to increase the Sum(s) Insured or Limit of Indemnity stated in The Schedule. Subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

**6. AGGRAVATION CLAUSE –**

This policy does not cover losses arising out of excluded perils. However it is noted and agreed that, where an insured loss exists and is aggravated by an excluded peril, the impact of this excluded peril shall not preclude the right of the insured to be indemnified for the claim arising out the original loss. The claim, nevertheless, will be limited to the amount of the loss that the insured has suffered being clearly distinguishable as arising from the original loss as opposed to the excluded peril.

**7. AGREED BANK CLAUSE –**

If You have mortgaged, hypothecated or created any security over any Insured Property in favour of a Bank, and the Bank has an interest in the Policy, the name of such Bank will also be shown in the Policy Schedule under the title 'Agreed Bank Clause'. If You choose to add the name of such Bank at any time during the Policy Period this will be shown as an Endorsement. In this Clause, the word 'Bank' includes any financial institution.

Under this Clause, You agree as follows:

i. We shall pay to the Bank the entire amount that We are liable to pay under this Policy. Such Bank will receive it for its own demand, and as agent for any other person interested in the amount.

ii. When We pay the amount to the Bank, Our liability under this Policy will be discharged, and will be binding on all of You and all persons named as the insured.

iii. Any notice or communication We make to the Bank under the provisions of this Policy shall be sufficient notice or communication to You.

iv. Any settlement or compromise that We make with the Bank will be binding on You and all persons named as the insured. However, such settlement or compromise will not affect the rights of the Bank to recover any amount from You or any other person.

v. If You make any change in the use of the Insured Property or Your Premises or sell or transfer the Insured Property, such actions will not prejudice the interest of the Bank under the Policy and this Clause, unless the condition has been broken by the Bank or its employees.

vi. If You commit any act or omission that will increase the risk, the insurance cover will not be invalidated. However, the Bank shall notify Us of any change or ownership, or alterations and increase in risks as soon they become known to the Bank, and shall pay additional premium from the time of such change.

vii. When We pay the amount to the Bank, We will become legally and automatically subrogated to all rights of the Bank to the extent of such payment. This will not impair or prejudice the rights of the Bank to recover any amount from You or any other person.

**N.B: The Bank shall mean the first named Financial Institution/Bank named in the policy.**

**8. ALTERNATIVE BASIS CLAUSE – (Applicable to Section 2)**

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

Provided that:

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

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

**9. APPRAISEMENT CLAUSE –**

If the aggregate claim for any one loss does not exceeds the amount (as specified in schedule) per location or % (as specified in schedule) of sum insured, whichever is higher, no special inventory/appraisement of the undamaged property shall be required. Subject otherwise to the terms, exceptions and conditions of the Policy.

**10. AUTOMATIC COVER FOR UNSPECIFIED/UNNAMED LOCATIONS –**

It is hereby understood and agreed that, subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the policy extends to cover the property insured while at fixed unspecified locations not included in the location(s) specified in the Schedule, up to the limit at any one location for any one loss and the aggregate Limit as specified in Policy Schedule. Coverage under this extension shall not apply to property contained within any vehicle or other conveyance, or property while in transit and shall be limited to locations within India Only.

**11. AUTOMATIC REINSTATEMENT CLAUSE-**

It is hereby declared and agreed that subject to the Insurance Limits as stated in the Schedule in the event of any claim occurring under this Policy and in the absence of written notice by the Insured to the contrary, the insurance in respect of any Property Insured or Business Interruption arising is automatically reinstated as and from the date of the Damage.

**12. BANKRUPTCY AND INSOLVENCY -**

In the event of bankruptcy or insolvency of The Insured or any entity comprising The Insured, The Insurer shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency, except under Section III(All Risk Operational Business Interruption).

**13. BROAD WATER DAMAGE -**

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

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

PROVIDED THAT:

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

#### **14. BUILDING ORDINANCE /CIVIL OR LOCAL AUTHORITIES CLAUSE ,DEMOLITION AND INCREASED COST OF CONSTRUCTION-**

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

**a)** Company will pay for the additional increased costs incurred by the Insured, due to any repairs or reconstruction of a building consequent to a direct physical loss of or damage to such covered building (or structure) but not machinery and equipment, occurring at a premises described in the Schedule caused by an insured peril, resulting from the enforcement of any law or ordinance regulating the construction, demolition, repair, or use of such building (or structure). These additional increased costs are:

- i.** The demolishing of undamaged parts of a building (or structure) including the cost of clearing the site;
- ii.** The loss in value of the undamaged portion of a building (or structure) that bears to the value of the entire building (or structure) prior to loss or damage and subject to the same method of recovery which applies to the damaged portion of such building (or structure);
- iii.** The repair, reconstruction or remodelling of damaged and undamaged portions of a building (or structure) whether or not demolition is required at the same described premises or at another site, and limited to the costs that would have been incurred in order to comply with the minimum requirements of the law or ordinance regulating the repair or reconstruction of the damaged building (or structure) at the same described premises. However, we shall not be liable for any increased cost of construction unless the damaged building (or structure) is actually rebuilt or replaced; and
- iv.** Company will pay no more than the applicable sub-limit of this add-on cover.

