

## Prospectus Business Package Insurance Policy

### Introduction

This is a Package Policy with multiple sections that covers the Business Property of an enterprise including items of Property for which they are accountable and the legal liability incurred in the course of operation at the Premises.

### Scope of cover

#### SECTION I –Bharat Sookshma Udyam Suraksha – Material Damage

##### Introduction

This prospectus gives basic information about the **Bharat Sookshma Udyam Suraksha** that You can purchase from Us, i.e. the Liberty General Insurance Limited. The **Bharat Sookshma Udyam Suraksha** provides insurance cover for physical loss or damage to, or destruction of, Insured Property relating to Your business.

This Section is meant for enterprises where the total value at risk across all insurable asset classes at one location does not exceed ₹ 5 Crore (Rupees Five Crore) at the policy commencement date.

##### *Important Dos and Don'ts*

1.	<b>When You fill up the Proposal Form</b>	<ul style="list-style-type: none"><li>• Read the instructions in the proposal form carefully before filling up the filling up the details.</li><li>• Understand the basis for arriving at the Sum Insured for Building, Plant and Machinery, Furniture, Fixtures, Fittings, Stocks and other Contents before filling up the details. This is given below in this Prospectus under the heading 'Sum Insured'. It is also explained in the Proposal Form.</li><li>• Make sure You have opted for the correct Section based on the total Sum Insured.</li><li>• Fill up the proposal form completely and answer all the questions truthfully.</li></ul>
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2	<b>During the Policy Period</b>	<ul style="list-style-type: none"> <li>• <b>Make full disclosure in the proposal and related documents about Yourself and all the Insurable Assets.</b></li> <li>• <b>Remember, the information You give Us is the basis of Our contract with You.</b></li> <li>• <b>You must inform Us of any changes in the business premises or if it remains unoccupied for more than 30 days.</b></li> <li>• <b>Do not allow unauthorised persons to occupy Your premises.</b></li> <li>• <b>Ensure that all security procedures are in force.</b></li> </ul>
3.	<b>When You have a Claim</b>	<ul style="list-style-type: none"> <li>• <b>Give notice of loss to Us, as required.</b></li> <li>• <b>Inform the respective authorities, as required.</b></li> <li>• <b>Make true and full disclosures in Your claim form.</b></li> <li>• <b>Give all documents supporting the claim</b></li> <li>• <b>Give full cooperation for inspection and investigation of claim</b></li> </ul>

*The Insurance Cover*

In this Prospectus, You will find information about the following insurance covers:

1. **Standard Cover:** We cover physical loss or damage, or destruction caused to the building and structures, plant and machinery, stock and other assets relating to Your business. These are the Insured Properties.

If any Insured Property is lost, damaged or destroyed, We provide cover as follows-

<b>Your loss</b>	<b>Condition</b>	<b>We pay, but not more than the Sum Insured</b>
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Any Insured Property is damaged (Partial Loss)	You have repaired such property.	Cost of repairs
If any Insured Stock is damaged (Partial Loss)		Extent of the loss of such Partial Loss
Any Building or Plant and Machinery or Furniture, Fixture, Fittings is completely destroyed (Total Loss)	You have rebuilt the building or reinstated /replaced such property.	Reinstatement /Replacement Value (i.e amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation)

<b>Your loss</b>	<b>Condition</b>	<b>We pay, but not more than the Sum Insured</b>
Stock is completely destroyed (Total Loss)		a) For raw material: Landed Cost at Your Premises, b) For stock in process: Input Cost of the stock at the time of damage, c) For finished stock: the Manufacturing Cost of the finished stock or the <b>Contract Price</b> of goods sold but not delivered.
Any Building, Plant and Machinery, Furniture, Fixture and Fittings is completely destroyed (Total Loss)	You have not rebuilt the building or reinstated other property.	Market Value (Reinstatement Value less Depreciation)

- i. You must commence the repairs, reinstatement or reconstruction within a reasonable time after the date of damage or destruction. You must complete the repairs or reinstatement within 12 months from the date of damage or destruction or within such time as We may allow.
- ii. In all cases, We will not pay more than the relevant Sum Insured.
- iii. We will pay only to the extent required to bring the Property to a condition substantially the same as, but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.
- iv. You can reconstruct the new building on the same site, or another site. If You reconstruct the new building on another site, We will not pay You more than what We would pay to reconstruct on the same site.

