

## Business Guard Sookshma Package Policy

Word/s	<i>Specific meaning</i>
<b>Agreed Value</b>	An amount agreed between You and Us at the Policy Commencement Date for items the value of which cannot be ascertained.
<b>Building</b>	Any building or structure in Your Premises, where You carry on Your Business. It includes: a. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc. b. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule: i. garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences, gates and internal roads, ii. lifts, hoists, iii. 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, iv. water, gas and sewage pipeline within Your premises or v. any other structure shown in the Policy Schedule.
<b>Insurable Assets</b>	All Buildings, Plant and Machinery, Furniture, Fixtures and Fittings, Stocks and other Contents which, for the purposes of Your Business on any one location, You own, or hold as tenant or occupant, or hold in trust or on commission, or are legally responsible for as part of Your trade, even if You have not taken insurance cover for any of them.
<b>Insured Property</b>	The Building, Plant and Machinery, Furniture, Fixture and Fittings, Stocks and any other Contents that are declared and insured by You under this Policy, and are located in Your Premises unless specifically stated in this Policy. The Insured Property is shown in the Policy Schedule.
<b>Kutcha Construction</b>	Building(s) having walls and/or roofs of wooden planks/thatched leaves and/or grass/hay of any kind/bamboo/plastic cloth/asphalt/canvas/tarpaulin and the like.
<b>Plant and Machinery</b>	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 through any system of purchase of goods, iii. foundation, bedding or setting of the machines, or iv. accessories of machines.
<b>Pucca Construction</b>	Construction other than Kutcha Construction.
<b>Stocks</b>	Any 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, or iii. Stock held in trust for which You are responsible. iv. Stock in Open in the Insured Premises

### Clause B. Insured Events:

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

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

Column A	Column B
<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

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1.	Fire, including due to its own fermentation, or natural heating or spontaneous combustion.	caused by a. its undergoing any heating or drying process, or b. burning of Insured Property by order of any Public Authority.
2.	Explosion or Implosion	a. 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. caused by centrifugal forces.
3.	Lightning	-
4.	Subsidence of the land on which Your Premises stand, Landslide, Rockslide	caused by a. normal cracking, settlement or bedding down of new structures, b. the settlement or movement of made up ground, c. coastal or river erosion, d. defective design or workmanship or use of defective materials, or e. demolition, construction, structural alterations or repair of any property, or groundworks or excavations.
5.	Bush fire, Forest fire, Jungle fire,	-
6.	Impact damage of any kind, i.e., damage caused by impact of, or collision caused by any external physical object (e.g., vehicle, animal, falling trees, aircraft, wall etc.)	a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds. b. caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in the course of employment.
7.	Missile testing operations	-
8.	Riot, Strikes, Malicious Damages	caused by a. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind, b. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or c. or permanent dispossession of any Building by unlawful occupation by any person.
9.	Bursting or overflowing of water tanks, apparatus and pipes,	-
10.	Leakage from automatic sprinkler installations.	a. repairs or alterations in the building in which Your Business is located, b. repairs, removal or extension of any sprinkler installation, or c. defects in the construction known to You.
11.	Theft within 7 (seven) days from the occurrence of and proximately caused by any of the above Insured Events	if it is a. of any article or thing outside Your Premises, or b. of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.
12.	Earthquake, volcanic eruption, or other convulsions of nature	-
13.	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation	-

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### Clause C. The Standard Cover:

#### 1. What We cover

We cover physical loss or damage, or destruction of any Insured Property because of any Insured Events stated in **Clause B** of this Section and subject to the exclusions stated in **Clause D** of this Section and all terms and conditions of this Section. We also give **In-built** Covers without charging additional Premium which are stated in **Clause C (4)** of this Section.

#### 2. Basis of Sum Insured

i. For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other Contents: **Reinstatement Value**

ii. 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 loss.
- 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.

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.

iii. 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

Except as stated in **Clause G (III) (3) (e)** of this Section, the insurance cover will at all times be maintained during the Policy Period to the full extent of the respective Sums Insured. This means that after We have paid for any loss, the Policy shall be restored to the full original amount of Sum Insured. You must pay to Us proportionate Premium for the unexpired Policy Period from the date of loss. We can also deduct this Premium from the net claim that We must pay You.