The demolition of the undamaged building (or structure) as a result of enforcement of any law or ordinance regulating such demolition, will be considered a damaged building (or structure); the value of which is subject to the same method of recovery provided for a damaged building (or structure) and to the applicable limit of liability as per the schedule for that described premises.

**b)** Company will not pay for the following under this coverage:

- i.** Any cost that is incurred as a result of enforcement of any law or ordinance regulating any form of contamination.
- ii.** Any cost to install improvements or modifications to machinery or equipment, when either is required or performed to comply with the mandated work place safety and environmental regulations.

The indemnity provided herein shall be subject to the sub-limit and deductible as specified in the Policy Schedule.

#### **15. CIVIL AUTHORITY -**

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

**a)** Company will pay for the additional increased costs incurred by the Insured, due to any repairs or reconstruction of a building consequent to a direct physical loss of or damage to such covered building (or structure) but not machinery and equipment, occurring at a premises described in the Schedule caused by an insured peril, resulting from the enforcement of any law or ordinance regulating the construction, demolition, repair, or use of such building (or structure). These additional increased costs are:

- i.** The demolishing of undamaged parts of a building (or structure) including the cost of clearing the site;
- ii.** The loss in value of the undamaged portion of a building (or structure) that bears to the value of the entire building (or structure) prior to loss or damage and subject to the same method of recovery which applies to the damaged portion of such building (or structure);
- iii.** The repair, reconstruction or remodelling of damaged and undamaged portions of a building (or structure) whether or not demolition is required at the same described premises or at another site, and limited to the costs that would have been incurred in order to comply with the minimum requirements of the law or ordinance regulating the repair or reconstruction of the damaged building (or structure) at the same described premises. However, we shall not be liable for any increased cost of construction unless the damaged building (or structure) is actually rebuilt or replaced; and
- iv.** Company will pay no more than the applicable sub-limit of this add-on cover.

The demolition of the undamaged building (or structure) as a result of enforcement of any law or ordinance regulating such demolition, will be considered a damaged building (or structure); the value of which is subject to the same method of recovery



provided for a damaged building (or structure) and to the applicable limit of liability as per the schedule for that described premises.

b) Company will not pay for the following under this coverage:

- i. Any cost that is incurred as a result of enforcement of any law or ordinance regulating any form of contamination.
- ii. Any cost to install improvements or modifications to machinery or equipment, when either is required or performed to comply with the mandated work place safety and environmental regulations.

The indemnity provided herein shall be subject to the sub-limit and deductible as specified in the Policy Schedule.

**16. CLAIM PREPARATION CLAUSE –**

Subject to the Exclusions, Conditions and Limitations of the Policy to which this Extension is attached, this Policy is extended to cover the necessary and reasonable costs incurred by the Insured payable to the Insured's accountants, architects, auditors, engineers, or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Underwriters resulting from insured loss payable under this Policy for which the Underwriters have accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor the fees and costs of loss consultants who provide consultation on coverage or negotiate claims.

The Underwriters shall not be liable under this Extension for more than the sub-limit in respect of any one Occurrence, which shall be part of and not in addition to the policy limit.

**17. COINSURANCE CLAUSE –**

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

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

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

2. Co-insurance Schedule:

Name of the Company	Co-Share (%)
<b>TOTAL</b>	

3. Conditions forming part of this clause

It is hereby agreed and understood that:

3.1 The Insured in exercise of his option has after having understood the implications, selected the above named lead Insurer and the named Co-insurers vide sr. Nos. of the co-Insurance schedule as in point no. 2 under the policy.