**2. In-built Covers:** Under the Standard Cover, We also pay the following:

<b>In-built Cover</b>	<b>Details</b>
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1.	<b>Additions, alterations or extensions</b>	Property that You erect, acquire or add during the Policy Period is covered upto 15% of the Sum Insured for that item (excluding stocks).
2.	<b>Stocks floater on basis</b>	Loss to stocks located at more than one named location.
3.	<b>Temporary removal of stocks</b>	Loss to stock temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.
4.	<b>Cover for Specific Contents</b>	Cover for Money upto ₹50,000 ( Rupees Fifty Thousand) during the policy period, cover for documents such as deeds, manuscripts, business books, plans, drawings, securities etc. upto ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data upto ₹5 Lakh (Rupees Five Lakh) during the policy period and cover for personal effects of employees, Directors and visitors upto ₹15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 persons during the policy period.
5.	<b>Start-Up Expenses</b>	Start-up cost incurred by You in respect of insured risk consequent upon a loss or damage due to insured events upto ₹ 1 Lakh ( Rupees One Lakh).
6.	<b>Professional fees</b>	Reasonable fees of architects, surveyors and consulting engineers upto 5 % of the claim amount.
7.	<b>Cost Removal for of debris</b>	Reasonable expenses for removal of debris upto 2 % of the claim amount.
8.	<b>Costs compelled by Municipal Regulations</b>	Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

### Which unexpected events are covered?

We pay for the physical loss, damage or destruction caused to Insured Property by the following unforeseen events occurring during the Policy Period.

The events covered are given in the Column A and those not covered in respect of these events are given in Column B.

	<b>Column A</b>	<b>Column B</b>
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**Business Package Insurance Policy**

**UIN: IRDAN150RP0003V02201314**

	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> loss or damage, or destruction caused to the Insured Property by
1.	Fire, including due to its own fermentation, or natural heating or spontaneous combustion.	caused by <b>a.</b> its undergoing any heating or drying process, or <b>b.</b> burning of Insured Property by order of any Public Authority.
2.	Explosion or Implosion	<b>a.</b> caused to boilers, economizers or other vessels, machinery or apparatus in which steam is generated, or their contents, resulting from their own explosion or implosion, or <b>b.</b> caused by centrifugal forces.
3.	Lightning	-
4.	Earthquake, volcanic eruption, or other convulsions of nature	-
5.	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation,	-
6.	Subsidence of the land on which Your Premises stand, Landslide, Rockslide	caused by <b>a.</b> normal cracking, settlement or bedding down of new structures, <b>b.</b> the settlement or movement of made up ground, <b>c.</b> coastal or river erosion, <b>d.</b> defective design or workmanship or use of defective materials, or <b>e.</b> demolition, construction, structural alterations or repair of any property, or ground works or excavations.
7.	Bush fire, Forest fire, Jungle fire,	-

8.	Impact damage of any kind, i.e., damage caused by impact of, or collision caused by, any external physical object (e.g. vehicle, falling trees, aircraft, wall etc.)	<p><b>a.</b> caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds,</p> <p><b>b.</b> b)caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in course of employment.</p>
9.	Missile testing operations	-
10.	Riot, Strikes, Malicious Damages	<p>caused by</p> <p><b>a.</b> total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind,</p> <p><b>b.</b> temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or</p> <p><b>c.</b> temporary or permanent dispossession of any Building by unlawful occupation by any person.</p>

