



Mega Risk Insurance Policy

This policy of insurance is made between

1. the insuring party and 2. the insurer

The insuring party has submitted to the insurer a proposal requesting insurance cover to be provided under one or more sections of this policy of insurance and the proposal has been accepted by the insurer. The insurance cover provided by this policy of insurance is only in respect of and subject to the wording of those sections to which the schedule has been completed and which have been signed and dated by the insurer.

Subject to the insuring party having paid the agreed premium to the insurer and subject to the terms, provisions, conditions, warranties and exclusions contained herein or endorsed hereon the insurer shall indemnify the insured in the manner and to the extent stated in the following section(s) forming part of this policy of insurance:

Section 1. Operational material damage (compulsory) yes
 Section 2. Operational business interruption yes no

The insuring party acknowledges that it has ensured and shall continue to ensure that all parties named as insured in any section of this policy of insurance disclose to it all information required to be provided to the insurer and shall at all times comply with any obligations which are placed upon the insured by any provision of this policy of insurance.

The due observance and fulfilment of the terms of this policy of insurance insofar as they relate to anything to be done or complied with by the insuring party and the insured and the truth of the statements and answers given by or on behalf of the insured in the proposal as well as any statements in the schedules to any section of this policy of insurance shall be a condition precedent to any liability on the part of the insurer.

No alteration of the terms of this policy of insurance which may be agreed as between the insuring party and the insurer shall require the agreement or consent of any other party constituting the insured under any section.

This policy of insurance shall be construed in accordance with the laws of.

The language of communication under this policy of insurance shall be English.

In witness whereof, the duly authorized agent of the insurer signs this agreement on its behalf.

Date Insurer

This policy of insurance shall not be effective unless signed above and dated by the insurer. No section of this policy of insurance shall be effective unless the schedule is both signed and dated by the insurer.

Definitions applicable to all sections

The terms used in this policy of insurance shall have the following meanings unless they are defined differently in any section hereof or the context so requires.

Act of default

means a deliberate act regardless of whether the actual consequences of such an act were anticipated or not or a reckless failure to take the reasonably necessary precautions which a prudent insured would take to prevent loss or damage to the property insured or any deliberate act of material non-disclosure or breach of any warranty or condition of this policy of insurance.

Act(s) of God

means an occurrence due to natural causes, directly and exclusively without human intervention and which could not have been foreseen or if foreseen, could not have been resisted by any amount of human care or skill.

Actual value

means the cost which in the event of loss or damage to any item or part of the property insured would be necessary to replace it with one of the same age and capacity and similar make and quality, inclusive of all materials, wages, freight, customs, duties and dues.

Additional insurance means any additional insurance cover the insured may decide to take out

Cover

in any section of this policy of insurance.

Consequential loss

means any financial loss of any kind or description whatsoever, including loss of profit, loss of opportunity, losses due to delay, lack of performance, loss of contract or penalties.

Deductible/lethe

means the amount to be deducted from any payment otherwise to be made by insurer to the insured.

Insured

means all the parties named as the insured in a section of this policy of insurance and if the context so requires any one of them.

Insurer

means the party named as such in this policy of insurance.

Insurer's agent

means an individual, firm or company appointed by the insurer to act on its behalf.

Insured party(ies)

means the individual, firm, company, corporation or joint venture specified as an insured in this policy of insurance.

Insuring party

means the individual, firm, company, corporation, joint venture or combination of the above named as such in this policy of insurance that has entered into this policy of insurance on behalf of itself and any other party named as an insured in any section in this policy of insurance.

Language of insurer Communication

means the language in which communication between the insured and the under this policy of insurance shall take place.

Malfunction

means the failure of a data processing system, software program or built-in microprocessor to function properly or the production of wrong results.

Material change in risk

means any change in the nature, exposure, location, execution and maintenance of the property insured that a reasonably prudent insurer would consider material to the acceptance of the risk under the terms and conditions of this policy of insurance.

New replacement value

means the costs which would be incurred to replace the property insured at the premises with new items of similar kind and quality at any time during the policy period.

Period of insurance

means the period during which cover is provided by this policy of insurance as specified in the schedule.

Policy of insurance

means the proposal, the definitions, the conditions, the exclusions, the schedule and the sections of this policy of insurance.

Premises

means the location(s) of the property insured.

Premium

means the premium payable under this policy of insurance calculated in accordance with its terms.

Premium rate

means the rate referred to as such in the schedule agreed between the insuring party and the insurer.

Property insured

means the property insured as specified in the schedule to this policy of insurance.

Proposal

means the written information submitted to the insurer by the insuring party seeking insurance cover under this policy of insurance.

Representatives

means the directors, officers or any other individuals that have the authority to exercise administrative or executive control over the execution of a contract or over an operation or business.

Schedule

means the schedule to the section(s) of this policy of insurance in which reference is made to it.

Section

means any section of this policy of insurance including the schedule thereto.

Sum(s) insured

means the amount of insurance cover specified in the schedule in respect of any particular item of property insured or interest insured or the total amount of insurance cover specified in the schedule as the context may require.