- 3.2 The duties of insured would devolve upon the authorized intermediary licensed by IRDA (referred to as authorized representative here after) where the insured appoints such authorized intermediary to transact on his behalf with the insurer/s.
- 3.3 It shall be the responsibility of the insured or his authorized representative licensed by IRDA to decide on the panel of co-insurers and their respective shares of the risk herein as set out in co-insurance share under paragraph 2 above and communicate the same to all such participating co-insurers, prior to assumption of risk.
- 3.4 The lead Insurer shall finalize the terms and conditions applicable to the risk in the form of an underwriting slip with a unique code to be handed over to the Insured/Authorized intermediary.
- 3.5 It shall be the responsibility of the insured or his authorized representative to ensure that all insurers listed in the co-insurance schedule under paragraph 2 above, are fully aware of the terms and conditions of this policy and shall secure their unqualified acceptance of such terms and conditions prior to issuance of cover and inclusion of names of insurers in this co-insurance arrangement.
- 3.6 During the currency of the policy, if there are any material changes in risk or as changes in original terms and conditions such as variation in Sum Insured, changes in premium charged, extension of policy period, etc., the same shall be communicated by the insured or his authorized representative giving sufficient advance notice of 7 days to the leader as well as all other participating co-insurers listed in the co-insurance schedule under paragraph 2 above and procure confirmation thereon. The endorsement to this effect shall be executed by the lead insurer under advice to all other participating co-insurers.
- 3.7 The liability of the insurers shall in no case exceed in respect of each item of the sum expressed in the set schedule to be insured thereon or in the all, the total sum insured hereby or sums as may be substituted thereof by endorsement.
- “In the event of any of the Co-insurers chosen by the Insured as per Paragraph 3.1 above and listed in coinsurance schedule, wishes to withdraw from participation in this Policy at any time during currency, may do so after giving notice of 14 days (from date of intimation of changes in risk by Insured/ Intermediary) only in the event of following contingencies:
1. Increase in Insured values beyond the agreed and accepted amount including escalation in Insured values, as recorded in the underwriting slip
  2. Change in Terms and conditions of Cover as agreed and accepted in the Underwriting Slip.
- In the event of withdrawal as above by any Insurer from Coinsurance participation under the policy, the Insured shall arrange for an alternative Insurer to take care of the full share of risk vacated by the existing Insurer. In the event of Insured failing to do so, the Insured shall be considered as his own Insurer for such share of risk or part there of which is not taken up by such alternative Co- Insurer.”
- 3.8 In the event of a claim under this policy, the insured shall give notice of its occurrence to the Lead Insurer with a copy to all the insurers as listed in clause 2 above.
- 3.9 Upon receipt of such notification of claim, all claim related activities including appointment of surveyors, etc shall be done by the lead insurer who shall decide the admissibility as well as quantum of the claim and the co-insurers shall abide by the same.
- 3.10 In the event of any claim being value of more than 5 Crores the lead insurer can immediately demand and the following co-insurer shall pay the cash call of their proportionate share of loss.
- 3.11 In all other cases, where the Lead Insurer pays 100% of the assessed loss, the following co-insurer/s shall remit their share of the loss to the Lead Insurers within a maximum period of 21 days from the date on which the Lead Insurer makes the demand. Lead Insurer's declaration that the Claim and the amount there of was in accordance with terms and conditions of the Policy issued shall be considered sufficient by the co-insurers for the purpose of remitting their share of the loss to the Lead Insurer.

3.12 The co-insurers forming part of this agreement shall be entitled to demand and obtain from the Lead Insurer/Intermediaries copies of all policies, endorsements or other claim related documents relevant to this co-insurance clause.

#### **18. CONTRACT PRICE INSURANCE-**

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

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

#### **19. CONTRACT WORKS-**

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

##### **Definition (applicable to the cover provided by this extension only):**

Contract shall mean any Contract with the Insured as Employer for the extension or refurbishment of existing Buildings with a construction period not exceeding twelve months in duration within the Territorial Limits.

Temporary Work are 'parts of the works that allow or enable construction/ erection of, protect, support or provide access to, the permanent works and which might or might not remain in place at the completion of the works.

Permanent work means the permanent works to be constructed/ Erected and completed in accordance of contract.

#### **20. CONTROL OF DAMAGED GOODS CLAUSE –**

This Policy gives control of physically damaged property as follows:

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

#### **21. COST OF CLEARING DRAINS CLAUSE-**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that this Policy extends to cover any expense necessarily incurred by the Insured in the clearing of drains within the surrounding premises within distance mentioned in the Policy Schedule, of Insured premises as a consequence of property insured by this policy being destroyed or damaged by fire or by any other perils hereby insured against.

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

#### **22. COVERAGE FOR UNDERGROUND ASSETS –**

This Policy is extended to cover damage to any insured's underground water, drainage, sewerage, gas, electricity or telephone pipe or cable for which the Insured is responsible extending from the Premises to the main provided the sum insured declared under the Policy is inclusive of the above.

#### **23. CUSTOMER'S GOODS CLAUSE-**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover goods belonging to the Insured's customers, purchased but not delivered or temporarily in the custody of the Insured for alteration, repair or renovation or other purposes at the Premises insured insofar as such goods are

not otherwise insured under any other insurance policy. The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

#### **24. DAMAGE TO UNDERGROUND SERVICES –**

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that following the operation of Insured Peril resulting in an admissible loss or damage to Insured Property, this policy is extended to include loss or damage to the Insured's underground water, drainage, sewerage, gas, electricity or telephone pipe or cable extending from the Premises to the last leg of supply chain for which the Insured is responsible.

#### **25. DECLARATION CLAUSE -**

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

**1.** In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance.

"The Insured agrees to declare to the Company in writing the value of his stocks (other than retail) less any amount insured by Policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely 1] average of the values at risk on each day of the month or 2] the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month. Such declaration(s) shall be signed by the Insured or by a responsible person authorised to sign on his behalf.