11.	Acts of terrorism (Coverage as per Terrorism Clause attached)	Exclusions as per Terrorism Clause attached.
12.	Bursting or overflowing of water tanks, apparatus and pipes,	-
13.	Leakage from automatic sprinkler installations.	<ul style="list-style-type: none"> <li>a repairs or alterations in the Building in which Your Business is located,</li> <li>b repairs, removal or extension of any sprinkler installation, or</li> <li>c defects in the construction known to You.</li> </ul>
14.	Theft within 7 days from the occurrence of, and proximately caused by, any of the above	if it is a. of any article or thing outside Your Premises, or



	Insured Events	b. of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.
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### Examples

- 1. Your insured building catches fire. All its doors are opened for fighting the fire. A person takes advantage of the situation and carries away insured electronic equipment. Since this theft follows a fire and is within 7 days of occurrence of the fire, We will pay for Your loss upto the limits of the applicable Sum Insured for that equipment.*
- 2. During riots, a rioter breaks a window of Your shop and takes away articles of value ₹ 35,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riot, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 35,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more than the Sum Insured.*

### **Standard Add-on cover**

You can purchase the following standard Add-on cover under **Liberty Bharat Sookshma Udyam Suraksha** Section. You must apply for this cover, and pay additional premium, as required.

#### *1. Declaration policy for Stocks*

You can opt for a Declaration policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Section and understand these conditions.

## Which property can be covered under this Section ?

This Section covers the following properties in Your premises, that is, the place You carry on Your business. The properties must be located in Your premises, except some properties that You declare, and the section covers in special situations. The **Bharat Sookshma Udyam Suraksha** covers the following properties.

**1. Any building or structure** in Your premises where You carry on Your business. It may be a shed, flat, house, unit of a building. It may be made of any material. It includes:

- i. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc.
- ii. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule:
  - a. garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences and gates, internal roads,
  - b. lifts, hoists,
  - c. solar panels, wind turbines and air conditioning systems, central heating systems, security systems and cameras, electrical installations, fire alarm, fire sprinkler systems, power lines, power installations, or
  - d. water, gas and sewage pipeline within the premises
- iii. any other structure shown in the Policy Schedule.

**2. Plant and Machinery**, that is, all equipment, machinery, pipes and cables, spares, computers, servers **and** preloaded licensed system software, located within any structure or in the open area of Your premises. It includes

- i. machines under repair,
- ii. machines taken on hire or lease, or any system of purchase of goods,
- iii. foundation, bedding or setting of the machines, or
- iv. accessories of machines.

**3. Stock of goods or merchandise.** It may be:

- i. finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,
- ii. raw materials, packing materials,
- iii. stock accepted for job work for which You are responsible,
- iv. stock held in trust for which You are responsible,
- v. stock in Open in the Insured Premises.

**4. All other assets**, that is, all other tangible property located in Your premises and used for Your business.

It includes

- i. furniture and fixtures, office equipment, telephone equipment, electronic equipment, computers etc,
- ii. canteen and kitchen equipment, gym and permanent sports equipment etc.

### Who can purchase this Section?

1. You can *purchase* the **Bharat Sookshma Udyam Suraksha** for the **building or structure** if
  - i. You own it, or occupy it under a lease,
  - ii. You occupy it as purchaser under an agreement of sale or lease,
  - iii. You are an occupier authorised under any law,
  - iv. Your property is occupied by a tenant, a licensee or Your employee, or
  - v. You are a tenant under an agreement in writing and are liable to repair it.
  
2. You can purchase the **Bharat Sookshma Udyam Suraksha** for **plant and machinery, stock or other property** if
  - i. You own it, or use it under a lease in writing,
  - ii. You hold it in trust or on commission or are responsible for it,
  - iii. You have taken plant and machinery or other contents on hire or lease, or any other system of purchase,
  - iv. You have accepted stock for job work for which You are responsible.
  
3. You are **eligible to purchase** the **Bharat Sookshma Udyam Suraksha**
  - i. if You carry on any business of manufacturing or production of goods, or of providing or rendering services, and
  - ii. if You own or are legally responsible for Your business, and
  - iii. if the value of all Your insurable assets at one location is NOT more than ₹ 5Crore (Rupees Five Crore) at the Policy Commencement Date. These include buildings, plant and machinery, stock, and all other assets, even if You have not taken insurance cover for all of them. Insurable assets include all assets which You own, or hold as tenant or occupant, or hold in trust or commission, or are legally responsible for.