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 organization(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Exclusions applicable to all sections

- Unless otherwise stated in any section of this policy of insurance, the insurer shall not indemnify the insured in respect of any loss or damage resulting from or aggravated by
 - war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, conspiracy, strike, lockout, riot, civil commotion, military or usurped power, confiscation, nationalization, commandeering, requisition or destruction or damage by or under the order of any government de jure or de facto or by any public or local authority;
 - the acts of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;
 - any act of terrorism;
 - ionizing radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;
 - the radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - any weapon of war employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter;
 - an act of default committed by the insured or its representatives.
 - In any action, suit or other proceeding in which the insurer alleges that by reason of the provisions of exclusions 1.1, 1.2 and 1.3 above any loss or damage is not covered by this policy of insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

Conditions applicable to all sections

1. Payment of premium

1. Notwithstanding the provisions of clause 3 the payment of the premium by the premium insuring party is a condition precedent to the insurer's liability towards any insured party under any section of this policy of insurance.

2. Reasonable Precautions

2. The insurer shall not be liable to indemnify the insured or any insured party in respect of any occurrence happening prior to receipt of the premium. The insured shall take at his own expense all reasonable precautions and comply with all reasonable recommendations made by the insurer, to prevent loss of or damage to the property insured or any liability arising under this policy of insurance and comply with all relevant statutory requirements and manufacturers' recommendations.

3. Multiple insured

- 3.1. If in any section the insured comprises more than one party each operating as clause 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.
- 3.2. 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.

4. Act of default

- 4.1. In the event of an act of default being committed by an insured party or its representatives the insurer shall not be liable to pay any amount to the insured party under this policy of insurance.

An act of default committed by one insured party or its representatives shall not prejudice the entitlement to indemnity of any other insured party that has not itself (and whose representatives have not) committed an act of default.

In the event of the insurer refusing to indemnify an insured party as a result of any act of default no other insured party shall be entitled to indemnity in respect of the same loss or damage by assuming the rights or obligations of the insured party whose claim for indemnity the insurer has refused or is entitled to refuse.

In the event of an act of default the insurer shall be entitled to claim from the insured party any loss or damage it may have suffered including, without limitation, any sums it may have paid to any other insured party as a result of any loss or damage caused or contributed to by the insured party or its representatives committing an act of default.

5. Subrogation

- 5.1. The insurer shall waive its rights of subrogation against all insured parties provided no act of default committed by any insured party or its representatives has caused any loss or damage to any other insured party.

- 5.2. The insured shall at the insurer's expense do and concur in doing and permit to be done all actions that may be necessary or required by the insurer in the interest of any rights or remedies or for the purpose of obtaining relief or indemnity to which the insurer is or would become entitled or which is or would be subrogated to him upon indemnification or rectification of any loss or damage under this policy of insurance, regardless of whether such action is or becomes necessary or required before or after the insured's indemnification by the insurer.

6. Risk inspections

- 6.1. The insurer or the insurer's agent shall have the right to inspect and examine the property insured at any reasonable time and the insured shall provide the insurer or the insurer's agent with all relevant details and information.

7. Material change in the risk

- 7.1. As soon as is reasonably possible, any party named as the insured in any section of this policy of insurance shall notify the insuring party of any material change in risk of which it is aware or ought reasonably to be aware and shall take or cause to be taken at its own expense any additional precautions that may be necessary to prevent loss or damage occurring to the property insured as a result of such material change in risk. The insuring party shall immediately notify the insurer in writing upon receipt of any notice from the insured. The insurer shall not be liable for any loss of or damage to property insured which would not have resulted had there not been a material change in risk unless the insurer has agreed to the material change in risk in which case the scope of cover and premium shall, if necessary, be adjusted by the insurer to reflect the material change in risk.

8. Claims notification and the insured's obligations following an occurrence

- 8.1. In the event of any occurrence which might give rise to a claim under this policy of insurance, the insured shall
 - 8.1.1. notify the insurer in writing as soon as reasonably possible, indicating the nature and extent of the loss or damage; take all such measures as may be reasonable for the purpose of minimizing loss or damage; ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised; do and concur in doing and permit to be done all such things as may be practicable to establish the cause and extent of the loss or damage; preserve all parts affected and make them available for inspection by the insurer's agent as long as the insurer may require;

This additional insurance cover is also subject to the insuring party advising the insurer within three months of the particulars of any such capital additions and the payment of any additional premium the insurer may require.

Expediting expenses

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (including airfreight) incurred to rectify loss of or damage to property insured.