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

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

On the expiry of each period of insurance the premium shall be calculated on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the Insured, but such repayment shall not exceed 50% of the provisional premium. Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the period of the policy

**2.** The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the Market Value immediately anterior to the loss.

**3.** If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the Sum Insured by such other insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the Sum Insured hereby, bears to the total value of the stocks.

**4.** If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

**5.** Notwithstanding the occurrence of loss it is understood that the Sum Insured will be maintained at all times during the period of the policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.

**6.** In event of this policy being cancelled by the Insured during its period (whether stocks exist or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancellation, or 50% of the provisional premium whichever is greater. Notwithstanding the above, if the policy is cancelled by the insured after a loss has occurred, the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured up to the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or 50% of the provisional premium whichever is greater.

7. The maximum liability of the Company shall not exceed the Sum Insured hereby and premium shall not be receivable on value in excess thereof. The Sum Insured may, however, be increased by prior agreement with the Company in which event the new Sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the Sum Insured being agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above. If during the period of the policy, the rate for the class of risk to which the insurance applies is revised, and an increase in the Sum Insured under a Declaration Policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause 1 above.

8. If the stocks hereby insured shall at the time of loss be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, on stock shall be separately subject to this condition.

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

10. This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions.

**26. DENIAL OF ACCESS (Applicable to Section 2)**

It is hereby agreed and declared that, subject to the conditions of the Policy, it is understood and agreed that loss resulting from interruption of or interference with the Business carried on by the Insured following

a) physical loss or damage to property in the Vicinity of the Premises which prevents or hinders the use of the Premises or access thereto, whether the Premises or Property Insured of the Insured therein shall be damaged or not,

b) interference with the Business carried out by the Insured in consequence of the said Premises or property within the Vicinity of the said Premises containing or thought to contain a harmful device provided that the Police shall be informed immediately the Insured is aware of the presence or suspected presence of such harmful device,

c) interference with the Business carried on by the Insured in consequence of action by the Police Authority following danger or disturbance in the Vicinity of the Premises, which prevents or hinders the use of the Premises or access thereto.

Provided that:

i) for the purposes of this Extension Vicinity shall mean within a radius as shown in Policy Schedule of the Insured's Premises

ii) the liability of the Company does not exceed the Limit of Liability stated in the Schedule in respect of any one event

iii) the aggregate liability of the Company in respect of all events occurring during any one Period of Insurance does not exceed the Limit of Liability stated in the Schedule

iv) the Maximum Indemnity Period shall mean three months unless specifically agreed otherwise and mentioned in the Policy Schedule, and

v) there shall be no liability under the Extension for loss arising from any cause within the control of the Insured

vi) there shall be no liability under the Extension for loss for the first 24 hours of any interference with the Business, unless this time limit is modified and mentioned in the Policy Schedule

**27. DEPARTMENTAL CLAUSE (Applicable to Section 2) –**

If the Business be conducted in departments, the independent trading results of which are ascertainable, the provision of Clause (a) and (b) mentioned under the heading "Basis of Insurance" of Section II - Business Interruption shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item be less than the aggregate of the sum produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the Damage or not), to the relative Annual Turnover thereof, the amount payable shall be proportionately reduced.

**28. DESIGNATION OF PROPERTY CLAUSE -**

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

### **29. EXPENSES FOR LOSS MINIMIZATION / LOSS PREVENTION –**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that in case of actual or imminent physical loss or damage of the type insured against by this Policy, this Policy is extended to cover the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder, which expenses shall be added to the physical loss or damage otherwise recoverable, if any, under the Policy.

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

### **30. EXPIRATION CLAUSE –**

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

### **31. FOAM CONSUMPTION AND FIRE EXTINGUISHING EXPENSES –**

It is agreed that in the event of a fire or a series of fire arising directly or indirectly from the same occurrence including fire threatening to involve the property insured under this section of the policy, the insured shall be entitled to recover upto a Limit as mentioned in schedule for each and every loss;

- i. the actual cost of material used and/or damaged in extinguishing or controlling or attempting to extinguish or control any such fire;
- ii. the cost of all clothing and/ or personal effects damaged and / or lost as a result of such fire and / or fight, extinguish or controlling or attempting to fight extinguish or control such fire unless more specifically insured elsewhere;
- iii. all other actual expense(including wages and the like paid for fire fighting, extinguishing or controlling or attempting to fight extinguish or control such fire and / or localizing such fire.

All claims for personal injury are excluded.

- iv. The expenses incurred to recharge/refill any fire protection devices.

### **32. FIRE EXTINGUISHING /FIGHTING EXPENSES -**

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that in the event of a fire or a series of fire arising directly or indirectly from the same occurrence including fire, threatening to involve the property insured under this section of the policy, the insured shall be entitled to recover up to a Limit Any One Accident specified in Your Policy Schedule. We will pay:

- i. the actual cost of material used and/or damaged in extinguishing or controlling or attempting to extinguish or control any such fire;
- ii. the cost of all clothing and/ or personal effects damaged and / or lost as a result of such fire and / or fight, extinguish or controlling or attempting to fight extinguish or control such fire unless more specifically insured elsewhere;
- iii. all other actual expense (including any expenses paid for firefighting, extinguishing or controlling or attempting to fight extinguish or control such fire and / or localizing such fire.