4. If the value of all Insurable Assets exceeds ₹ 5 Crore (Rupees Five Crore) during the Policy Period this **Bharat Sookshma Udyam Suraksha** Section will be replaced with the applicable policy on expiry of this policy.

## Sum Insured

1. **The maximum amount:** The maximum amount We pay under this Section is the total Sum Insured. The maximum amount We pay under this Section for any cover, or any item, or category or group of items, is the Sum Insured for that cover or item, category or group. The Sum Insured for each cover is as per Policy Schedule
2. **Basis of Sum Insured:**
  - i. For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value.
  - i. For Stocks:
    - a. For raw material: Landed Cost at Your Premises.
    - b. For stock in process: Input Cost of the stock at the time of damage,
    - c. For finished stock: the Manufacturing Cost of the finished stock or the **Contract Price** of goods sold but not delivered and more precisely defined below.
    - d. **Contract Price** is in respect only of goods sold but not delivered, for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any damage insured under this Policy either wholly or to the extent of the damage. The Company's liability shall be based on the Contract Price.

- i. Bullion or unset precious stones, any curios or works of art or obsolete machinery and the like are to be covered on Agreed Value basis subject to a valuation certificate being submitted and found acceptable by Us..

### 3. Restoration of Sum Insured:

If We have paid any loss on Your claim, it reduces the Sum Insured. When We pay You the full Sum Insured for any cover or any item covered, the Policy ends to that extent. If You pay proportionate premium for the unexpired policy period, We will restore the policy to the full original amount of Sum Insured during the Policy Period. This ensures full cover during the period of the policy. However, in case You, immediately on occurrence of loss, exercise Your option not to restore the Sum Insured, the Sum Insured shall stand reduced by the amount of loss.

#### Example

- 1. If You repair Your air-conditioning tower insured for ₹ 15,00,000 damaged in a fire, and We pay Your claim of ₹ 5,00,000, You can pay proportionate premium for ₹ 5,00,000 for unexpired period in order to take benefit of full cover. If the tower is destroyed, and We pay Your claim of ₹ 15,00,000, the new tower that You install will not be covered under this Policy unless You have paid premium for it.*
- 2. If Your building insured for ₹ 2,00,00,000 is severely damaged and We pay You ₹ 2,00,00,000 under the Liberty Bharat Sookshma Udyam Suraksha Policy for its repair and reinstatement, You will not be covered under this Policy for the new building that You construct, unless You have paid premium for it.*

#### ***Underinsurance***

**Underinsurance waiver upto 15% :** This is a special feature of the **Bharat Sookshma Udyam Suraksha** Section, where We waive underinsurance up to 15%.

The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date of loss. If the Reinstatement/Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, except to the extent waived i.e 15%, it amounts to underinsurance and will reduce proportionate to the

difference, the amount that We will pay for Your claim. Every item of Insured Property is subject to this condition separately.

If at the time of the damage the Sum Insured applying to the relevant Buildings, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents is less than 85% of the value of Insurable Assets You will be responsible for the difference and You will bear a proportionate share of the loss.

***Examples (These examples only demonstrate the effect of underinsurance. Final claim payable may vary due to application of Excess and other policy terms)***