Notwithstanding the above, the Sum Insured shall stand reduced by the amount of loss in case You, immediately on occurrence of the loss, exercise Your option not to restore the Sum Insured.

#### 4. In-built Covers:

If We agree to pay Your claim for loss or damage to the Insured Property, We will also pay for the following loss or damage and expenses.

##### 4.1 Additions, alterations or extensions:

We cover Buildings, Plant, Machinery, and Furniture and Fittings, or other Contents which You will erect, or acquire, or for which You will become responsible, after the Commencement Date, in the Insured Premises. We will pay for that item as follows:

- i. You inform Us of the item so erected or acquired within 7 (seven) days of it becoming known to You,
- ii. such item of Property is not otherwise insured,
- iii. maximum limit under this cover is 15% (excluding stocks),
- iv. subject to Underinsurance provisions of **Clause F** of this Section.

##### 4.2 Stocks at many locations on floater basis:

We cover physical loss or damage to movable property in more than one location as follows:

- i. You have declared all locations, and these are shown in the Policy Schedule.
- ii. You have declared stocks as a single value reflecting the aggregate Sum Insured.
- iii. You have a good internal audit accounting procedure under which the total amount at risk and the locations can be established at any particular time.
- iv. You must inform Us of any change in the address of any location occurring after the Commencement Date.

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### 4.3 Temporary removal of stocks:

We cover stock temporarily removed to any other premises for the purposes of fabrication, processing or finishing, or other similar purposes subject to the following conditions:

- i. maximum cover will be 10% of the Sum Insured for Stock,
- ii. such stock is not otherwise insured.

### 4.4 Cover for Specific Contents:

We cover the following, as applicable:

- a. Money for an amount not exceeding ₹50,000 (Rupees Fifty Thousand) during the Policy Period.
- b. Deeds, manuscripts and business books, plans, drawings, securities, obligations or documents of any kind, but only for the cost of the materials and clerical labour expended in reproducing such records for an amount not exceeding ₹50,000 (Rupees Fifty Thousand) during the Policy Period.
- c. Computer programmes, information and data but only for the cost of the materials and clerical labour expended in reproducing such records for an amount not exceeding ₹5 Lakh (Rupees Five Lakh) during the Policy Period.
- d. Employees', Directors', visitors' personal effects of every description (other than motor vehicles) for an amount not exceeding ₹15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 (twenty) persons during the Policy Period.

### 4.5 Start-Up Expenses:

We cover start-up costs necessarily and reasonably incurred by the insured in respect of insured risk consequent upon a loss or damage covered by this Section for an amount not exceeding 5 Lakh (Rupees Five Lakh) during the Policy Period.

### 4.6 Professional fees:

We will pay the expenses that You incur towards reasonable fees of Architects, Surveyors and Consulting Engineers as follows:

- i. The fees are paid for preparing plans, specification tenders and quantities, and services in connection with the superintendence of the Reinstatement of the Insured Building, Machinery, Accessories or Equipment;
- ii. The maximum We pay is 5 % of the claim amount;
- iii. We do not cover fees or costs for preparing any claim or estimate of loss or damage by the Insured Perils.

### 4.7 Costs for removal of debris:

We will pay reasonable expenses You incur towards removal of debris of any Insured Property from Your Premises, and dismantling, demolishing, **shoring** up or propping up of Insured Building or Machinery. The maximum We pay is 2 % of the claim amount.

### 4.8 Costs compelled by Municipal Regulations:

We pay such additional cost of reconstruction or Reinstatement of the Insured Property that is incurred solely because You must comply with any regulations or bye-laws of any municipal or local authority, or any provision of any State or Central Act, Rules or regulations. The total amount recoverable under any item of the Section shall not exceed the sum Insured thereby. We cover these costs on the following conditions:

- i. You must commence the repairs, or reconstruction or Reinstatement of the Insured Property, within a reasonable time after the date of damage or destruction. You must complete the repairs, reconstruction or Reinstatement within reasonable time, in any case not beyond 12 months from the date of damage or destruction, or within such time as We may allow in writing.
- ii. If Our Liability is reduced under any term or condition of this Section, Our liability under this extension will also be proportionately reduced.
- iii. All other terms and conditions of this Section will apply to this extension.
- iv. These costs will not include
  - a. the costs incurred for complying with such regulations,
    - for destruction or damage occurring before Commencement Date,

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- for destruction or damage not insured under this Section
  - under which You have received notice before the destruction or damage occurred.
- b. any additional cost required to repair or reconstruct the Insured Property to a condition equal to its condition when new, had the need to comply with the regulation not arisen.
- c. the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Insured Property or by the owner thereof by reason of compliance with any of the aforesaid regulations or bye-laws.