All claims for personal injury are excluded.

- iv. The expenses incurred to recharge/refill any fire protection devices.

### **33. GREEN CLAUSE -**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover additional costs necessarily and reasonably incurred with The Company's consent in rebuilding or repairing Buildings at The Premises in a manner that aims to reduce potential harm to the environment by improving energy efficiency following Damage as insured by this Section.

The Company will not indemnify under this Clause in respect of

1. the additional cost of complying with any Indian legislation, Act of Parliament, or byelaws of any public authority;
2. any additional costs for work already planned to be carried out prior to the Damage;

3. any Buildings or portions of Buildings which are Unoccupied;
4. if the Insured elect not to rebuild or repair the Buildings.

**34. GROUP INTERDEPENDENCY – (Applicable to Section 2)**

It is hereby agreed and declared that this policy shall indemnify for loss of Gross Profit caused by interruption / interference in business activity at any Insured Location resulting from interruption of or interference with the business activity at any of other Insured location forming part of the Insured's group of companies insured herein as a result of direct physical loss or physical damage by an Insured peril.

This Clause is subject otherwise to the terms, Conditions and Exclusions of the Policy.

The limit of indemnity under this extension shall be as defined under the policy.

**35. GOODS HELD ON TRUST –**

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

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

**36. IMMEDIATE REPAIRS –**

Notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that in the event of an admissible loss due to operation of an insured peril, the insured, if they so elect, may immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the Company or their representatives and in case of dispute as to the cost of repair and / or reconstruction the loss shall be settled in accordance with the terms of this policy. The sole object of this condition being not to deprive the insured from the use of or in the operation of properties which may be necessary to their business/manufacturing.

It is also agreed and declared that the evidence of loss shall be photographed by the Insured and if any damaged items are replaced the same shall be preserved by the Insured for inspection by surveyors.

It is further noted and agreed that in the event of physical loss or damage to the property insured hereunder, the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers or fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.

The Company's Liability shall not exceed the Sum Insured mentioned in the Policy Schedule against this add on cover.

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

It is hereby agreed and declared that the policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicle, Forklifts, cranes, stackers and the like and articles dropped there from

**38. INSURED PROPERTY STORED AT OTHER SITUATIONS (Applicable to Business Interruption Section)**

It is hereby agreed and declared that subject to the conditions of the policy, Business Interruption loss as insured under section – II of base policy, resulting from interruption of/or interference with the business in consequence of damage, not resulting from an excluded peril under Section – I of the base policy, to property at the under noted situation shall be deemed to be loss resulting from damage to property used by the insured at the premises.

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

**Note:**

- (a) Property of the Insured Stored
- (b) Suppliers' Premises

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

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

“Provided that the liability under this memorandum in respect of anyone location under (each of) item(s) No(s) \_\_\_\_\_ shall not exceed the percentage of the sum insured thereunder shown against each situation

Supplier’s Name	Situation of Premises	Selected percentage limit of Sum Insured

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

- (c) Premises where a Contract is being carried out:
- (d) Professional Insured:

The following should be inserted under ‘SITUATIONS’: ‘Any location where the insured is carrying out work’.  
Applicable solely to items on the Gross Revenue/Fees of a business providing professional or similar service only.

**39. LAWNS, PLANTS, SHRUBS OR TREES -**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the Company will pay for direct physical loss of or damage, in respect of the Policy, to lawns, plants, shrubs or trees occurring at such premises as described in the Schedule. This coverage does not apply to improvements at a golf course unless specifically mentioned in the Schedule. This coverage does not apply to loss or damage caused by or resulting from: windstorm and hail; vehicle damage; weight of snow, ice or sleet; and water damage.

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

**40. LOCAL AUTHORITIES CLAUSE -**

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

a) Company will pay for the additional increased costs incurred by the Insured, due to any repairs or reconstruction of a building consequent to a direct physical loss of or damage to such covered building (or structure) but not machinery and equipment, occurring at a premises described in the Schedule caused by an insured peril, resulting from the enforcement of any law or ordinance regulating the construction, demolition, repair, or use of such building (or structure). These additional increased costs are:

- i. The demolishing of undamaged parts of a building (or structure) including the cost of clearing the site;
- ii. The loss in value of the undamaged portion of a building (or structure) that bears to the value of the entire building (or structure) prior to loss or damage and subject to the same method of recovery which applies to the damaged portion of such building (or structure);
- iii. The repair, reconstruction or remodelling of damaged and undamaged portions of a building (or structure) whether or not demolition is required at the same described premises or at another site, and limited to the costs that would have been incurred in order to comply with the minimum requirements of the law or ordinance regulating the repair or reconstruction of the damaged building (or structure) at the same described premises. However, we shall not be liable for any increased cost of construction unless the damaged building (or structure) is actually rebuilt or replaced; and
- iv. Company will pay no more than the applicable sub-limit of this add-on cover.