- 1. You have taken insurance for a Sum Insured of ₹ 5 Crore. The value at risk of insurable items at the time of loss is found as ₹ 5.5 Crore. There is a loss of ₹ 1 crore. Underinsurance works out to 9 % .Since it is less than 15%, We will consider the full claim of 1 Crore for payment.***
- 2. Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 2.5 Crore. This includes some stock that is older than 6months. Your Liberty Bharat Sookshma Udyam Suraksha Section covers stock of finished goods for ₹ 3 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 3.25 Crore. The stock of manufacturing cost ₹ 1 Crore is burnt in fire. Since underinsurance works out to less than 15%, We will consider the full claim of ₹ 1Crore for payment.***
- 3. Your shop has the Bharat Sookshma Udyam Suraksha Section. You have insured the structure for ₹ 3 Crore and stock for ₹ 1 Crore. The actual value of structure is ₹ 3.5 Crore and value of stock is ₹ 1.5 Crore. Stock of ₹ 50 Lakh is burnt in a fire. The stock has underinsurance of 33.33% and hence, we could consider Your claim for payment of ₹ 33.33 Lakh only (66.67% of ₹ 50 Lakh) by applying underinsurance.***

### ***Exclusions, that is, what We do not pay***

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1.
  - i. Excess of ₹ 5,000 (Rupees Five Thousand) for each claim. This means that We will deduct ₹ 5000 for each and every loss suffered by You under the terms of this policy.
  - ii. For terrorism risk the Excess shall be as per the Clause attached to this policy.
2. Your deliberate, willful or intentional act or omission, or of anyone on Your behalf, or with Your connivance.
3. Loss, damage or destruction to any electrical/electronic machine, apparatus, fixture, or fitting by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included). This exclusion applies only to the particular machine so lost, damaged or destroyed. However, any ensuing loss or damage to other insured property due to operation of an insured peril is covered.
4. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
5. Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the Insured Events.
6. Your Premises or any Insured Building remaining continuously unoccupied for a period of more than 30 days, unless You have obtained prior written approval from Us and such approval is recorded as an endorsement on the Policy.
7. War, invasion, act of foreign enemy hostilities or war-like operations (whether war is declared or not), civil war, mutiny, civil commotion amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
8. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component that is part of it.
9. Pollution or contamination, unless
  - i. the pollution or contamination itself has resulted from an Insured Event, in which case only physical damage to the Insured Property is covered, or
  - ii. an Insured Event itself results from pollution or contamination.

10. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
11. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
12. Loss or damage to any Insured Property removed from Your Premises to any other place, except
  - i. Machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days
  - ii. Stock covered under -'Temporary removal of stocks'
13. Any reduction in market value of any Insured Property after its repair or reinstatement.
14. Loss or damage to any Insured Property or any claim which is covered by a marine policy in force at the time of loss or damage, except in excess of the limits of that policy.
15. Any consequential or indirect loss or damage of any description, i.e. losses or extra costs (financial or non-financial) that follow or are a consequence of an Insured Event, like, loss by delay, loss of income or wages or earnings, or of market, or of time, medical expenses, or any costs not covered by this Policy.
16. Costs, fees or expenses for preparing any claims.

## Premium

The premium is the amount You pay Us for this insurance. The Policy Schedule shows the amount of premium for the Policy Period and all other taxes and levies. Your policy will commence on payment of premium in full.

**Note:** Insurer to mention how the premium is arrived at.

## *Changes and Cancellation*

### **1. Changes during Policy Period.**

You can choose to make changes to the covers of this Section, for example, take additional cover, or increase or reduce any Sum Insured. You must make a proposal or request for any change. It will be effective only after We have accepted Your proposal, and You have paid the additional premium where applicable.



## 2. You can cancel the Policy.

**Cancellation at any time:** You can cancel the policy at any time during the policy period by giving notice to Us in writing.

If You cancel the Policy, We will refund premium as follows

For a period not exceeding	15 days	90% of the Annual rate
-do-	1 month	85% of the Annual rate
-do-	2 months	70% of the Annual rate
-do-	3 months	60% of the Annual rate
-do-	4 months	50% of the Annual rate
-do-	5 months	40% of the Annual rate
-do-	6 months	30% of the Annual rate
-do-	7 months	25% of the Annual rate
-do-	8 months	20% of the Annual rate
-do-	9 months	15% of the Annual rate
For a period exceeding	9 months	No Refund

## 3. We can cancel the policy.

We will not cancel the Policy during the policy period except on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation on Your part.