### Clause D. Exclusions, that is, what We do not cover:

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 (Rupees Five Thousand) 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 Section.
2. Your deliberate, wilful 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 Section.
7. Loss or damage due to Terrorism
8. 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.
9. 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.
10. 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.
11. 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.
12. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
13. 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 **Clause (C) (4.3)** of this Section.
14. Any reduction in market value of any Insured Property after its repair or Reinstatement.
15. 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.
16. 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 Section.
17. Costs, fees or expenses for preparing any claim.

### Clause E. What We Pay:

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If any Insured Property is physically damaged, lost or destroyed, We will pay You as follows:

1. Partial Loss:
  - If any Insured Property is a Partial Loss, We will reimburse to You the cost of repairs to the extent required to bring that 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 was damaged.
  - If any Insured Stock is a Partial Loss We will pay You to the extent of the loss of such Partial Loss.
2. If Building or Plant and Machinery or Furniture, Fixture, Fittings is a **Total Loss**, We will pay You for
  - The Reinstatement/Replacement Value of the Building or Plant and Machinery or Furniture, Fixture, Fittings.
  - Reconstruction of the new building on the same site, or another site. If You reconstruct the new Building or Reinstatement the Plant and Machinery or Furniture, Fixture, Fittings on another site We will not pay You more than what We would pay to reconstruct or replace on the same site.
  - Reinstatement using standard material readily available and in common use for similar type of Building.
3. If the Stock is a **Total Loss**, We will pay You as follows:
  - landed cost at Your Premises for Stock of raw materials,
  - total manufacturing cost for Stock of finished goods,
  - the input value of Stock in process at the time loss,
  - The Contract Price in case of goods sold but not dispatched, and lying within Your premises for which You are responsible under the terms of a contract of sale. We will pay Your claim on the basis of the Contract Price, if the sale is cancelled wholly or to the extent of loss or damage caused by an Insured Event covered by this Section. For the purposes of this para, the value of all goods to which this basis of settlement could apply in the event of loss or damage will also be ascertained on the same basis.
4. You must commence the repairs or Reinstatement within a reasonable time after the date of the damage or destruction. You must complete the repairs or Reinstatement within reasonable time, in any case not beyond 12 months from the date of damage or destruction, or within such time as We may allow in writing.
5. If You fail to start the work of the repairs or Reinstatement within reasonable time, or to complete the repairs or Reinstatement within time We will pay Your claim based on the Market Value of the Building, Plant and Machinery, Furniture, Fixture, Fittings as the case maybe.
6. Until the expenditure has been incurred by You in replacing or reinstating the property destroyed or damaged, We will not be liable to pay in excess of the Market Value.
7. We will pay the Market Value of the Building, Plant and Machinery, Furniture, Fixture and Fittings at the time it is a Total Loss, but not more than the relevant Sum Insured,
  - If the Building cannot be Reinstated or rebuilt due to Municipal, State or Central law, rules, regulations or bye-laws,
  - If You do not wish to Reinstatement the Building, Plant and Machinery, Furniture, Fixture, Fittings.
8. We will also pay other amounts mentioned in **Clause C (4)** of this Section.

**NOTE: In any claim, We will not pay more than the relevant Sum Insured, subject to Underinsurance as stated in Clause F of this Section.**

### Clause F. Underinsurance:

1. 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 in **Clause F (3)** of this Section, it amounts to underinsurance, and will reduce proportionate to the difference from the amount that We will pay for Your claim.
2. Every item of Insured Property is subject to this condition separately.
3. Under this Section, We will waive underinsurance upto 15%.