The demolition of the undamaged building (or structure) as a result of enforcement of any law or ordinance regulating such demolition, will be considered a damaged building (or structure); the value of which is subject to the same method of recovery provided for a damaged building (or structure) and to the applicable limit of liability as per the schedule for that described premises.

b) Company will not pay for the following under this coverage:



- i. Any cost that is incurred as a result of enforcement of any law or ordinance regulating any form of contamination.
- ii. Any cost to install improvements or modifications to machinery or equipment, when either is required or performed to comply with the mandated work place safety and environmental regulations.

The indemnity provided herein shall be subject to the sub-limit and deductible as specified in the Policy Schedule.

**41. LOSS PAYEE CLAUSE –**

Loss is payable to The Insured or as directed by The Insured, which shall include such party who has an insurable interest in the subject matter insured at the time of loss or damage

**42. MARGIN CLAUSE –**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that no adjustment shall be made unless the values reported represent an increase of more than 5% (or unless otherwise more specifically mentioned in the Schedule) from the initial values reported. This is to include fluctuations, which may occur in the values of property under the Policy which are automatically held covered.

The additional premium shall be payable on pro-rata basis for the unexpired term of the policy, when the fluctuation is more than 5% (or the percentage specifically agreed and mentioned in the Schedule) of the initial values reported and mentioned in the Policy Schedule.

**43. NEW ACQUISITIONS AND CAPITAL ADDITION-**

This policy automatically covers the Insured's interest in newly acquired property, as is otherwise covered by this policy, whether acquired through merger, acquisition or otherwise. All current/ future subsidiaries to be automatically covered for their respective share/ rights.

The liability of the Insurer shall not exceed the Limit of Liability stated in your Policy Schedule / Certificate of Insurance.

**44. NOMINATED LOSS ADJUSTER CLAUSE –**

Insurers agree that, in the event of an occurrence that is likely to give rise to a claim under this Policy, the Insured can appoint one of the following firms of Adjusters/Surveyors to act on behalf of Insurers to conduct all loss or damage surveys or adjustments (insert names here).

**45. NON INVALIDATION –**

It is hereby agreed that this insurance shall not be invalidated by:

1. Any change of occupancy or increase of risk taking place in the property insured without the insured's knowledge provided that they shall, immediately on the same coming to their knowledge, advise the insures and pay any additional premium that may be required from the date of such increase of risk.
2. Workmen on the premises for the purposes of effecting repairs, minor alterations to the premises or general maintenance purposes and the like.

**46. NON-VITIATION CLAUSE –**

The various parties comprising the insured operate as separate and distinct entities, the rights of each of these parties in all respects shall (non-withstanding anything contained or implied herein to the contrary), be treated as though each of the parties had separate policies for their respective rights and interests and indemnities of any of the parties who are not guilty of any act, omission, statement, fraud, misrepresentation, non-disclosure, breach of condition/warranty or mis-statement on the part of any individual insured which may vitiate any claims or render this policy void shall have such effect only as to the rights and interests of that particular insured and shall not prejudice the rights and interest of any other insured under this policy.

Nothing contained in this Endorsement shall be deemed to increase the Sum(s) Insured or Limit of Indemnity stated in the Policy Schedule, subject otherwise to the terms, exclusions, conditions and limitations of this Policy.

**47. MULTIPLE INSURED CLAUSE-**

If in any Section the Insured comprises of more than one party each operating as a separate and distinct entity, this Policy of Insurance shall, unless otherwise provided for in this Policy of Insurance, apply as if a separate policy had been issued to each of these parties provided always that the Insurer's overall liability towards the parties that constitute the Insured in any Section shall not exceed the Sum Insured and any limits of indemnity specified in the Schedule to that Section.

Any payment made by the Insurer to any Insured Party as a result of an occurrence of loss or damage shall reduce, by the amount of that payment, the Insurer's liability towards all Insured Parties that constitute The Insured arising from that occurrence under this Policy of Insurance "

**48. OBSOLETE EQUIPMENT CLAUSE –**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon that the value of Insured Property shall be determined as the cost of repairs or replacement with new, like kind and of similar quality at the time and place of loss. However, should the property be technologically obsolete or unavailable because it is no longer in production, and should the property be actually replaced by another system/ property, then the Insurer shall be liable for the replacement cost as new of equipment including connected accessories and peripherals which will at least perform substantially the same functions as the original equipment.

The Company shall not deduct towards accessories and peripherals (other than salvage value if any) rendered redundant although not damaged by the insured perils arising out of replacement by new property/ system. The liability of the Company shall not be reduced by any amount of betterment inherent in the design of such functionally equivalent equipment. However, the indemnification shall not exceed the value insured for the system/ equipment replaced.