## 4. Policy ends automatically:

- i. If Your property is lost, destroyed or stolen, or its cost of repair is more than the Sum Insured, and We have paid You the entire Sum Insured for that property and You have decided not to restore the Sum Insured.
- i. Change of ownership of Your property
- i. Sale of Your Property

## Additional covers under Bharat Sookshma Udyam Suraksha – Material Damage

You can buy the following add-ons (additional covers) that will be added to Your **Bharat Sookshma Udyam Suraksha – Material Damage**

1. Accidental Damage Cover
2. Inadvertent omission

3. Water Damage Cover
4. Property In course of Construction\Minor Works
5. Spontaneous Combustion

### ***Making a claim***

1. If You suffer a loss because of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
  - i. give notice to Us immediately along with details of the event and Your loss,
  - ii. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
  - iii. take all reasonable steps to prevent further damage to Insured Property,
  - iv. You must not sell, give away or dispose of any damaged items of any property,
  - v. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
  - vi. preserve and collect evidence, take and preserve photographs,
  - vii. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
  - viii. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage
  - ix. prove that the Insured Event has happened, and prove the extent of Your loss.

**Note: Section I is compulsory ; remaining sections are optional. Cover provided will be for the sections opted by the Insured and mentioned in the Policy Schedule.**

## **SECTION II– Fire Loss of Profit**

This section covers loss due to interruption or interference with the Business carried on by the proposer at the Premises specified and covered under Section I, in consequence of loss, destruction or damage indemnifiable under Section I subject to Sum Insured.

Subject to the terms, provisions and exclusions of the Consequential Loss (Fire) Insurance (under the erstwhile tariff) the cover 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 shall in respect of:

- a) reduction in turnover be the sum produced by applying the rate of Gross Profit to the amount by which the turnover during the Indemnity period falls short of the standard turnover in consequence of the loss, destruction or damage;
- b) increase in cost of working, be the additional expense necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover (not exceeding the sum produced by applying the rate of Gross Profit to the amount of the reduction thereby avoided).

Cover under **Section II** can be extended to include **Terrorism**, at the option of the proposer. Section II is available only when the proposer takes Section I.

## **SECTION III- Burglary and Housebreaking**

This section covers:

- a) Contents being items of Property in the proposer's Business Premises including items of Property for which the proposer is accountable against Burglary and Housebreaking. Items, if any, declared under Section VI - Electronic appliances of the Policy, are not to be covered under this section. The basis of valuation in respect of contents other than stock shall be on reinstatement value or market value, as opted by the proposer. However, in respect of stock it shall be on market value.
- b) Damage to the proposer's Business Premises and/or safe resulting from Burglary and/or Housebreaking or any attempt thereat subject to a maximum of 5 % of the Sum Insured under this section.

However no loss under a) and b) above shall together exceed the Sum Insured under this section under the Policy.

Coverage under this section can provide for bulk items of contents on „first loss" basis and of only a percentage of the total contents as that exposed to risk of Burglary and Housebreaking, in which case, premium at the basic rate would be charged on the percentage selected and only a nominal premium would be charged on the balance contents, at the option of the proposer.

Coverage under this section, at the option of the proposer can also be extended to cover theft on payment of suitable additional premium.

#### **Section IV - Money Insurance**

This section covers loss of money relating to proposer's trade / Business due to accident or misfortune

- a) while in transit between the proposer's Business Premises and bank (whilst either taken for depositing into bank or withdrawn from bank for Business purpose),
- b) from safe at the proposer's Business Premises,
- c) from till at the proposer's Business Premises.

#### **Section V – Electrical & Mechanical Appliances Breakdown**

This section covers all mechanical and/or electrical appliances, apparatus, gadgets and/or any mechanical or electrical installation pertaining to trade / Business while contained and fixed in the proposer's Business Premises against loss or damage due to unforeseen and sudden accidental physical damage caused by and /or solely due to mechanical and/or electrical breakdown.

The Sum Insured will be equal to the current new cost of replacement including ordinary freight, customs duty, other dues, if any, and erection cost (CNRV basis). All items eligible for coverage under this section shall be covered without any selection.

