

CHOLA MS BHARAT LAGHU UDYAM SURAKSHA POLICY (UIN NO IRDAN123RP0015V02202021)

1. ACCIDENTAL DAMAGE EXTENSION

UIN: IRDAN123RP0015V01202021/A0010V01202122

Coverage: On payment of additional premium the policy is extended to cover, by granting of this extension, sudden, accidental, physical, loss or damage or destruction to buildings, or other contents whilst at the insured location excluding:

A. Loss or damage to:

- Buildings, stock or other contents in respect of which a sum insured is not shown in the Schedule;
- Any property excluded by this section;
- Loss or damage covered elsewhere under the policy, to which this extension is attached;
- Impact damage caused other than by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in the course of employment;
- Any property whilst in transit other than during incidental movement of such property within insured premises;
- Machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure or derangement, breakdown or nonoperation of any kind;
- Glass other than forming part of stock;
- Property undergoing reconstruction, construction, demolition, repair or maintenance.

B. Loss or damage caused by:

- A cause or occurrence otherwise excluded anywhere in this extension;
- Unloading or delivery to, or loading prior to dispatch from, the insured location.

C. Theft, attempted theft or unexplained inventory shortages

D. Claims arising out of:

- Latent defect;
- Any manufacturing, processing, packaging or assembly process;
- Normal settling, seeping or shrinkage in buildings or foundations, walls, pavements, driveways or other structural improvements;
- Corruption, amendment, erasure or interference with computer software.

E. Damage caused directly or indirect

- Shrinkage, expansion, inherent vice, mould, mildew, dampness or dryness of the atmosphere;
- Moths, vermin, termites or other insects;
- Mechanical derangement and mechanical, structural or electrical breakdown;
- Faulty materials or faulty workmanship.

F. The cost of recreating computer records or programs

Sum Insured limit - 10% of Policy SI subject to a maximum of Rs.2.50 Cr

2. ESCALATION CLAUSE

UIN: IRDAN123RP0015V01202021/A0011V01202122

In consideration of the payment of an additional premium or as agreed by insurer on the under noted items(s) the Sum(s) Insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Unless specifically agreed to the contrary the provisions of this clause shall only apply to the sums insured in force at the commencement of each period of insurance. At each renewal date the insured shall notify the Insurers :

- The sums to be insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of insurance upto that renewal date, and
- The specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

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

Sum Insured limit - Upto max 25% of BPM SI (BPM - Building Plant and machinery)

3. INSURANCE OF ADDITIONAL EXPENSES OF RENT FOR AN ALTERNATIVE ACCOMMODATION

UIN: IRDAN123RP0015V01202021/A0012V01202122

It is hereby declared that in the event of the premises described in the policy and occupied by the insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any Insured Peril as to become unfit for occupation and the insured in consequence taking up

alternative accommodation, the Company shall, subject to special conditions set out herein, indemnify the insured against the additional rent (as explained herein) which the insured is called upon to bear for the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation or the maximum indemnity period of months whichever is earlier. Provided that the liability of the Company shall not exceed Rs. the sum insured hereby. Provided further that if the sum produced by applying the monthly additional rent, borne by the insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced.

SPECIAL CONDITIONS:

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being "Kutchra" Construction.
2. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this insurance shall be deemed to be that proportion of the additional rent actually borne by the insured as the area of the PREMISES which was in the insured's occupation bears to the area of the alternative accommodation taken by the insured. The insured shall be at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

EXPLANATION

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

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

Sum Insured limit Limit Selected – Upto 1% of Policy SI, No. of Months – Maximum 12 months

4. FIRE FIGHTING EXPENSES:

UIN: IRDAN123RP0015V01202021/A0013V01202122

In consideration of the payment of additional premium or as agreed by insurer, it is hereby declared and agreed that the insurance under this Policy shall, subject to terms, conditions and exclusions of this Policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include reasonable and necessary cost of replenishment, refilling, recharging and restitution of fire extinguishing appliances and fire detection equipment, replacing used sprinkler heads, and any specific extinguishment charges levied against the Insured in whole or in part in the process of minimizing destruction or damage incurred hereby.

Provided that, this extension is applicable only when there is an admissible claim under the policy and such expenses which are reasonably and necessarily incurred should be supported by bills and documents upto the limits covered and without bills either 50% of the limit selected or Rs.50000 whichever is lower will be paid

Claims will be settled on indemnity basis, subject to a maximum of 5% of the base claim amount or ₹ 1 crore, whichever is lower.

Sum Insured limit - 5% of the policy sum insured, subject to a maximum of ₹ 1 crore

5. EXPEDITING EXPENSES

UIN: IRDAN123RP0015V01202021/A0014V01202122

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and "Insured having paid the agreed premium" or as agreed by insurer, The insurance by this policy is extended to cover any extra cost insured in respect of express delivery airfreight, overtime Sunday and Holiday rates of wages in connection with repairs or replacements indemnifiable by this policy, the liability of the Insurers under this Endorsements shall in no case exceed the percent of the amount which the repair or replacement would have cost if these expenses had not been incurred.

Claims will be settled on indemnity basis, subject to a maximum of 10% of the base claim amount or ₹ 1 crore, whichever is lower.

Sum Insured limit - Limit Selected – 10% of the policy sum insured, subject to a maximum ₹1 crore.