**49. OBSOLETE PARTS CLAUSE –**

In the event of spares currently insured hereunder and represented within the total sum insured under this Policy becoming obsolete following an indemnifiable loss to the Plant & Machinery , the same should form part of the claim subject to Insurer's retaining right of salvage over such obsolete parts.

**50. PAYMENT ON ACCOUNT CLAUSE –**

Payments on account may be made to the Insured following Damage at the discretion of the Insurer, as mutually agreed between Insured and Insurer, but in no case shall any payment exceed the Insurer's liability for each item in respect of which payment is to be made.

**51. ORIGINAL EQUIPMENT'S MANUFACTURER CLAUSE –**

It is noted and agreed that in the event of physical loss or damage to the property insured hereunder the insured, at their sole discretion, shall have the option to accept repair or replacement terms as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from other suppliers, manufacturers or fabricators. Provided always that the difference between the OEM quote and the lowest quote doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.

**52. PIPELINES OUTSIDE/ AWAY FROM THE PREMISES -**

The cover is extended to include pipelines including contents therein outside the plant premises subject to sublimit entered in the schedule.

**53. PAIR AND SET CLAUSE –**

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets, lots or in ranges. At the insured's option, the Insured may collect the full value of the pair or set provided the Insured tenders the remaining article or articles of the pair or set to the Insurer.

**54. PORT BLOCKAGE – (Applicable to Section 2)**

Loss resulting from interruption of or interference with the business in consequence of blockage of the port or harbor which causes disruption to shipping and is caused by stranding, grounding, sinking or capsizing and/or through collision or contact of any vessel or craft with any other vessel, craft, structure or other object of any kind shall be deemed to be loss resulting from damage to property used by the insured at the situation.

**55. PRIMARY AND NON-CONTRIBUTORY-**

It is expressly agreed that this policy provides primary insurance cover and shall not be contributory to any other policy that may exist whether the other policy also covers the interest of the insured or not. Subject otherwise to the terms and conditions of the Policy.

**56. PROPERTY NOT ON THE INSURED PREMISES / OFFSITE PREMISES -**

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

**57. SEVENTY TWO HOURS CLAUSE –**

**Windstorm (Storm, Cyclone, Typhoon, Tempest, Hurricane and Tornado)**

Insurers shall not be liable for any loss occurring before the effective date and time of the Policy nor for any loss commencing after the expiration date and time of this Policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the first windstorm damage occurs prior to the date and time of the expiration of this Policy.

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy two (72) hours during the term of this Policy such windstorm shall be deemed to be a single windstorm within the meaning thereof.

Official recognized Authority (or as agreed between The Insurer and The Insured) will elect the moment from which each of the aforesaid periods of seventy two (72) hours shall be deemed to have commenced but no two such seventy two (72) hour periods shall overlap.

**Flood**

Insurers shall not be liable for any loss caused by flood occurring before the effective date and time of this policy nor for any loss commencing after the expiration date and time of this policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the first flood damage occurs prior to the date and time of the expiration of this Policy. Each loss caused by flood and all losses caused by flood within a seventy-two (72) hours period shall be deemed to constitute a single loss. Official recognized Authority (or as agreed between The Insurer and The Insured) will elect the moment from which each of the aforesaid periods of seventy two (72) hours shall be deemed to have commenced but no two such seventy two (72) hours periods shall overlap.

**Earthquake (TO BE DELETED IF EARTHQUAKE IS NOT OPTED FOR)**

Insurers shall not be liable for any loss caused by an earthquake occurring before the effective date and time of this policy nor for any loss commencing after the expiration date and time of this policy. However, The Insurer will be liable for any losses occurring for a period of up to maximum seventy-two (72) hours after the expiration of this Policy, provided that the earthquake damage occurs prior to the date and time of the expiration of this Policy.

Any and all losses caused by earthquake shall constitute a single loss hereunder provided that more than one earthquake shock occurring within any seventy two (72) hour period during the Period of Insurance of this Policy shall be deemed to be a single earthquake within the meaning thereof.

**58. SMOKE DAMAGE –**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, the insurance shall, subject to the Special Condition hereinafter contained, extend to include destruction of or damage to the property insured (by fire or otherwise) directly caused by: -

SMOKE due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not SMOKE from fire-places or industrial apparatus.

Provided always that all the conditions of the Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purposes hereof any destruction or damage as aforesaid shall be deemed to be destruction or damage by fire.

Further warranted that this Insurance does not cover: -

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

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

#### **59. SPONTANEOUS COMBUSTION –**

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

“Company agrees notwithstanding what is stated in the printed exclusions of this policy to the contrary that the insurance by this Policy is extended to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion.”

#### **60. STOCKS IN PROCESS -**

This Policy extends to cover damage to Stocks in Process as a result of the occurrence of damage insured by this Policy, but such cover is excluded under normal or emergency shut down operations.

#### **61. TEMPORARY REMOVAL OF STOCKS CLAUSE -**

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This extension does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy.

#### **62. TEMPORARY REMOVAL (EXCLUDING STOCKS) –**

This Insurance covers The Insured's property excluding Stock, Finished Goods and Raw Materials against the perils covered under this Policy whilst temporarily removed for cleaning, renovation, repair and other similar purposes, within the Geographical limits specified in The Schedule.

The amount recoverable under this Extension shall not exceed the amount which would have been recoverable had the destruction or damage occurred in that part of the Premises from which the Property is temporarily removed and in no case the sublimit shown in The Schedule.

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

#### **63. TEMPORARY REMOVAL OF PROPERTY-**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy extends to cover the Insured's property excluding Stock, Finished Goods and Raw Materials against the perils covered under this Policy whilst temporarily removed for cleaning, renovation, repair and other similar purposes, within the geographical limits specified in the Schedule.

The amount recoverable under this Extension shall not exceed the amount which would have been recoverable had the destruction or damage occurred in that part of the Premises from which the Property is temporarily removed and in no case the sub-limit shown in the Schedule.

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

#### **64. TESTING AND COMMISSIONING CLAUSE**

It is understood and agreed that acceptance of new property hereon - other than as provided (Capital Additions/ Newly acquired Property/Interests) - is subject to satisfactory completion of the following procedures:

Mechanical completion including testing.

(a) Testing and commissioning conforming to 100% (one hundred per cent) Contract Design to temperatures and pressures maintained by the entire plant in a stable and controlled manner for a continuous ongoing period of a minimum of 72 hours duration all as approved by the Insured and an engineer firm or licensor involved in said project or as per standard practice of the contractor or the licensor.

(b) Official acceptance by the Insured following formal handover without reservation or waiver of guarantee conditions to suppliers of equipment in respect of said mechanical specifications it being understood that no equipment faults or punch list items affecting mechanical integrity of the plant are outstanding and that no temporary structures and no modifications remain as shall be notified by the Insured

In the event that compliance with (a) and (b) above will be deferred upon mechanical completion and testing the Insured agrees to advise the Company in writing of such alternative procedures which will be adopted prior to the attachment hereunder of such new property

Notwithstanding the above, in respect of acquisitions exceeding the sum noted in the Schedule of property and plant hereon, these are to be agreed by Insurers. It is further noted and agreed that the terms and conditions are to be reviewed by the Company.

The above provisions do not apply to normal routine, maintenance activities and scheduled turnarounds.

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

#### **65. TRACE AND ACCESS-**

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that the costs and expenses incurred in investigating and identifying the cause of Damage, and of identifying the location of such cause. The indemnity provided herein shall be subject to the limit of indemnity as specified in your Policy Schedule

#### **66. UNINSURED STANDING CHARGES CLAUSE - (Applicable to Section 2)**

If any standing charges of the Business be not insured by this Policy of Insurance (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

Where the Specified working Charges (Uninsured Working Expenses) are recognised variable charges, the Uninsured Standing Charges Clause and the reference hereto should be deleted.

#### **67. UNOCCUPANCY CLAUSE –**

The insurance by this Policy will not be prejudiced in the event of any Building remaining unoccupied for a greater period than 30 days, notwithstanding anything contained in the Conditions of this Policy, provided that in due course the Insured or their agents give notice in writing to the Company and on demand pay such reasonable additional premium as the Company may require.

#### **68. VEHICLE LOAD CLAUSE –**

In the event of any of the insured's vehicles being left loaded overnight where the goods are already sold but not yet delivered whilst in or on the premises described in the Schedule hereto the Company will indemnify the insured in respect of such load in the event of loss or damage by any of the perils Insured against by this Policy. This Clause is subject otherwise to the terms, Conditions and Exclusions of the Policy.

#### **69. WAIVER OF RECOURSE –**

It is understood and agreed that this Insurance shall not be invalidated should the Insured waive, with Insurers' agreement, prior to loss or damage affected thereby any or all rights and recovery against any party for loss or damage to the property described herein, provided however, that the Insurers' rights of recourse against any manufacturers and suppliers be maintained in force. It is specifically agreed to automatically waive rights of recourse against contractors of the Assured (and /or their subcontractors) during the policy period but only in respect of the normal maintenance activities of the Assured. Normal maintenance shall be deemed to include work during normal shutdowns and the bringing up from normal shutdowns.

**70. WAIVER OF SUBROGATION –**

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions that in the event of the claim arising under this policy, the Company agrees to waive any rights remedies or relief to which they might become entitled by subrogation against specific parties.

**71. WAIVER OF UNDER INSURANCE –**

If, in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the insured under this section shall be reduced in such proportion as the sum insured bears to the amount required to be insured. Provided, however, if the said sum insured in respect of such item(s) of the schedule shall not be less than 85% of the value of the item(s) thereat, this condition shall be of no purpose and effect.