Coverage under this section is subject to an excess of 1 % of the Sum Insured for each item or Rs. 250/- whichever is higher, in respect of each and every claim for loss or damage admitted under the Policy.

## **Section VI - Electronic appliances**

This section covers

- a) Electronic appliances, apparatus, gadgets, electronic medical equipment and/or any electronic installation pertaining to proposer's Business while contained or fixed in the proposer's Business Premises.
- b) Portable Computers belonging to the proposer and in the personal custody of the proposer's principal officers or employees when carried anywhere in the world as accompanied Baggage.
- c) Data carrying materials and data contained in or on such data carrying materials and/or Software/Computer Programs (other than own/in-house developed Software/Computer Programs) to the extent declared for coverage.

The Sum Insured in respect of each item for coverage under this section shall be equal to the cost of replacement of such item by a new item of the same kind and capacity which shall mean its current new replacement cost including ordinary freight, customs duty, other dues, if any, and cost of erection.

## **Section VII – Boiler and Pressure Plant**

This section covers Boiler and Pressure Plant against Explosion or Collapse leading to damage to Boilers and/or Pressure vessel, surrounding Property, damage to third party and third party liability arising due to death and bodily injury to third parties.

## **Section VIII– Portable Equipment All Risks**

This section provides all risk cover for Portable equipments against Fire, Riot and Strike, Theft or Accident or from any fortuitous cause other than those specifically excluded, in a manner to Indemnify the Insured to the extent of the Intrinsic Value of the Property of the Insured.

## **Section IX – Fixed Glass and Sanitary Fittings**

This section covers loss or damage due to Accidental breakage of:

- a) Fixed Plate Glass and sanitary fittings,
- b) Frames or Framework,

- c) Lettering consequent upon the breakage of glass.

### **Section X – Baggage**

This section covers loss of Baggage of proprietor/ an Employee who is in the permanent employ of the proposer due to Accident or misfortune during any journey undertaken in connection with their official duties outside the city, town or municipal limits of the place where the proposer's Business Premises are situated.

Baggage shall mean and include

- a) Goods for which the proprietor, partner, principal officer or an Employee in the permanent employ of the proposer is officially responsible to the proposer, his/their personal articles and belongings necessary for undertaking the journey and articles or things acquired during the journey.
- b) Travelling Advance not exceeding Rs 10,000/-.

### **Section XI - Signage**

This section covers Neon sign and/or Glow sign and/or Hoarding belonging to and fixed in the proposer's Business Premises against loss or damage due to Accidental external means, Fire, Lightning, external Explosion, Theft of whole sign, Riot, Strike and malicious damage and storm, tempest, flood and inundation, rain, hail, flood and bad weather.

### **Section XII - Infidelity/Dishonesty of employees**

This section provides Indemnity for direct pecuniary loss caused by dishonest acts / infidelity of employees including act of stealing, misappropriation, embezzlement or fraudulent conversion by any Employee in the course of performance of duties in respect of monies.

### **Section XIII - Legal Liability**

This section provides proposer's legal liability towards third parties (other than liability under the Public Liability Insurance Act, 1991 or any amendments thereto or other statute based on the doctrine of liability or product or pollution liability) to pay compensation including claimant's costs, fees and

expenses incurred anywhere in India, in accordance with Indian Law.

The Indemnity under this sub-section only applies to claims arising out of accidents occurring in the proposer's Business Premises during the Period of Insurance and first made in writing during the Policy period and not in respect of any claim arising out of or in connection with:

- a) Pollution howsoever caused,
- b) Any product.

#### **Section XIV – Employees Compensation**

This section covers proposer's legal liability to employees under Fatal Accidents Act 1855/ Workmen's Compensation Act 1923 or any amendments thereto and in Common Law to pay compensation in respect of accidental death or injury sustained during the currency of the Policy arising out of and in the course of employment in India with the proposer. In addition to compensation as stated above, the Company will also pay claimant's cost, fees and expenses and defence costs incurred with its consent in defending a claim.