Fire-fighting expenses

The insurer shall indemnify the insured in respect of fire-fighting expenses necessarily and reasonably incurred by the insured to prevent or minimize the extent of any loss of or damage to the property insured indemnifiable under this policy of insurance, including the cost of materials expended, costs incurred in refilling fire-extinguishing appliances and replacing used sprinkler heads, wages of personnel specifically engaged for such tasks and all fire-fighting costs claimed against the insured from a public authority or public fire brigade provided always that the amount payable under this additional Inform the police authorities of loss or damage due to fire, theft or burglary or actions by any malicious person and render all reasonable assistance to the police authorities; Furnish any information and documentary evidence that the insurer may require together with, if required, a statutory declaration of the truth of the claim. If the insured or anyone acting on its behalf hinders or obstructs the insurer in any way or does not comply with any reasonable recommendations the insurer may make following the notification of any loss or damage, all benefits claimed under any section of this policy of insurance shall be forfeited. The insurer shall reimburse the insured for any charges properly and reasonably incurred in pursuance of its duties in relation to clauses 8.1.2 and 8.1.3 above in addition to any loss recoverable under any section of this policy of insurance. Upon notifying the insurer the insured may repair any minor damage or replace any parts of the property insured that have sustained minor damage. In all other cases the insurer's agent shall be given the opportunity to inspect the loss or damage before any repairs are effected and if the insurer's agent does not carry out the inspection within a period of time which could be considered reasonable under the circumstances, the insured shall be entitled to proceed with the repair or replacement. The liability of the insurer under this policy of insurance in respect of any lost or damaged part or parts of the property insured shall cease if such part or parts are not repaired or replaced in accordance with the relevant technical standards.

9. Fraudulent claims

- 9.1. If an insured party makes any claim that is fraudulent or any false declaration or statement in support thereof, this policy of insurance between the insurer and the insured party making such a claim shall become void and the insurer shall not be liable to make any payment hereunder to that party.
- 9.2. For the avoidance of doubt, the insuring party shall not be entitled to any return of premium in the event that the policy of insurance is treated as void.

10. Disclaimer of liability

- 10.1. If the insurer disclaims liability in respect of any claim and if conciliation is not commenced within three months of such a disclaimer, all benefits under this policy of insurance in respect of that claim shall be forfeited.

11. Other insurances

- 11.1. If at the time any claim is made under this policy of insurance there is any other insurance covering the same

loss or damage, the insurer shall not be liable to pay more than the rateable proportion of any claim for such loss or damage.

12. Entire agreement

- 12.1. This policy of insurance shall form the entire agreement between the insurer and the insuring party and any party claiming as an insured and supersedes and replaces all prior communications, representations, warranties, undertakings and agreements between the parties whether oral or written.

13. Arbitration

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

14. Termination of Policy

The Policy may be cancelled at any time by giving 15 days notice by means of registered letter from the Company to the Insured's last known address and in such event the Company will refund prorata premium for the unexpired period of the Policy. In case of misrepresentation, fraud, non-disclosure of material fact or non-cooperation by the Insured, the Insurer reserves the right to cancel the Policy and is not obliged to refund the premium already paid under the policy. The Policy may also be cancelled by the Insured by giving 15 days notice in writing to the Company in which event the Company shall cancel the Policy and refund the premium at prorata premium for the unexpired period subject to 'No Claim' under the Policy during the period of insurance.

15. Condonation of Delay

The Company may condone delay in claim intimation/document submission on merit, where it is proved that delay in reporting of claim or submission of claim documents, is due to reasons beyond the control of the Insured. Notwithstanding the above, delay in claim intimation or submission of claim documents due to reasons beyond the control of the Insured shall not be condoned where such claims would have otherwise been rejected even if reported in time.

16. Renewal Clause

The Company shall be under no obligation to renew the policy on expiry of the period for which premium has been paid. The Company reserves the right to offer revised rates, terms and conditions at renewal based on claim experience and a fresh assessment of the risk. This policy may be renewed only by mutual consent and subject to payment in advance of the total premium at the rate in force at the time of renewal. The Company, however, shall not be bound to give notice that the policy is due for renewal or to accept any renewal premium. Unless renewed as herein provided, this policy shall automatically terminate at the expiry of the period for which premium has already been paid.

17. FRAUD WARNING

This policy shall be voidable at the option of the HDFC ERGO in the event of mis-representation, mis-description or non-disclosure of any material particulars by the Proposer. Any person who, knowingly and with intent to defraud the insurance company or any other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, Information concerning any fact material thereto, commits a fraudulent insurance act, which will render the policy voidable at the sole discretion of the insurance company and result in a denial of insurance benefits.

SECTION 1. OPERATIONAL MATERIAL DAMAGE

1. Indemnification

- 1.1. The insurer shall indemnify the insured for any sudden physical loss of or damage to the property insured which the insured could not reasonably have foreseen and which occurs at the premises at any time during the period of insurance due to any cause not specifically excluded and which results in property insured needing to be repaired or replaced.
- 1.2. The indemnity for each item specified in the schedule shall not exceed the amount set opposite thereto or any limit of indemnity that may be applicable.

2. Property insured

- 2.1. The property insured under this section is all permanent and temporary installations, mechanical, electrical and electronic equipment, buildings including contents, stock, goods in process, owned, operated, or held in the care, custody or control of the insured unless specifically excluded in this section.

3. Additional insurance cover

If specified in the schedule, the following additional insurance cover will be provided subject to the terms contained herein:

Capital additions

The insurer shall indemnify the insured in respect of loss of or damage to: any buildings, machinery and other equipment acquired or operated by or held in the care, custody or control of the insured after the inception of this policy of insurance and not included in the schedule; any additions or extensions to property insured which have been carried out after the inception of this policy of insurance collectively referred to as .capital additions. Any increase in the new replacement value as a result of such capital additions shall not exceed the percentage of the total sum insured specified in the schedule.

Additional insurance cover shall not exceed the limit of indemnity specified in the schedule. Payment by insurers of any amount under this additional insurance cover shall be subject to the proof of costs incurred as insurers may reasonably require.

Hazardous substances

The insurer shall indemnify the insured in respect of the additional expenses incurred for cleanup, repair,

replacement or disposal of any damaged, contaminated or polluted property insured following an occurrence of loss or damage, subject to the limit of indemnity specified in the schedule.

Professional fees

The insurer shall indemnify the insured in respect of professional fees and related costs necessarily incurred to reinstate loss of or damage to property insured but not for preparing claims. The amount payable for such fees shall not exceed those authorized under the scales of the respective institutions or bodies regulating such charges or the limit of indemnity specified in the schedule, whichever is the lower.

Removal of debris

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of the costs and expenses necessarily incurred to remove and dispose of debris, to dismantle, demolish, shore or prop up property insured in any circumstances giving rise to indemnifiable loss or damage under this section.

4. Sum insured

- 4.1. It is a requirement of this policy of insurance that the sum(s) insured specified in the schedule in respect of the property insured shall not be less than the new replacement value of such property.
- 4.2. In the event of any indemnification under this section the sum insured shall be automatically reinstated.

5. Premium

- 5.1. A premium shall be paid at the inception of this section and shall be calculated by multiplying the total sum insured by the premium rate.
- 5.2. If during the period of insurance the sum insured is increased or decreased the premium shall be adjusted accordingly for the remaining period.

6. Period of insurance

- 6.1. Unless agreed otherwise the period of insurance shall be one year from the inception date specified in the schedule. Inception and expiry shall both take effect as of 12 noon on the dates specified in the schedule. The period of insurance shall be renewed automatically for one further year unless the insurer or the insuring party give 30 days. written notice of termination, such termination to take effect on the expiry date.

7. Temporary

- 7.1. The insurer shall indemnify the insured in respect of any loss of or damage to removal property insured (other than stock and or goods in process and or finished goods, and or raw materials and or supplies if insured hereby) temporarily removed for cleaning, renovation, repair or maintenance to any other location whilst in transit thereto or therefrom by road, rail or inland waterway.

8. Deductible

- 8.1. In respect of each and every occurrence of loss of or damage to items of property insured the insurer shall not

be liable for the respective deductible specified in the schedule, provided that if more than one item is lost or damaged as a result of any one occurrence, the insured shall not be called upon to bear more than the highest single deductible applicable to any lost or damaged item. Any loss of or damage to the property insured under this section arising during any one period of 72 consecutive hours caused by acts of God of the same type covered by this section shall be deemed to have been caused by a single occurrence and shall therefore be subject to one deductible. For the purposes of the foregoing the commencement of any such 72-hour period shall be decided upon by and at the discretion of the insured, it being understood and agreed that there shall be no overlapping of any two or more such 72-hour periods in the event of damage occurring over a more extended period of time.

9. Exclusions

The following shall be excluded from the cover provided by this section:

Property excluded

property in the process of being constructed or erected; mechanical, electrical and electronic equipment prior to the successful completion of their performance acceptance tests; goods in process if loss or damage arises from the process of manufacture, testing, repairing, cleaning, restoring, alteration, renovation or servicing; motor vehicles licensed for public roads, railway locomotives, rolling stock, floating equipment, ships, vessels, aircraft, spacecraft; money, stamps, deeds, evidence of debt or title, works of art, rare books, jewellery, precious metals, precious stones and gems, securities, valuable documents;

land, including topsoil, backfill, drainage and culverts, roads, runways, railway lines, dams, reservoirs, water, canals, drilling rigs, wells, pipelines, transmission and distribution lines, tunnels, bridges, docks, piers, wharves, any property underground, offshore property; flora and fauna; all property on the premises of nuclear power stations; nuclear reactors, reactor buildings and plant and equipment therein on any premises other than nuclear power stations; all property on any premises (including but not limited to the premises referred to above) used or having been used for the generation of nuclear energy or the production, use or storage of nuclear material; property of the insured which has been transferred into the possession of others, under leasing or rental agreements, hire, purchase, credit or other suspensive sale agreements.

Perils excluded

The insurer shall not be liable for loss or damage resulting from any faults or defects existing at the time of commencement of this policy of insurance of which the insured or his representatives were or ought reasonably to have been aware, irrespective of whether such faults or defects were known to the insurer or not; release, discharge, or dispersal of toxic or hazardous substances, contaminants or pollutants, proximate or remote, except as specified under item 3.4 of this section; lack of incoming supplies

including but not limited to electricity, fuel, water, gas, steam or refrigerant. The insurer shall not be liable for loss or damage for which a manufacturer, supplier, contractor or repairer is responsible either by law or ordinance or under any contract or agreement; any increase in the cost of replacement or repair due to enforcement of any ordinance or law; 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 other causes, but this exclusion shall be limited to the items immediately affected and shall not exclude liability for loss or damage to other parts of the property insured as a consequence thereof; loss or disappearance which is discovered only during an inventory or stocktaking or which is not traceable to a specific occurrence of loss or damage otherwise indemnifiable under this section; shrinkage, evaporation, loss of weight, consequences of exposure to light, change in flavour, cooler, texture or finish affecting raw material, goods in process or finished goods unless such change in condition is a direct consequence of an occurrence of loss or damage otherwise indemnifiable under this section; loss or damage attributable to extremes or changes of temperature or humidity or to non-existing, non-functional or inadequate heating, air-conditioning or cooling equipment including operating error, condensation, excessive moisture, dampness, seepage, disease, deterioration, decay, mildew, mould, fungus, wet or dry rot, insect larvae or vermin of any kind, infestation unless resulting from a cause not otherwise excluded; any malfunction of hardware, software or embedded chips as well as any loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data (including but not limited to computer virus, worms, Trojan Horses); but this shall not exclude liability for loss of or damage to other parts of the property insured as a consequence thereof; costs arising from false or unauthorized programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media and from loss of information caused by magnetic fields; costs of maintenance, upgrade or improvement, normal upkeep; consequential loss or any costs to reduce it; loss of or damage to hired equipment for which the lessor is responsible either by law or ordinance or under any contract or agreement; any costs rendered necessary to replace, repair or rectify property insured which is defective due to any fault, defect, error or omission in design, plan, specification, material, manufacture or workmanship, but should property insured other than mechanical, electrical and electronic equipment containing any such defect become lost or damaged, the costs excluded are those which the insured would have incurred to replace, repair or rectify the original defect if such defect had been discovered before the occurrence of loss or damage. Mechanical, electrical and electronic equipment shall be considered covered for losses resulting from any of the causes mentioned in this clause.

10. Conditions for

- 10.1. In the event of any loss or damage the basis of loss settlement under this loss settlement section shall be as follows:

for stock, goods in process, finished goods, raw materials and supplies the costs required to replace the damaged material at the same premises by material of a similar kind and quality to that immediately before the loss; for plans, drawings, records, data and programs for electronic and electromechanical data-processing equipment the cost of reproducing the same from duplicates or from originals; for mechanical, electrical and electronic equipment older than 5 years to be calculated from the date of manufacture and for mobile equipment of any age: for damage which can be repaired the costs necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the sum insured. If the repairs are carried out at a workshop owned by the insured, the insurer shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced. If the cost of repairs equals or exceeds the actual value of the damaged property immediately before the occurrence of loss or damage, that property shall be regarded as a total loss. In the event of a total loss the insurer shall pay the actual value of the property insured immediately before the occurrence, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the sum insured. The insurer shall also pay any reasonable costs to dismantle damaged equipment. for all other property the new replacement value or the cost of restoring the property to a condition equal to but no better or more extensive than its condition when new, whichever is the lower. 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. The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this policy of insurance. The cost of any provisional repairs shall be borne by the insurer if such repairs constitute part of the final repairs and do not increase the total cost of repairs. The amount payable by the insurer in accordance with the above-mentioned provisions shall be reduced by the value of any salvage.

Preventive maintenance

- 11.1. It is a condition of this policy of insurance that any plant, machinery or equipment forming property insured is maintained in accordance with the recommendations of the suppliers or manufacturers of such plant, machinery or equipment.
- 11.2. Such maintenance shall include safety checks, preventive maintenance, rectification of loss or damage or faults arising from normal operation or wear and tear as well as from ageing, and shall also include the repair or replacement of components, modules or parts.

Additional Extensions/Clauses to Sections I

If specified in The Schedule, the following Additional

Insurance Cover and additional clauses will be provided subject to the terms contained herein

Wordings for "insured opted clauses" and "addon" as per supplementary bank clause to be incorporated

SECTION 2. OPERATIONAL BUSINESS INTERRUPTION

1. Indemnification

- 1.1. The insurer shall indemnify the insured for a loss of the interest insured unless specifically excluded if at any time during the period of insurance the property insured under the operational material damage section suffers loss or damage indemnifiable under the operational material damage section or which would have been indemnifiable under the operational material damage section but for the application of a deductible, thereby causing an interruption of or interference with the business insured.

The indemnity for the loss of interest insured shall be in respect of:

gross profit, the loss actually sustained during the indemnity period resulting from a reduction in turnover including any increased cost of working or

specified standing charges, the amount actually not earned during the indemnity period resulting from a reduction in turnover including any increased cost of working.

The indemnity shall not exceed the sum insured for the maximum indemnity period.

2. Sum insured

- 2.1. The sum insured shall be the annual gross profit specified in the schedule or the annual specified standing charges.
- 2.2. Should the indemnity period exceed twelve months, the gross profit or the specified standing charges shall be the pro rata amount for that period.

3. Period of insurance

- 3.1. The period of insurance shall be the period specified in the schedule. Should at any time after the commencement of this policy of insurance the business be wound up or carried on by a liquidator or receiver or administrator or be permanently discontinued, the insured's interest cease otherwise than by death, then the cover under this section shall cease on the respective date unless specifically agreed by the insurer in writing.

4. Indemnity period

- 4.1. The indemnity period shall be the period during which the interest insured is affected by an interruption of or interference with the business insured beginning on the date of the occurrence of loss or damage and not exceeding the maximum indemnity period specified in the schedule.

5. Premium

- 5.1. A deposit premium shall be paid at the inception of this policy of insurance and shall be calculated by multiplying the sum insured by the premium rate.

If the insured declares at the latest six months after the expiry of any period of insurance that the gross profit

earned during the accounting period of twelve months most closely concurrent with any period of insurance, as certified by the insured's auditors, 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 the difference.

If any loss or damage has occurred giving rise to any payment under this section then the amount of any such payment before application of the time excess or monetary deductible shall be added to the gross profit as certified by the insured's auditors and any return of premium shall be based on the difference between such sum and the sum insured.

6. Time excess and monetary deductible

- 6.1. In any one occurrence of loss or damage the insurer shall not be liable for the amount obtained by multiplying the average daily value of the loss of interest insured sustained during the indemnity period by the number of days specified in the schedule as the time excess or for the amount of any monetary deductible specified in the schedule, whichever is higher.

7. Exclusions

The following shall be excluded from the cover provided by this section: loss of interest insured due to an interruption of or interference with the business insured resulting from loss or damage covered under the operational material damage section by way of endorsement, unless expressly specified as covered in the schedule; earthquake, volcanic eruption or tsunami, unless expressly specified as covered in the schedule; any restrictions imposed by public authority; consequential loss which occurs after the date when the items lost, destroyed or damaged are in operating condition again and the business insured could have been resumed; loss or damage due to abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments; shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item indicated in the list of property insured is involved, unless agreed by endorsement; erasure, loss, distortion or corruption of information on computer systems or other records or software programs unless resulting from an occurrence of loss or damage indemnifiable under the operational material damage section. the amount of any fines or damages for breach of contract, for late or non-completion of orders, or for penalties of whatever nature.

8. Claims notification and the insured's special obligations simultaneously following an occurrence

- 8.1. The insured shall be obliged to keep for the period of insurance complete records of the business insured, including without limitation - inventories, production and balance sheets for the three preceding years. All records shall be held in safe keeping and, as a precaution against their being destroyed, the insured shall keep separate sets of such records. In the event of any occurrence of loss or damage which might cause an interruption of

or interference with the business insured the insured shall immediately notify the insurer and send it written confirmation thereof within forty-eight hours of the occurrence; the insurer and the insurer's agents shall have unlimited access to the premises to establish the possible cause and extent of the loss or damage, its effect on the interest insured, to examine the possibilities for minimizing the interruption of or interference with the business insured, and if necessary to make reasonable recommendations for the avoidance or minimization of such interruption or interference; the insurer and the insurer's agents shall have the right to enter any building where the loss has happened and may take possession of or require that any of the damaged property insured be rendered to them and may keep possession of and deal with such damaged property insured for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the insurer so to do. If the insured or anyone acting on his behalf hinders or obstructs the insurer in any way or does not comply with any recommendations the insurer may make pursuant to clause 8.2.2 above, all benefits under this section shall be forfeited. In the event of a claim being made under this section, the insured shall at his own expense deliver to the insurer not later than thirty days after the interruption of or interference with the business insured or within such further periods as the insurer may allow in writing a written statement setting forth particulars of the claim. The insured shall at his own expense produce and furnish to the insurer such books of account and other business books or other evidence as may reasonably be required by the insurer for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

9. Conditions for loss settlement

In the event of an interruption of or interference with the business insured the basis of loss settlement under this section shall be as follows:

Loss of gross profit In respect of loss of gross profit, the insurer shall pay the amount obtained by multiplying the rate of gross profit with the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the loss or damage not occurred. If the annual sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the indemnity period exceeds twelve months, the turnover calculated for the equivalent period, the amount payable shall be reduced proportionately. **Specified standing charges** In respect of specified standing charges, the insurer shall pay the amount obtained by multiplying the percentage by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the interruption of or interference with the business insured not occurred by the amount of specified standing charges incurred during the interruption or interference. If the sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the indemnity period exceeds twelve months, the pro rata turnover for that period,

the amount payable shall be reduced proportionately. Increased cost of working In respect of increased cost of working, the insurer shall pay the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have occurred during the indemnity period after expiry of the time excess. The indemnity shall not exceed the amount of loss of interest insured thereby avoided. Calculation of rate of gross profit and annual turnover In calculating the rate of gross profit and annual turnover, the following aspects shall be taken into consideration: the trend of the business insured; the results of the business insured during the financial year preceding the date of the loss or damage or, in the event of the loss or damage occurring during the first year of commercial operation, the turnover during the following financial year; any circumstances affecting the business insured either before or after loss or damage or which would have affected the business insured had the loss or damage not occurred; any benefits from deferred sales or from increased production and/or profits as a consequence of an interruption of or interference with the business insured which the insured may receive during a period of six months immediately following the re-commissioning of insured plant and/or machinery after a loss or damage; allowance for the time spent on any overhauls, inspections or modifications carried out during the period the business insured was affected by any interruption or interference; any money paid or payable in respect of goods which are sold or services which are rendered elsewhere than at the premises for the benefit of the business insured either by the insured or by another party acting on his behalf; any amount saved during the indemnity period in respect of any charges and expenses of the business payable out of the gross profit that may cease or be reduced in consequence of loss or damage. The final figures shall represent as closely as may be deemed reasonable the results which the business insured would have achieved had the interruption of or interference with the business insured not occurred.

10. Payment of indemnity

- 10.1. Subject to clause 10.3 below the insurer shall pay the insured any amount due under this section one month after final determination of the amount due. The insured may, one month after the insurer has been duly notified of the loss of interest insured and has acknowledged its liability, claim as advance payment(s) the minimum amount(s) the insurer agrees are payable. The insurer shall be entitled to postpone payment beyond the period set out in 10.1 above if there are doubts as to the insured's right to receive payment, in which case payment shall not become due until such time as the necessary proof is furnished by the insured or the insurer accepts liability; as a result of any loss or damage or any interference with or interruption of the business insured, police or criminal investigations have been initiated against the insured, in which case payment will not become due until the completion of such investigations, provided always that if the insured is convicted of any offence in respect of any claim for indemnity under this policy of insurance, the insurance cover under this section shall be void. The

insurer shall not be liable to pay interest on indemnity withheld other than interest for default.

11. Definitions

Annual turnover

means the turnover which, had the interruption of or interference with the business insured not occurred, would have been achieved during the twelve months preceding either the date when the business insured is no longer affected or when the indemnity period ends, whichever is the earlier.

Business insured

means the commercial operation of the property insured specified in the schedule to this section.

Debt service charges

means the amount of the annual payment(s) of interest and if specified the principal on borrowings due by the insured.

Gross profit

means the amount by which the value of the turnover and the value of the closing stock exceed the value of the opening stock and the amount of the specified working expenses. The value of the opening and closing stocks shall be calculated in accordance with the insured's normal accounting methods, due provisions being made for depreciation.

Increased cost of sole Working

means the additional expenditure necessarily and reasonably incurred for the purpose of avoiding or diminishing the loss of interest insured which, without such expenditure, would have taken place.

Interest insured

means either the gross profit including any increased cost of working or the specified standing charges including any increased cost of working.

Monetary deductible

means the amount to be deducted from any payment otherwise to be made by the insurer.

Maximum indemnity Period

means the maximum period(s) stated in the schedule in respect of which cover is afforded for the interest insured by this operational business interruption section.

Rate of gross profit

means the percentage of gross profit which, had the interruption of or interference with the business insured not occurred, would have been earned on the annual turnover.

Specified standing Charges

means any fixed costs specified in the schedule which continue to be payable in full during the indemnity period delivery if the loss or damage was not apparent at the time of taking delivery.

Note

- (a) The consignees or their representatives/ agents are required to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.
- (b) Any claim under this Insurance should be submitted, without delay, together with all correspondence with Carriers or other parties involved.

DOCUMENTATION OF CLAIMS

To enable claims to be dealt with promptly, the Insured is advised to submit all available supporting documents without delay, including when applicable:

When the amount of claim has been established, send the following documents to the office of the insurance company located in the country where the loss was discovered. If there is no local office, send documents to HDFC ERGO General Insurance Company Limited in Mumbai:

- a. Claim bill in duplicate
- b. A copy of the bill of lading or other international carrier's receipt.
- c. A copy of the delivering carrier's receipt, if other than the above showing written exceptions.
- d. The original or certified copy, of the invoice, and all packing lists.
- e. The original copy of the Claim Representative's survey report. Copies of all written correspondence with the responsible carriers, port and customs authorities.

RESOLUTION OF DISPUTES

Any dispute concerning the interpretation of the terms, exclusions or conditions contained herein or in the clauses attached and agreed to by both the Insured and the Company to be subject to Indian Law.

Specified working Expenses

means any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies unless required for the upkeep of operations and any costs for packaging, carriage, freight, intermediate storage, turnover tax, purchase tax, licence fees and royalties, insofar as such costs are dependent on turnover.

Turnover

means the amount of money (less discounts allowed) paid or payable to the insured for goods, products or services sold, delivered or rendered in the course of the business insured.

ADDITIONAL CLAUSES/EXTENSIONS TO SECTIONS II

If specified in The Schedule, the following Additional Insurance Cover and additional clauses will be provided subject to the terms contained herein

Wordings for "insured opted clauses" and "addon" as per supplementary bank clause to be incorporated

CLAIMS PROCEDURE

It is the duty of the Insured and their representatives/ agents, in all cases to take such measures as may be

reasonable for the purpose of averting or minimising loss or damage and to ensure that all rights against Carriers Bailees or other third parties are properly preserved and exercised; in particular, the Insured and/or their representatives/ agents are required:-

- (1) To claim immediately on the Carriers and the Port Authorities for any missing packages.
- (2) To apply immediately for survey in the docks by Carrier's representative if any loss or damage be apparent and claim on the Carriers for any actual loss or damage found at such survey.
- (3) In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
- (4) To give notice in writing to the Carriers' representatives within three days of

CONTACT US

	Within India
Claim Intimation:	Customer Service No: 022 6234 6234/0120 6234 6234 Reimbursement Claim intimation: Visit www.hdfcergo.com -> Help -> Claim registration
Claim document submission at address	HDFC ERGO General Insurance Co. Ltd. Stellar IT Park, Tower-15th Floor, C - 25, Sector 62, Noida-201301

GRIEVANCE REDRESSAL PROCEDURE

- i. If You have a grievance that You wish Us to redress, You may contact Us with the details of Your grievance through:

Contact Points	First Contact Point	Escalation level 1	Escalation level 2
Contacts us at	022 6158 2020 / 022 6234 6234	NA	NA
Write to us at	care@hdfcergo.com	grievance@hdfcergo.com	cgo@hdfcergo.com
Visit us	Grievance cell of any of our Branch office	The Grievance Cell, HDFC ERGO General Insurance Company Ltd., D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg, Bhandup (West) Mumbai - 400078	Chief Grievance Officer, HDFC ERGO General Insurance Company Ltd., D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg, Bhandup (w), Mumbai - 400078

- ii. If You are not satisfied with Our redressal of Your grievance through one of the above methods, You may approach the nearest Insurance Ombudsman for resolution of Your grievance. The contact details of Ombudsman offices are mentioned below.

Names of Ombudsman and Addresses of Ombudsmen Centers

OFFICE DETAILS	JURISDICTION OF OFFICE (UNION TERRITORY, DISTRICT)
AHMEDABAD - Shri Kuldip Singh Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@cioins.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
BENGALURU - Smt. Neerja Shah Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@cioins.co.in	Karnataka.
BHOPAL - Shri Guru Saran Shrivastava Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 - 2769203 Email: bimalokpal.bhopal@cioins.co.in	Madhya Pradesh, Chattisgarh.
BHUBANESHWAR - Shri Suresh Chandra Panda Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461/2596455 Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@cioins.co.in	Orissa.
CHANDIGARH - Dr. Dinesh Kumar Verma Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Fax: 0172 - 2708274 Email: bimalokpal.chandigarh@cioins.co.in	Punjab, Haryana (excluding Gurugram, Faridabad, Sonepat and Bahadurgarh) Himachal Pradesh, Union Territories of Jammu & Kashmir, Ladakh & Chandigarh.
CHENNAI - Shri M. Vasantha Krishna Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: bimalokpal.chennai@cioins.co.in	Tamil Nadu, Puducherry Town and Karaikal (which are part of Puducherry).

OFFICE DETAILS	JURISDICTION OF OFFICE (UNION TERRITORY, DISTRICT)
DELHI - Shri Sudhir Krishna Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23232481/23213504 Email: bimalokpal.delhi@cioins.co.in	Delhi & Following Districts of Haryana - Gurugram, Faridabad, Sonepat & Bahadurgarh.
GUWAHATI - Shri Kiriti B. Saha Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001 (ASSAM). Tel.: 0361 - 2632204 / 2602205 Email: bimalokpal.guwahati@cioins.co.in	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.
HYDERABAD - Shri I. Suresh Babu Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@cioins.co.in	Andhra Pradesh, Telangana, Yanam and part of Union Territory of Puducherry.
JAIPUR - Smt. Sandhya Baliga Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: bimalokpal.jaipur@cioins.co.in	Rajasthan.
ERNAKULAM - Ms. Poonam Bodra Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@cioins.co.in	Kerala, Lakshadweep, Mahe-a part of Union Territory of Puducherry.
KOLKATA - Shri P. K. Rath Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@cioins.co.in	West Bengal, Sikkim, Andaman & Nicobar Islands.

OFFICE DETAILS	JURISDICTION OF OFFICE (UNION TERRITORY, DISTRICT)
LUCKNOW - Shri Justice Anil Kumar Srivastava Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email: bimalokpal.lucknow@cioins.co.in	Districts of Uttar Pradesh : Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Amedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.
MUMBAI - Shri Milind A. Kharat Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960 Fax: 022 - 26106052 Email: bimalokpal.mumbai@cioins.co.in	Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.
NOIDA - Shri Chandra Shekhar Prasad Office of the Insurance Ombudsman, Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P - 201301. Tel.: 0120-2514252 / 2514253 Email: bimalokpal.noida@cioins.co.in	State of Uttarakhand and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budhaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.
PATNA - Shri N. K. Singh Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building,, Bazar Samiti Road, Bahadurpur, Patna - 800 006. Tel.: 0612-2680952 Email: bimalokpal.patna@cioins.co.in	Bihar, Jharkhand.
PUNE - Shri Vinay Sah Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-41312555 Email: bimalokpal.pune@cioins.co.in	Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.