6. INSTALMENT PROTECTION UPTO RS.50,000 PER EMI

UIN : IRDAN123RP0015V01202021/A0030V01202122

Coverage:

In consideration of the payment of additional premium and notwithstanding anything to the contrary in this policy or in any of its conditions, it is hereby agreed and declared that, this policy extends to cover.

Loss, Damage or destruction due to operation of insured peril at the insured premises and when the same leads to reduction in monthly profit/revenue, the company will indemnify the insured in the form of payment of Equated Monthly Instalment (EMI) in proportion to

reduction in revenue extend to 3 consecutive EMIs from the date of loss towards loan amount subject to maximum of ₹ 50,000 per EMI whichever is lower.

For profit making units, Amount of EMI is calculated based on % of loss/reduction in profit income. The company will indemnify the insured for the same proportion of deficit / percentage of reduction in profit income and for loss making units, Amount of EMI is calculated based on % of loss amount increased. The company will indemnify insured of the same proportion of deficit / percentage of increase in loss as illustrated below.

Profit (Monthly)	Loss Amount(₹)	Net Gain (₹)	Reduction in profit %	EMI Amount	EMI Amount Payable
20,00,000	0	20,00,000	0	1,00,000	0
20,00,000	5,00,000	15,00,000	25	1,00,000	25,000
20,00,000	15,00,000	5,00,000	75	1,00,000	50,000 *
* As the loss reduction in profit/ revenue is more than 50,000 hence will be 50,000 only.					
Loss (Monthly)	Loss Amount(₹)	Net Loss (₹)	Increase in Loss %	EMI Amount	EMI Amount Payable
20,00,000	0	20,00,000	0	1,00,000	0
20,00,000	5,00,000	25,00,000	25	1,00,000	50,000
20,00,000	15,00,000	35,00,000	75	1,00,000	50,000*

Exclusions:

Policy does not cover

1. Consequential Loss of any nature.
2. Any Loss or damage occasioned by or through or in consequence directly or indirectly caused by any other perils which is not insured in base policy.
3. Denial of Access by order of any Public Authority
4. Denial of Access by any other peril which is not covered in base policy.
5. Total or partial cessation of work or the retardation or interruption or cessation of any process or operations by order of the Government or any lawfully constituted Authority or any Statutory authority
6. Under no circumstances, insurer is liable to pay more than the actual losses incurred by the insured.

Conditions:

1. Loan should be taken on or belongs to insured premises.
2. The company will pay maximum 3 EMI or lesser if You get starts earning earlier.
3. Insured need to establish, loss earnings by suitable documental evidence.

Sum Insured Limit: Up to a maximum of ₹ 50,000/- per EMI

Excess: Policy Excess

7. DEWATERING EXPENSES

UIN : IRDAN123RP0015V01202021/A0031V01202122

Coverage: It is agreed and understood that, expenses necessarily and reasonably incurred by or on behalf of the Insured for dewatering of ingressed water caused due to insured peril, to prevent or minimise aggravation of the loss or damage shall be indemnified.

The maximum limit payable under this cover is restricted to Rs.2.50 lakhs per claim.

Sum Insured Limit: Up to a maximum of Rs.5 lakhs per Policy

Excess: Policy Excess

8. INVOLUNTARY BETTERMENT / MODIFICATION COSTS AND EXPENSES FOR INCOMPATIBILITY OF EQUIPMENT

UIN : IRDAN123RP0015V01202021/A0032V01202122

Coverage: It is agreed and understood that in respect of loss or damage to property covered under the Policy the insured may repair or replace with equivalent property which employs or recognizes current technology and/or Regulatory/Statutory requirement becoming operative at the time of damage and replacement or repair with such property shall not, for the purposes of this Endorsement, be regarded as being better or more extensive than new. This Endorsement further extends to include the replacement of undamaged

property in so far as it is necessary in order to adapt the remainder of the undamaged property to operate in conjunction with that property which has been Damaged and repaired or replaced.

Further, the insurance by this section is extended to cover the cost or expense for modification of

- (i) Damaged or undamaged equipment's including but not limited to computers and ancillary equipment's and or
- (ii) The cost of replacement/restoration and recompilation of computer records to mitigate the incompatibility between the replaced equipment and undamaged equipment and/or computer records.

Insurer will indemnify the cost to achieve compatibility between the above two situation whichever is lesser subject to limits mentioned in schedule.

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.

Sum Insured Limit – 10% of Plant and Machinery / Equipment Sum Insured.

Excess: Policy Excess

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

UIN : IRDAN123RP0015V01202021/A0033V01202122

Coverage: It is hereby declared and agreed that on payment of additional premium by the insured, the Policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicles, Fork lifts, cranes, stackers and the like and articles dropped therefrom."

Sum Insured Limit – Upto 10% of Policy Sum Insured.

Excess: Policy Excess

10. REMOVAL OF DEBRIS (IN EXCESS OF 2% OF CLAIM AMOUNT)

UIN : IRDAN123RP0015V01202021/A0034V01202122

Coverage: It is hereby declared and agreed that on payment of additional premium Policy is extended to cover "Costs and expenses necessarily incurred by the insured

- (a) In the removal of debris from the premises of the Insured;
- (b) Dismantling or demolishing;
- (c) Shoring up or propping;

of the portion or portions of the property insured by this policy destroyed or damaged by perils hereby insured against but not exceeding 10% of the total Sum Insured.

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

Sum Insured Limit – Upto 10% of Policy Sum Insured.

Excess: Policy Excess