#### **Section XV – Tenant's Legal Liability**

This section covers legal liability incurred by the Insured as a Tenant of the premises for loss of or damage to the building/s by any of causes listed in Section-I under "coverage" other than Act of God Perils (Earthquake, lightning, subsidence, landslide, rock slide, Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation), Riot, Strike and Malicious Damage. This section will also not cover loss or damage caused by wear, tear, settlement or shrinkage, vermin, insects, fungus, the weather, or anything which happens gradually; faulty materials, design or workmanship; building work which involves alterations, renovations, extensions or repairs; or subsidence or heave of the land.

Coverage is only to the extent that the Insured would be held legally liable in the absence of any specific tenancy agreement.

#### **Section XVI – Inland Transit**

It covers physical loss of or damage to cargo under movement by Road and / or Rail and any combination thereof. The covers are designed to take care of risks inherent in the mode of transit undertaken. It provides all Risks cover other than those excluded in the clauses. Example, Inland Transit (Rail or Road) Clause (A).

#### **Major Exclusions of the policy**



1. Under insurance – if the actual value of the Insured Property at the time of loss under the Fire section is found to be greater than the Sum Insured chosen, then the claim would be proportionately reduced.
2. Loss or damage due to wear and tear, gradual deterioration or slowly developing flaws.
3. Loss or damage for which the manufacturer or supplier or repairer or transporter or any other third part is responsible either in law or under a contract.
4. Loss of or damage caused by or due to action of any lawfully constituted authority or Government body.
5. The loss or damage due to war and / or warlike perils, nuclear and / or atomic radiation.

Apart from the above mentioned standard exclusions, respective sections will have other exclusions applicable to the sections opted by the Insured.

#### **Conditions to be fulfilled by the Insured**

1. Every notice and communication to the Company required under the Policy shall be in writing and be addressed to the nearest office of the Company.
2. The Insured shall take all reasonable steps to safeguard the Property Insured against Accident, loss or damage.
3. The Insured shall maintain all records and books of accounts reasonably required in an accurate manner.
4. Any alteration, if made whereby the risk of damage or injury is increased shall be informed and agreed to by the Company in writing.
5. The Insured shall comply with all statutory or other regulations. The Insured shall observe all manufacturers' instructions concerning:
  - a) the maintenance of machinery, plant, equipment and apparatus,
  - b) the safety of persons or Property.
6. Upon the happening of any event giving rise or likely to give rise to a claim under the Policy the Insured shall –
  - a) give immediate notice thereof in writing to the nearest office of the Company and lodge a complaint with the Police when required;
  - b) deliver to the Company, within 14 days of the date on which the event shall have come to his knowledge, a detailed statement in writing, of the loss or damage or of the liability incurred with an estimate of the Intrinsic Value of the Property lost, the amount of

damage sustained and likely estimate of liability incurred together with all reasonable information, assistance and proof in connection with.

### ***This Prospectus***

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the Policy document. You must read the policy document to know the insurance cover fully. You can get a copy of the Policy from Our branch or from Our website <https://www.libertyinsurance.in/>. For any legal interpretation, policy document will hold.

### ***Grievance***

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with

1. Our Grievance Redressal Officer
2. The Consumer Affairs Department of IRDAI—You can register Your grievance on IRDAI's Integrated Grievance Management System (IGMS),
3. The Insurance Ombudsman, depending on the nature of grievance and the financial implication, if any, or
4. The Consumer Protection Forum or the Court.

### **About Our Company**

Liberty General Insurance Ltd. is a joint venture between Liberty Citystate holdings PTE Ltd, a group company of Liberty Mutual Insurance Group, a leading multinational property and casualty group, Enam, a privately owned and managed firm that makes long-term investments in listed companies, as well as backs entrepreneurs building valuable private companies and Diamond Dealtrade Limited belongs to reputed D.P Jindal Group Companies of India, an industrial conglomerate.

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**INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates**

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

**Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.**

**INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION**