

**The ..... Insurance Co Ltd**  
**Bharat Laghu Udyam Suraksha UIN:.....**

**ANNEXURE – III - Standard Documents for Bharat Laghu Udyam  
Suraksha**

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**Standard Proposal Form**

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**PROPOSAL FORM**

**Important:**

1. This proposal is for covering an enterprise whose total value of insurable assets at a location exceeds ₹ 5 Crore but does not exceed ₹ 50 Crore, against Fire and Allied Perils.
2. Read the Prospectus/Key Features Document/Policy Wordings before filling up this proposal form to understand the meaning of the terms used herein better.
3. The property proposed for insurance is not covered until the proposal is accepted and premium is paid.

Policy Issuing Office Address & Code	
Intermediary/Agent Name & Code (if any)	

**A. Details about Proposer and Policy Period:**

1.	Name of Proposer	
2.	Address of Proposer	
3.	Telephone No ( Landline)	
4.	Mobile No	
5.	Email	
6.	Contact person details, if not an individual a. Name b. Designation	
7.	Policy to be Issued in favour of (list out all the parties who have insurable interest) including the financial institutions	
8.	Period of Insurance	From :  To :

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**B. Business and Location of Business:**

9.	Business of Proposer						
10.	Location of risk/business to be covered - full postal address with Pin Code	SL No.	Address	Pin code	Occupancy	Age of unit	Floor*
		1.					
		2.					
		3.					
		4.					
		*Floor: Ground Floor (GF) / Mezzanine Floor (MF) / Higher Floor					

**C. Details about business covered at the insured location**

11.	The Insured property is	Please tick in the space below :
a.	Offices, shops, hotels etc.	Yes <input type="checkbox"/> / No <input type="checkbox"/>
b.	Industrial / manufacturing risks	Yes <input type="checkbox"/> / No <input type="checkbox"/>
c.	Storage outside Industrial/ manufacturing risks	Yes <input type="checkbox"/> / No <input type="checkbox"/>
d.	Tanks / gas holders outside industrial/ manufacturing risks.	Yes <input type="checkbox"/> / No <input type="checkbox"/>
e.	Utilities located outside Industrial/manufacturing risks.	Yes <input type="checkbox"/> / No <input type="checkbox"/>
f.	Boundary wall	Yes <input type="checkbox"/> / No <input type="checkbox"/>
g.	Basement storage	Yes <input type="checkbox"/> / No <input type="checkbox"/>
		If, yes value stored SI: ₹.....
h.	Others ( please specify)	_____
12.	If used as warehouse / godown (not located in a manufacturing unit) please give the list of goods stored.	
13.	If used as an Industrial Manufacturing unit	

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	give products manufactured at the location proposed(detailed block plan showing various facilities to be enclosed wherever applicable)	
14.	If used as an Industrial Manufacturing unit, please state whether the factory is working or silent?	
15.	Fire Protection devices installed	<p>Please Tick the correct answer in the box below.</p> <input type="checkbox"/> Portable Extinguishers <input type="checkbox"/> Small bore hose reels <input type="checkbox"/> Trailer Pumps/Fire engines <input type="checkbox"/> Hydrant System <input type="checkbox"/> Sprinkler System <input type="checkbox"/> Fixed Water Spray System <input type="checkbox"/> Foam System <input type="checkbox"/> Fire Alarm System <input type="checkbox"/> Gas Flooding System <input type="checkbox"/> Others, please specify below. _____
16.	Indicate whether AMC( Annual Maintenance contract) for the Fire Protection Appliances is in force :	Yes <input type="checkbox"/> / No <input type="checkbox"/>
17.	Construction Details	
a.	Please state material used	Please tick the correct answer in the box
i.	Walls	Kutcha <input type="checkbox"/> / Pucca <input type="checkbox"/>
ii.	Floor	Kutcha <input type="checkbox"/> / Pucca <input type="checkbox"/>
iii.	Roof	Kutcha <input type="checkbox"/> / Pucca <input type="checkbox"/>
	<p><b>Note:</b>  <b>Kutcha:</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 are treated as Kutcha Construction.  <b>Pucca:</b> Buildings other than Kutcha are treated as Pucca constructions.</p>	
b.	Number of Floors	

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c.	Age of the Building	Less than 5 years		
		5-10 years		
		10-20 years		
		Above 20 years		
18.	Distance between the risk to be covered and nearest Fire Brigade			
19.	Whether You have insured the same property with any other Insurance Company with the same type of coverage. (Give details)			
20.	Whether Insurance was declined by any other Company (Give details)			
21.	Premium / Claim details for the past 36 months excluding the expiring policy period	Year	Premium	Claim
			₹	₹
			₹	₹
			₹	₹
			₹	₹
		TOTAL	₹	₹

**D. Sum Insured and Other details of Insured Property**

*(Indicate Sum Insured on the following basis:*

- *For Building, Plant and Machinery, Furniture, Fixture and Fittings and other contents: **Reinstatement Value;***
- *For raw material: **Landed Cost;***
- *For stock in process: **Input cost;***
- *For finished stock: Manufacturing cost of the finished stock or the Contract Price\* of goods sold but not delivered, as applicable.*

*\* **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).*

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22.	Description of Block	Building including plinth, Basement and additional structures	Plant & Machinery	Furniture & Fixtures, Fittings and other equipment	Raw Material	Stock in Process	Finished Stock	Other Contents ( Please specify)	Total
									₹
									₹
									₹

**E. Standard add-ons**

I. Do You want to opt for Floater Cover?: Yes/No (strike off what is not applicable). If yes, give details below:

23.	Floater Cover (for stocks at various locations)		
		Location (Postal Address with Pin Code )	Sum Insured (in ₹)
		i) Maximum value at any one location: ₹..... ii) Whether stocks stored in open: Yes <input type="checkbox"/> / No <input type="checkbox"/>	

II. Do You want to opt for Declaration Policy?: Yes/No (strike off what is not applicable). If yes, give details below :

24.	Stocks which fluctuate in value to be covered on (monthly) declaration basis:  Amount (₹):
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**F. Premium Details**

25.	Mode of Payment	
	Payment Details	
	Amount	

**G. Declaration by Insured**

I / We hereby declare that the value insurable assets is more than ₹ 5 Crore but less than ₹ 50 Crore and the statements made by me / Us in this Proposal Form are true to the best of my / our knowledge and belief and I / We hereby agree that this declaration shall form the basis of the contract between me/Us and the \_\_\_\_\_.

If any additions or alterations are carried out in the risk proposed after the submission of this proposal form then the same should be conveyed to the insurers immediately.

Date:

Place:

Signature of the Proposer

**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.



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## **Standard Prospectus**

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**Prospectus**

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**Prospectus**

***Introduction***

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

**This policy is for enterprises where the total value at risk across all insurable asset classes at one location exceeds ₹ 5 Crore (Rupees Five Crore) but does not exceed ₹50 Crore ( Rupees Fifty 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 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 policy based on the total Sum Insured.</li><li>• Fill up the proposal form completely and answer all the questions truthfully.</li></ul>
2.	<b>During the Policy Period</b>	<ul style="list-style-type: none"><li>• Make full disclosure in the proposal and related documents about Yourself and all the Insurable Assets.</li><li>• Remember, the information You give Us is the basis of Our contract with You.</li><li>• You must inform Us of any changes in the business premises or if it remains unoccupied for more than 30 days.</li><li>• Do not allow unauthorised persons to occupy Your premises.</li><li>• Ensure that all security procedures are in force.</li></ul>

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<b>3.</b>	<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>
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### ***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>
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)

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Your loss	Condition	We pay, but not more than the Sum Insured
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.

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

	<b>In-built Cover</b>	<b>Details</b>
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>Temporary removal of stocks</b>	Loss to stocks temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.
3	<b>Cover for Specific Contents</b>	Cover for Money upto ₹50,000 (Fifty Thousand Rupees) 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.
4	<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 ₹ 5 Lakhs ( Rupees Five Lakh).
5.	<b>Professional fees</b>	Reasonable fees of architects, surveyors and consulting engineers upto 5% of the claim amount.
6.	<b>Costs Removal of debris</b>	Reasonable expenses for removal of debris upto 2 % of the claim amount.
7.	<b>Costs compelled by Municipal Regulations</b>	Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

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***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 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>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for 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 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.	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 a. normal cracking, settlement or bedding down of new structures, b. the settlement or movement of made up ground, c. coastal or river erosion,

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
		d. defective design or workmanship or use of defective materials, or e. 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.),	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 course of employment
9.	Missile testing operations	-
10.	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. temporary or permanent dispossession of any Building by unlawful occupation by any person.
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,	-



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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
13.	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.
14.	Theft within 7 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.

**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 within 7 days of the 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 ₹ 95,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riots, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 95,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more than the Sum Insured.**

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***Standard Add-on covers***

You can purchase standard Add-on covers under **Bharat Laghu Udyam Suraksha** Policy. You must apply for these covers, and pay additional premium.

**1. Declaration policy for Stocks**

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

**2. Floater cover**

You can opt for Floater cover under the Policy for physical loss or damage to Stocks at more than one location subject to certain conditions. Read the Clause and understand the conditions.

***Which property can be covered under this policy?***

This policy 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 Policy covers in special situations. The **Bharat Laghu Udyam Suraksha** policy 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.

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**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 Policy?***

1. You can purchase the **Bharat Laghu Udyam Suraksha** Policy for the **building or structure** if

- i. You own it, or occupy 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.

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2. You can purchase the **Bharat Laghu Udyam Suraksha** Policy 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 Laghu Udyam Suraksha** Policy
  - 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 more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹ 50 Crore (Rupees Fifty 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 on commission, or are legally responsible for.
4. If the value of all Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the policy period, this policy shall, on expiry, be replaced by the applicable policy.

### ***Sum Insured***

1. **The maximum claim amount:** The maximum amount We pay under this Policy is the total Sum Insured. The maximum amount We pay under this Policy 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
  - 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 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.

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- 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.
- 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 the 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 ₹ 45 lakhs that is damaged in a fire, and We pay Your claim of ₹ 25 lakhs You can pay proportionate premium for ₹ 25 lakhs for unexpired period in order to take benefit of full cover.**
- 2. If the tower is destroyed, and We pay Your claim of ₹ 45 lakhs, the new tower that You install will not be covered under this Policy unless the premium is paid to Us for it.**
- 3. If Your building insured for ₹ 20 Crore is severely damaged and We pay You ₹ 20 Crore under the Bharat Laghu Udyam Suraksha Policy for its repair and reinstatement, You will not be covered under this Policy for the new building that You construct, unless the premium is paid to Us for it.**

**Underinsurance**

**Underinsurance waiver upto 15%:** This is a special feature of the **Bharat Laghu Udyam Suraksha** policy, 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

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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 the 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 ₹ 50 Crore which was the value at risk at the insurance commencement date. The value at risk of insurable items at the time of loss is found as ₹ 57Crore. There is a loss of ₹ 10 Crore. Underinsurance works out to 12.28%. Since it is less than 15%, We will consider the full claim of ₹ 10 Crore for payment.***
- 2. Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 25 Crore. This includes some stock that is older than 6 months. Your Bharat Laghu Udyam Suraksha policy covers stock of finished goods for ₹ 30 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 32.5 Crore. The stock of finished goods with manufacturing cost ₹ 10 Crore is burnt in fire. Since underinsurance works out to less than 15%, We will consider the full claim of ₹ 10 Crore for payment.***
- 3. Your shop has Bharat Laghu Udyam Suraksha Policy. You have insured the structure for ₹ 30 Crore and stock for ₹ 10 Crore. The actual value of structure is ₹ 32 Crore and of stock is ₹ 16 Crore. Stock of ₹ 50 Lakh is burnt in a fire. The total insured property has underinsurance of 16.67% that We cannot waive. We could consider Your claim for payment of ₹ 41.67 Lakh only (83.33% of ₹50 Lakh).***

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***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 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand). This means that We will deduct 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten 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 with this policy.
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 Event.
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.

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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 in-built Cover '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 claim.

## ***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 would be calculated.**

## ***Changes and Cancellation***

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

You can choose to make changes to the covers of this Policy, 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.



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**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

Time for which Policy in force	Refund of premium

**Note: Insurers to mention the details.**

**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 of the insured.

**4. Policy ends automatically:**

- i. If insured 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.
- ii. Change of ownership of insured property
- iii. Sale of Insured Property

**Details of additional covers (add-ons) offered with the policy**

.....

**Note: Insurer to mention details, as applicable.**

***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

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- 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 the extent of Your loss.

### ***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 **Bharat Laghu Udyam Suraksha** Policy document. You must read the policy document to know the insurance cover fully. You can get a copy of the **Bharat Laghu Udyam Suraksha** Policy from Our branch or from Our website \_\_\_\_\_. For legal interpretation, the policy document will hold.

**Note: Insurer to mention details of website.**

### ***Grievances***

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 Insurance Regulatory and Development Authority of India (IRDAI) – You can lodge Your grievance in the Integrated Grievance Management System (IGMS).

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3. The Insurance Ombudsman, depending on the nature of grievance and the financial implications, if any.
4. The Consumer Protection Forum or the Court.

***About Our Company***

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**Note: Insurer to give details**

**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.**

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## **Standard Policy Wordings**

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**Standard Policy Wordings**

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You chose this **Bharat Laghu Udyam Suraksha** Policy and applied to Us for insurance covers of Your choice. You paid Us the premium and gave Us information about Yourself, Your Business and Your Property. Based on Your confirmation that this information is true and correct, and in return of accepting the Premium You have paid Us, We promise to provide You insurance as stated in this Policy Document and the Policy Schedule attached to it.

**Clause A. This Policy and the Insurance Contract**

**1. Your Policy:** This **Bharat Laghu Udyam Suraksha** Policy is a contract between You and Us as stated in the following:

- i. This Policy document;
- ii. The Policy Schedule attached to this Policy document;
- iii. Any Endorsement attached to and forming part of this Policy document;
- iv. Any Add-on to this Policy that You may have purchased from Us;
- v. The proposals and all declarations made by You or on Your behalf;

**2. To whom this Policy is issued and what it covers**

- i. This Policy is issued to You and covers Your Insured Property relating to Your Business as mentioned in the Policy Schedule where the total value at risk across all Insurable Asset classes at one location is exceeding ₹ 5 Crore (Rupees Five Crore) but not exceeding ₹ 50 Crore (Rupees Fifty Crore) at the policy Commencement Date

Provided, if the value at risk for all Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period, this policy shall, on expiry, be replaced by the applicable policy.

- ii. If more than one person is insured under this policy, each of You is a joint policyholder. Any notice or letter We give to any of You will be considered as given to all of You. Any request, statement, representation, claim or action of any one of You will bind all of You as if made by all of You.
- iii. If You have mortgaged, pledged or hypothecated any Insured Property with a Bank, the Policy Schedule will show an 'Agreed Bank Clause' and the name of such Bank. The terms and conditions of this arrangement will be added to this Policy as an additional Clause.

**3. The Policy Schedule:** The Policy **Schedule** is an important document about Your insurance cover. It shows:

- i. Your personal details,

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- ii. the Policy Period,
- iii. the description of Your Insured Property,
- iv. the total Sum Insured, the Sum Insured for each cover, or for each block, set or category of Insured Property, and its limits and sub-limits for each and every location,
- v. the insurance covers You have purchased,
- vi. the Premium You have paid for these insurance covers,
- vii. Add-on covers opted by You,
- viii. other important and relevant aspects and information.

**4. Special Meanings of certain words:** Words stated in the table below have a special meaning throughout this Policy, the Policy Schedule and Endorsements. These words with special meaning are stated in the Policy with the first letter in capitals.

<b>Word/s</b>	<b>Specific meaning</b>
<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>Bank</b>	A bank or any financial institution
<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,

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	<ul style="list-style-type: none"> <li>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,</li> <li>iv. water, gas and sewage pipeline within Your premises or</li> <li>v. any other structure shown in the Policy Schedule.</li> </ul>
<b>Business</b>	Your commercial enterprise, trade or profession as shown in the Policy Schedule.
<b>Commencement Date</b>	It is the date and time from which the Insurance Cover under this Policy begins. It is shown in the Policy Schedule.
<b>Contents</b>	Those articles or things in Your Premises that are not permanently attached or fixed to the structure of Your Premises.
<b>Endorsement</b>	A written amendment to the Policy that We make (additions, deletions, modifications, exclusions or conditions of an insurance Policy) which may change the terms or scope of the original policy.
<b>Excess</b>	It is the amount that You must bear in each and every claim before We become liable to pay.
<b>Insurable Assets</b>	All Buildings, Plant and Machinery, Furniture, Fixture and Fittings, Stock and all 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/



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	bamboo /plastic cloth/ asphalt/ canvas/ tarpaulin and the like.
<b>Market Value</b>	Market Value means new Replacement/Reinstatement Value minus depreciation reckoned as on the date of loss.
<b>Money</b>	Cash, bank and currency notes, credit cards, telephone cards, cheques, crossed bankers' drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Savings Certificates, Premium Bonds, credit sales vouchers or receipts, unexpired units in franking machines, gift tokens and consumer redemption vouchers belonging to You or for which You are responsible.
<b>Partial Loss</b>	Any loss other than Total Loss.
<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>Policy Period</b>	Policy period means the period commencing from the effective date and time as shown in the Policy Schedule and terminating at Midnight on the expiry date as shown in the Policy Schedule or on the termination of or the cancellation of insurance as provided for in <b>Clause G (III)</b> of this policy, whichever is earlier.
<b>Policy Schedule</b>	The document accompanying and forming part of the Policy that gives Your details and of Your insurance cover, as described in <b>Clause A (3)</b> of this Policy.
<b>Premium</b>	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.

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<b>Pucca Construction</b>	Construction other than Kutcha Construction.
<b>Reinstatement/ Replacement</b>	<p>Reinstatement/Replacement is defined as:</p> <ol style="list-style-type: none"> <li>i. the reconstruction of buildings or replacement of other property lost or destroyed.</li> <li>ii. (b) the repair or partial replacement of property damaged.</li> </ol> <p>In either case, 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.</p>
<b>Reinstatement/ Replacement Value</b>	This is the amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation, and 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 is damaged or destroyed.
<b>Stocks</b>	<p>Any stock of goods or merchandise.</p> <p>It may be:</p> <ol style="list-style-type: none"> <li>i. Finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,</li> <li>ii. Raw materials, packing materials, or</li> <li>iii. Stock held in trust for which You are responsible.</li> <li>iv. Stock in Open in the Insured Premises</li> </ol>
<b>Sum Insured</b>	The amount shown as Sum Insured in the Policy Schedule. It represents Our maximum liability for each cover or part of cover and for each loss, as applicable.
<b>Total Loss</b>	A situation where the Insured Property or item is completely destroyed, lost, or damaged beyond retrieval or repair, or the cost of repairing it, is more than the Sum Insured of that item or in total.
<b>We, Us, Our, Insurer</b>	The ... .. Insurance Company that has provided Insurance Cover under this Policy; of the Company.

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<b>You, Your, Insured</b>	The Insured Person/s, Company or other entity shown in the Policy Schedule who has/have purchased insurance cover under this Policy; of such Insured Person/s.
<b>Your Premises</b>	The premises in which You carry on Business that is occupied by You for the purposes of Business declared to Us and is reflected in the Policy Schedule

**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.

	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for 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 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.	Earthquake, volcanic eruption, or other convulsions of nature	-
5.	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation	-

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
6.	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 ground works or excavations.
7.	Bush fire, Forest fire and 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.),	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
9.	Missile testing operations	-
10.	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. temporary or permanent dispossession of any Building by unlawful occupation

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
		by any person.
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.	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.
14.	Theft within 7 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.

**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 Event stated in **Clause B** of this Policy and subject to the exclusions stated in **Clause D of this Policy** subject to all terms and conditions of this Policy. We also give **In-built** Covers without charging additional premium which are stated in **Clause C (4)** of this Policy.

**2. Basis of Sum Insured**

- i. for Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value

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- 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 Policy, 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 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,

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- ii. such item of Property is not otherwise insured,
- iii. maximum limit under this cover is 15% (excluding stocks),
- iv. subject to Underinsurance provision of **Clause F** of this Policy.

**4.2 Temporary removal of stocks:**

We cover stocks temporarily removed to any other premises for the purposes of fabrication, processing or finishing, or other similar purposes as follows:

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

**4.3 Cover for Specific Contents:** We cover the following, as applicable:

- i. Money for an amount not exceeding ₹50,000 (Rupees Fifty Thousand) during the policy period.
- ii. 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.
- iii. 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.
- iv. 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.

**4.4 Start-Up Expenses:**

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

**4.5 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.

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**4.6 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.

**4.7 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. 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 Policy, Our liability under this extension will also be proportionately reduced.
- iii. All other terms and conditions of this Policy 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,
    - for destruction or damage not insured under this Policy
    - 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.



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**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 % of each claim, subject to a minimum of ₹ 10,000 ( Rupees Ten Thousand). This means that We will deduct 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten 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 policy.
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 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.

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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 **Clause (C) (4.2)** of this Policy.
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 claim.

### **Clause E. What We Pay**

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

#### **1. Partial Loss:**

- i. 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.
- ii. 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**

- i. The Reinstatement/Replacement Value of the Building or Plant and Machinery or Furniture, Fixture, Fittings.

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- ii. 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.
  - iii. 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:
- i. landed cost at Your Premises for Stock of raw materials,
  - ii. total manufacturing cost for Stock of finished goods,
  - iii. the input value of Stock in process at the time loss,
  - iv. 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 Policy. 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. 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,
- i. if the Building cannot be Reinstated or rebuilt due to Municipal, State or Central law, rules, regulations or bye-laws,
  - ii. if You do not wish to Reinstatement the Building ,Plant and Machinery, Furniture, Fixture, Fittings.
7. We will also pay other amounts mentioned in **Clause C (4)** of this Policy.

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

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**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 Policy, 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 Bharat Laghu Udyam Suraksha Policy, We will waive underinsurance upto 15%.
4. If at the time of damage the Sum Insured applicable 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.
5. Underinsurance will not apply to Cover for Specific Contents.

**NOTE: The cost for Reinstatement of additions made to Insured Property during the Policy Period will be reckoned from the date of addition.**

**Clause G. Conditions**

**I) Your Obligations**

**1. Make true and full disclosure in the proposal and related documents**

- i. You have a duty of disclosure to tell Us everything You know, or could reasonably be expected to know, that is relevant to Us for deciding whether to give You insurance cover and on what terms. You owe this duty to disclose such relevant material information even if We have not specifically asked for it. This duty extends to any information or declarations given by anyone else on Your behalf.
- ii. We have agreed to give You insurance cover entirely on the basis of the information You, or anyone on Your behalf, have given Us in the proposal, statements and other declarations and documents (in writing or electronic) about Yourself, the Building, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents. The correct and complete information You give is the basis of Our contract with You. Our promise to pay is conditional upon the truth of these statements and on the assumption that You, or anyone on Your behalf, has not withheld any material information about Yourself, the Building, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents.

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**2. Make true statements and full disclosure in the claim and related documents**

You must also give true and full information in Your claim and submit true documents. If You give any false information or document in the claim, or if You withhold any information or document (written or electronic), We have a right to refuse payment of Your claim. We may also cancel Your policy.

**3. Obligation to take care:** You must:

- i. ensure that unauthorised persons do not occupy Your Premises.
- ii. whenever Your Premises or any Building in Your Premises is unoccupied, You must ensure that all security procedures on Your Premises are in force.

**4. Inform change in circumstances:**

You must inform Us immediately if:

- i. You change the nature of Your Business or any processes,
- ii. You let out Your Premises or any part, or Your Premises will no longer be solely occupied by You
- iii. You change the use of Your Premises or any Building,
- iv. Your Premises or any Building remains unoccupied for more than 30 days.

**5. Allow inspection and investigation of claim**

You must allow and give full cooperation for the survey/investigation of Your claim by Us. You must allow Us, and any surveyor, officer or other representative that We authorise, to enter Your Premises, inspect it, take photographs and where required, permit the scientific testing and investigation of any insured article affected by the insured peril, You must answer all questions asked regarding Your claim truthfully and completely, and submit all documents that We will require.

**6. Follow claim procedure**

When You suffer any loss or damage to any Insured Property, and wish to make a claim, You must follow all steps stated in this Policy about immediate reporting to Us and to the appropriate Legal Authorities as per **Clause G (IV)** of this Policy.

**II) Renewal of Policy**

1. **End of Policy:** This Policy will expire at the end of the Policy Period.
2. **Application for renewal:** If You wish to renew the Policy, You must apply for renewal before the end of the Policy Period and pay the required premium amount.

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3. **Renewal is not automatic:** We may seek relevant information from **You** for the purpose of renewal. We can reject Your renewal only on grounds of mis-representation, non-disclosure of material facts, fraud or non-co-operation on Your part.

**III) Cancellation and Termination of Policy**

**1. Cancellation by You at any time**

- a. You can cancel this Policy at any time by giving Us notice in writing. The Policy will terminate when We receive Your notice.
- b. If You cancel the Policy, We will refund premium as follows:

<b>Time for which Policy in force</b>	<b>Refund of premium</b>

**2. Cancellation by Us**

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

**3. Automatic termination of the Policy:**

This Policy will automatically end in the following cases:

- a. **Destruction of any Insured Building:** This Policy will automatically end 7 (seven) days after any Insured Building collapses or is displaced or destroyed by reason other than any Insured Event. If a separable part of any Insured Building falls down or is destroyed by reason other than any Insured Event, the cover will end for such part or additional structure.
- b. You can apply within 7 (seven) days of such fall or destruction for continuing insurance cover. We may agree, but will not be bound, to continue the cover on revised rates, terms and conditions.
- c. **Change of use or ownership of Insured Property:** The Policy will end in regard to the Insured Property affected, unless You have obtained Our prior consent in writing as an Endorsement on the Policy,

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- i. if You change the trade or manufacture, or the nature of Your occupation, or You change other circumstances relating to the Building or a building containing any Insured Property in such a way as to increase the risk of loss or damage by Insured Events;
  - ii. if Your interest in any Insured Property passes to another except by will or operation of law.
- d. **Sale of Insured Property:** This Policy will end when You sell, surrender or release Your interest in any Insured Property or its part.
- e. **Exhaustion of Sum Insured:** If any Insured Property is lost, destroyed or stolen, or is a Total Loss, and We pay You the full Sum Insured for such item, the insurance cover for that item will automatically end. If We pay the total Sum Insured for any claim, this Policy will end.
- f. **Effect of death:** If You are an individual, in the event of Your unfortunate death the Insurance Covers that You have purchased will continue for the benefit of Your legal representative/s during the Policy Period subject to all the terms and conditions of this Policy.
- g. **Policy not invalidated:** The Policy is not invalidated:
- i. by transfer of Your interest in the Policy by operation of law, if that occurs during the Policy Period. We can continue this policy on same or modified terms in favour of Your legal representatives if they apply for this purpose within 30 days of such transfer;
  - ii. by any act, omission, or alteration unknown to You, or beyond Your control, that increases the risk of loss or damage, if You give notice to Us immediately when You become aware of the act, omission or alteration, and pay additional premium if required; or
  - iii. if Your employees or workmen carry out repairs, maintenance work or minor alterations in the Insured Property.

#### **IV) Claims Procedure**

If You suffer a loss because of an Insured Event, You must make a claim for Your financial loss at Your cost.

The procedure for making a claim is given below. These include things that **You must do**, and that **You must not do**. It is important to comply with these to ensure that it does not prejudice Your claim in any manner.

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**1. Immediate notice to Us**

- a. As soon as any loss or physical damage occurs to any Insured Property due to an Insured Event, You must immediately give notice to Us of the loss or damage. This is necessary so that We can survey/investigate the loss or damage.
- b. You can give notice to any of Our offices or call centers.
- c. You must state in this notice
  - i. the Policy Number,
  - ii. Your name,
  - iii. details of report to the police that You made,
  - iv. details of report to any Authority that You made,
  - v. details of the Insured Event,
  - vi. a brief statement of the loss,
  - vii. particulars of any other insurance of the Insured Property, Your Premises or any other Property on Your Premises,
  - viii. details of loss or damage under Add-ons, if any, and
  - ix. submit photographs of loss or physical damage, wherever possible.

**2. Steps to prevent loss and damage**

- a. You must take all reasonable steps to prevent further loss or damage to the Insured Property.
- b. Until We have inspected the Insured Property and Your Premises, and have given Our consent,
  - i. You must not sell, give away or dispose of any damaged items of any property,
  - ii. You must not wash or clean, or remove any damaged item or debris, except for any urgent necessity, and
  - iii. You must not carry out repairs unless such repairs are urgent and You cannot contact Us.

**3. Immediate notice to authorities**

- a. As soon as any loss or damage occurs to the Insured Property, You must give immediate report to appropriate legal authorities. For example, You must report to the fire brigade of the local authority and the police if there is damage by fire/explosion / implosion or lightning. In case of subsidence /landslide/rockslide, You must inform the District Administration. In the event of impact damage of any kind or Riot Strikes, Malicious acts and acts of terrorism, You must inform the police. If there is a theft within 7 (seven) days following an Insured Event, You must inform the police.



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- b. We may but not necessarily, waive this condition if We are satisfied that by reason of extreme hardship it was not possible for You or any other person on Your behalf to give such report.

**4. Submit claim**

- i.
  - a. You must submit Your claim in Our claim form at the earliest opportunity, but within 30 days from the date You first notice the loss or damage. The claim form is available in any of Our branches, and on Our web-site.
  - b. You must state in Your claim the details of any other insurance policy that covers the damage or loss for which You have filed Your claim, whether You have purchased such other insurance, or someone else has purchased it for You.
- ii. We shall not be liable for any loss or damage after the expiry of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration. If We disclaim liability for a claim You have made and if the claim is not made a subject matter of a suit in a court of law within a period of 12 months from the date of disclaimer , the claim shall not be recoverable hereunder.

**5. Establish loss**

You must prove that the Insured Event has occurred, and the extent of loss or physical damage You have suffered with full details,

- i. You must support Your claim for Insured Property with plans, specification books, vouchers, invoices pertaining to costs incurred by You for reconstruction/replacement/repairs.
- ii. You must allow Us, Our officers, surveyors or representatives to inspect the Insured Property, and to take measurements, samples, damaged items or parts, and photographs that are relevant.
- iii. You must give Us authority to see the relevant records and get information about the Event and Your loss from the police or any other authority.
- iv. You must give Us when We request any additional information that We require for verifying Your claim.

**6. Fraudulent claim**

If You, or anyone on Your behalf, make a false or fraudulent claim , or support a claim with any false or fraudulent statement or documents:

- i. We will not pay the claim,

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- ii. We can cancel the Policy: in such a case, You will lose all benefits under this Policy and premium that You have paid, and
- iii. We can also inform the police, and start legal proceedings against You.

**7. Other insurance**

- i. If You have any other policy with Us or any other Insurance Company (taken by You or by anyone else for You) covering in whole or in part any claim that You have made under this Policy, You have a right to ask for settlement of Your claim under any of these policies.
- ii. If You choose to claim under this Policy from Us, We will settle Your claim within the limits and the terms and conditions of this Policy.
- iii. After We pay the amount under Your claim, We have the right to ask for contribution from the Insurers that have given You the other policies.
- iv. We will ensure that Our actions do not impose any liability on You.

**8. Our rights relating to Insured Property**

- i. We must investigate/survey that Your claim is covered by this Policy. For this purpose, We will give You notice and request Your cooperation as follows:
  - a. We and Our representatives will visit Your premises, inspect the Insured Property
  - b. We will ask You to give to Us any items of the Contents of Your premises for the purposes examination, testing, or any other investigation,
  - c. We will dispose of or deal with or sell any item of the Contents of Your Premises for which loss We have paid completely.
- ii. We will ensure that Our actions will not impose any liability on You.

**9. Recovery action by Us**

- i. When We accept and pay Your claim under the Policy, We can start legal proceedings to recover the amount or property from the third party who has caused the loss or damage to Your Insured Property. You must give authority to Us to take such action and exercise this right effectively, when We request You, whether before or after making payment of Your claim. You must give all information, cooperation, assistance and help for this purpose. You must not do anything which will prejudice Our right.

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- ii. Any amount We recover from such person will be applied first to the costs of the legal proceedings and recovery, then to the claim amount We have paid or must pay to You. We will pay You any balance.
- iii. You can start legal proceedings against any person who has caused the loss or damage only with Our prior consent, and on conditions that We will impose. You must not compromise or settle any claim against such person without Our consent. If You recover any amount from such person, You must return to Us the amount We have paid for Your claim. We can take over the conduct of legal proceedings that You have started and continue the proceedings in Your name.

**Clause H. Changes to covers**

- 1. You can choose to make changes to the covers of this Policy, 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. This Policy (including the Policy Schedule, the proposal, declarations and the Endorsements) consists of the entire contract between You and Us.

**Clause I. Other details**

**1. Designation of Insured Property**

For the purpose of determining under which item any Property is insured, We agree to accept the designation under which such Property appears in Your books of account.

**2. Notices**

- i. We will send any notice, letter or communication in writing to You at Your address mentioned in the Policy Schedule, and to Your email address that You have registered with Us.
- ii. You will send any notice, letter, intimation or communication in writing to Us at the branch office where You purchased the Policy. You can also send it at the address mentioned in the Policy Schedule. You shall not send any notice etc. to the insurance agent, broker or any other entity. They are not authorised to receive notices etc. on Our behalf.

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**3. Applicable law and jurisdiction**

This Policy will be subject to the laws of India, and to the jurisdiction of courts in India.

**4. Arbitration**

If any dispute or difference arises between You and Us regarding the amount of claim to be paid under this policy (liability having been admitted by Us), such difference shall independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by You and Us or if You and We cannot agree upon a single arbitrator within 30 days of either of Us opting for arbitration, the same shall be referred to a panel of three arbitrators comprising of two arbitrators, one to be appointed by each of Us, to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

**Clause J. Grievances**

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

**1. Our Grievance Redressal Officer**

You can send Your grievance in writing by post or email to Our Grievance Redressal Officer at the following address:

Address including email.....

**2. Consumer Affairs Department of IRDAI**

- a. In case it is not resolved within 15 days or if You are unhappy with the resolution You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number 155255 (or) 1800 4254 732 or sending an email to [complaints@irdai.gov.in](mailto:complaints@irdai.gov.in). You can also make use of IRDAI's online portal - Integrated Grievance Management System (IGMS) by registering Your complaint at [igms.irda.gov.in](http://igms.irda.gov.in).
- b. You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by [clicking here](#). You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India(IRDAI), Consumer Affairs Department- Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032.
- c. You can visit the portal <http://www.policyholder.gov.in> for more details.

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**3. Insurance Ombudsman**

You can approach the Insurance Ombudsman, depending on the nature of Your grievance and the financial implications, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at [www.irdai.gov.in](http://www.irdai.gov.in), or of the General Insurance Council at [www.generalinsurancecouncil.org.in](http://www.generalinsurancecouncil.org.in), the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices.

**Note: Insurer to give details of Insurance Ombudsmen.**

**Clause K. Information about Us**

The ... .. Insurance Company Limited

Address

Web:

E-mail

Customer Service

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## **Standard Key Features Document (KFD)**

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**Key Features Document (KFD)**

***Introduction***

This document gives the important features of Our **Bharat Laghu Udyam Suraksha** policy. Here, We describe the policy and answer Your questions. Read it carefully before You buy this Insurance Cover, and keep it safe for future reference.

***What is the Insurance Cover under this policy?***

The **Bharat Laghu Udyam Suraksha** policy gives insurance cover to Your property relating to Your business. Under this policy, We agree to pay You for the loss You suffer when unexpected events cause physical loss, damage or destruction of building and structures, plant and machinery, stock and other assets relating to Your business.

This **Policy gives three types of covers:**

**1. Standard Cover** for the building and structures, plant and machinery, stock and other assets relating to Your business.

**2. In-built Covers:** under the Standard Cover if We agree to pay Your claim for loss or damage to Insured Property, We will also pay for the following loss or damage and expenses.

- i. **Additions, alterations or extensions:** Property that You erect, acquire or add during the Policy Period is covered upto 15% of the sum insured for that item. (Excluding Stocks)
- ii. **Temporary removal of stocks:** Loss to stocks temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.
- iii. **Cover for Specific Contents:** 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 (twenty) persons during the policy period.
- iv. **Start-Up Expenses:** Start-up cost incurred by You, consequent upon a loss or damage due to insured events upto ₹ 5 Lakh (Rupees Five Lakh) during the policy period.
- v. **Professional fees:** Reasonable fees of architects, surveyors and consulting engineers upto 5 % of the claim amount.

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- vi. **Costs for removal of debris:** Reasonable expenses for removal of debris upto 2% of the claim amount.
- vii. **Costs compelled by Municipal Regulations:** Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

**Standard Add-ons:**

You can purchase the following standard Add-on on payment of additional Premium.

- i) **Floater Cover:** Cover for stocks at multiple locations under one Sum Insured.
- ii) **Declaration Policy for Stocks:** Cover for frequent fluctuations in stock/stock values on declaration basis.

**How does the Bharat Laghu Udyam Suraksha Policy help me?**

If building and structures, plant and machinery, stock and other assets relating to Your business are lost, damaged or destroyed because of unexpected events that occur during the period of this policy, We provide insurance cover as follows:

<b>Your loss</b>	<b>Condition</b>	<b>We pay, but not more than the Sum Insured</b>
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 such property.	Reinstatement Value



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<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)

***Does the Bharat Laghu Udyam Suraksha cover the entire claim?***

We pay Your claim if it is admissible under the terms and conditions of the **Bharat Laghu Udyam Suraksha** Policy. A provision of 'Excess' applies to each claim, that means, You must bear for each claim the higher of ₹ 10,000 (Rupees Ten Thousand) or 5% of the claim amount, and We will pay the remaining amount of admissible claim. For terrorism risk Excess will be as per the clause attached with the policy.

***Which unexpected events does it cover?***

We pay for physical loss or damage, or destruction caused to Insured Property by the following unforeseen events. The events covered are given in the Column A and those not covered in respect of these events are given in Column B.

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for 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 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.	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 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 ground works or excavations.
7.	Bush fire, Forest fire, Jungle fire	-
8.	Impact damage of any kind, i.e.,	a. caused by pressure waves caused by aircraft

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
	damage caused by impact of, or collision caused by, any external physical object (e.g. vehicle, falling trees, aircraft, wall etc.),	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 course of employment
9.	Missile testing operations	-
10.	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. temporary or permanent dispossession of any Building by unlawful occupation by any person.
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.	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.
14.	Theft within 7 days from the occurrence of, and proximately	if it is a. of any article or thing outside Your Premises,

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	<b>Column A</b>	<b>Column B</b>
	<b>We cover</b> physical loss or damage, or destruction caused to the Insured Property by	<b>We do not cover</b> for loss or damage, or destruction caused to the Insured Property by
	caused by, any of the above Insured Events	or b. of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.

***What is the basis of Sum Insured in this policy?***

- 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 damage,
  - c) For finished stock: the manufacturing cost of the Finished Stock or the **Contract Price** of goods sold but not delivered.

**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 the valuation certificate being submitted and found acceptable by Us.

***What is Reinstatement Value?***

This is the amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation, and 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 is damaged or destroyed.

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***Does this policy cover all losses caused by the Insured events?***

Some events and losses are not covered. Some of these are:

- Your deliberate, wilful or intentional act,
- Loss, destruction or damage to stocks in cold storage due to change in temperature,
- War, invasion, war-like operations,
- Ionising radiation,
- Pollution or contamination,
- Property is missing or has been mislaid,
- Consequential or indirect loss or damage,
- Costs, fees or expenses for preparing any claim,
- Insured premises or building remains unoccupied for more than 30 days,
- Bullion or unset precious stones, any curious or works of art unless specifically declared,
- 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.

**(\*Please refer to policy document for complete list of exclusions)**

***For which property can I take this policy?***

The policy covers

- Building with its basement (if any), fittings and fixtures, garage, towers, security sheds, internal roads, lifts, air condition systems, security systems, electric installations, fire sprinkler systems and other structures that are located in Your business premises,
- Plant and machinery, spares, accessories,
- Stock of goods or merchandise which may include finished goods, semi-finished goods, stock in process and raw material, packing material etc.,
- Other items like furniture, office and electronic equipment, canteen and kitchen equipment, computers etc.

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***Can I cover curious or works of art under this policy?***

Bullion or unset precious stones, any curious or works of art are excluded from the Policy. However, these items can be covered if You specifically declare such amount and it is recorded in policy schedule.

***Are machinery and equipment temporarily removed for repairs, cleaning or similar purposes covered under this Policy?***

These machinery and equipment are covered under this policy for period not exceeding 60 (sixty) days. If You wish to cover these items post 60 days please contact Us with details of machinery, new locations, Sum Insured etc.

***Who is eligible to purchase this policy?***

You can buy this cover for any property pertaining to Your business if You are its owner, tenant, lessee, purchaser, or You hold it as trustee on commission or are responsible for it and liable for taking insurance. It could be for any commercial enterprise upto the limit of value of all Insurable Assets as given below.

You can buy this cover if value of all insurable assets (whether insured or not) at any one location is more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹50 Crore ( Rupees Fifty Crore) at the policy Commencement Date. If the value of Your insurable assets is more than ₹50 Crore at the Policy Commencement Date, You can purchase the applicable policy meant for larger commercial enterprises and pay its premium. If the value of Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period, **Bharat Laghu Udyam Suraksha** policy will be replaced by the applicable policy on expiry of this policy.

***What kind of commercial enterprise is this policy meant for?***

This policy is applicable for Offices, Hotels, Shops, Industrial/Manufacturing risks, Utilities located outside the compound of Industrial/ Manufacturing risks, Storage risks outside the compound of Industrial/ Manufacturing risks and Tank farms/Gas holders outside the compounds of Industrial/ Manufacturing risks.

***What amount am I entitled to receive if there is a covered loss?***

The building, plant and machinery, stock and other assets are covered for the amount that will be required to replace them and basis for the same is mentioned above. This is the sum insured for each item or group of items. If any Insured Property is damaged (Partial Loss),

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We pay the amount You have spent on repairs. If any insured property is lost or destroyed completely (Total Loss), We pay the Sum Insured for that item.

The amount of Sum Insured for each cover and item of property is shown in a document called the Policy Schedule. This is maximum amount We will pay, in case the actual cost of repair, rebuilding or replacement is higher. This policy ends when We pay the whole Sum Insured of any cover or item insured.

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 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 all cases, We will not pay more than the relevant Sum Insured.

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.

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.

**Special feature:** Underinsurance upto 15 % of Sum Insured is waived. Underinsurance occurs if the replacement or reinstatement value on date of loss of any insured property is more than the Sum Insured. It is usual in insurance covers that in such a case, the full claim is not paid. It is reduced in proportion to the difference. Under the **Bharat Laghu Udyam Suraksha** Policy, difference upto 15% is ignored, but beyond that underinsurance is applicable to the full extent.

The amount of Sum Insured is declared beforehand for each cover and items of property. It is shown in a document called the Policy Schedule. This is the maximum amount We will pay, in case the actual cost of repair, rebuilding or replacement is higher. This policy ends when We pay the whole Sum Insured of any cover or item insured.

***Can I buy any other additional covers (add-ons) other than the standard add-ons?***

You can buy the following additional covers (add-ons) that will be added to Your Bharat Laghu Udyam Suraksha Policy

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**Note: Insurers to mention as applicable.**

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***How much do I pay for this cover?***

The Premium for the Insurance depends on

- (i) the nature of insured property, viz. building, plant, stock etc.
- (ii) the amount of Sum Insured,
- (iii) the nature of Your business.
- (iv) various factors that define the risk profile of Your enterprise... ..

***How long does this cover protect me?***

The cover protects You during the period of the policy which is not more than one year.

***How and when do I pay the premium?***

You must pay premium in advance. The insurance cover begins only after We receive Your premium.

***What are my obligations?***

You have some obligations to fulfil. You must:

- state all and true information about Yourself, Your property and Your business when You submit a proposal,
- make true and full disclosure in Your claim and documents supporting the claim,
- give Us full cooperation for investigating the claim that You will make,
- make a claim when You suffer loss, and follow the claim procedure,
- ensure that unauthorised persons do not occupy Your premises and whenever Your premises is unoccupied ensure that all security procedures are in force,
- inform to Us change in circumstances such change in nature of business or process, premises or any part of it no longer be solely occupied by You, premises remain unoccupied for 30 days or more, You change the use of premises or building.

***How do I make a claim?***

If You suffer a loss that is covered by this policy, You must make a claim. We will verify the claim and accept it if it is according to the terms and conditions of this policy.

When You suffer loss to any Insured Property because of Insured Event, You must



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- give notice to Us immediately,
- report to police, fire authorities and other appropriate legal Authorities,
- take all reasonable steps to prevent further damage to Insured Property,
- preserve and collect evidence, take and preserve photographs,
- assist Us and Our representatives in collecting evidence and details, give Us all information, books of accounts, and other documents etc,
- submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage.

***What is the effect of death of the insured on this policy?***

If You are an individual, the policy will continue for the benefit of Your legal representatives until the end of the policy period.

***What will happen if the value at risk for all insurable assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the policy period?***

If value of Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period then **Bharat Laghu Udyam Suraksha** policy will continue till the expiry of the policy. However, on renewal, **Bharat Laghu Udyam Suraksha** policy has to be replaced with the applicable policy.

***Can I make changes to this policy?***

You can choose to make changes to the covers of this Policy, 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

***Can this policy be cancelled?***

You can cancel this policy at any time during the policy period. We will return part of premium.

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We will not cancel this policy during the policy period except on the grounds of mis-representation, non-disclosure of material facts, fraud or non-cooperation of the insured.

***How can this policy be renewed?***

This policy will expire at the end of the Policy Period. If You wish to renew the Policy, You must apply for renewal before the end of the Policy Period and pay the required premium amount.

**Renewal of this policy is not automatic, We** may seek relevant information from **You** for the purpose of renewal. We can reject Your renewal only on grounds on mis-representation, non-disclosure of material facts, fraud or non-co-operation on Your part.

***How do I obtain this Policy?***

You can contact any agent of the company or any intermediary or other approved distribution channel, visit Our website for information on this product including whether it is available online, call Our call centre or contact Our office near to You.

***Where can I find the details of the Cover?***

We have given above the broad features of the **Bharat Laghu Udyam Suraksha** Policy. If You choose this policy, Your transaction with Us will have legal implications. Please also read the 'Prospectus'. Further, detailed terms and conditions of this cover will be stated in a legal document called the 'Policy'. It is therefore important to read the prospectus and the policy.

- You can read these two documents on Our website ... .. .
- You can download them from Our web-site.
- You can send email to ... .. and ask for copies. We will email to You soft copies.
- You can get copies from any branch of Our Company.

***Whom do I contact about this Cover or Policy?***

You can contact any agent of the company or other approved distribution channel, visit Our website for information on this product including whether it is available online, call Our call centre or contact Our office near to You.

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***What do I do if I have a grievance?***

You can approach Our Grievance Redressal Officer by sending an email at \_\_\_\_ \_\_\_\_ \_\_\_\_ (email address) or a letter to \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_ \_\_\_\_ (address). If this does not resolve Your, grievance You may approach the Insurance Ombudsman, depending on the nature of the grievance and the financial implications, if any. You can find more details about Insurance Ombudsmen at [www.gbic.co.in](http://www.gbic.co.in) or [www.irda.gov.in](http://www.irda.gov.in).

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

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## **Standard Add-ons**

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This is an additional cover that extends the insurance cover that We give under the Bharat Laghu Udyam Suraksha. We give these additional covers if You have applied to and paid premium for the covers and We have accepted to give covers to You.

**1. Floater Cover**

We extend the cover under the Bharat Laghu Udyam Suraksha Policy to physical loss or damage to Stocks at more than one location as follows:

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

**2. Declaration Policy for Stocks**

1. We agree to cover Your Stock on receipt of provisional premium based on Your declaration of the value of Stock, the premium being liable to be adjusted at expiry of the Policy Period, as follows:
2. You will declare to Us in writing signed by You or an authorised person, the value of Your Stock less any amount insured by Policies other than declaration policies. If any Stock is covered by declaration policies, You must apportion to each policy a share of the value of stocks insured by such declaration policies pro-rata to the respective amounts named in those policies.
3. Your declaration shall state
  - i. Average of the value at risk on each day of the month, or
  - ii. Highest value at risk during the month
4. You must give a separate declaration relating to each separate location.
5. You shall give such declaration before the last day of the succeeding month. If You do not make a declaration in time, We will consider the Sum Insured mentioned in the Policy Schedule as the value at risk.
6. At the end of the Policy Period, the actual premium will be calculated at the rate applied under the Policy on the average Sum Insured, i.e.,  
The total of values declared or deemed to have been declared ÷ the number of declarations made or deemed to have been made.
7. If the premium calculated on adjustment is less than the provisional premium You have paid, We will repay the amount of the difference not exceeding 50% of the provisional premium.

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8. If at the time of loss there is another subsisting insurance policy covering the insured Stock other than on declaration basis, whether You have taken such policy or someone else, We will only pay the amount of difference by which the value of the Stock at the time of loss exceeds the Sum Insured under the other policies, and We will not be liable to contribute more than that proportion which such difference bears to the total value of stocks. In all cases, the maximum We will pay is the relevant Sum Insured.
9. If after loss has occurred, it is found that the amount of last declaration before the loss is less than the amount which ought to be declared, We will pay only that proportion of loss which the amount in the last declaration bears to the amount that ought to have been declared.
10. If You cancel the policy (whether any stock exists or not), We will retain short period premium calculated on the average amount insured until the cancellation, or 50% of the provisional premium, whichever is higher. If You cancel the policy after loss has occurred, We will retain the premium of the higher of the two amounts:
  - i. The pro-rata proportion of the premium calculated on the average amount insured until cancellation plus the pro-rata proportion of the premium from the date of loss to the end of the Policy Period, and
  - ii. 50% of the provisional premium.
11. You cannot reduce the Sum Insured during the Policy Period.
12. We will not pay more than the Sum Insured, and You need not pay premium on value in excess of the Sum Insured. You and Us can increase the Sum Insured by agreement, and its effective date will be added by Endorsement on the Policy. You are liable to pay an additional provisional premium on the increased Sum Insured proportionate to the unexpired Policy Period. If the rate for the class of the relevant risk is revised during the Policy Period, You must pay an additional provisional premium on the revised rate for the unexpired period. In both these cases, the premium will be adjusted at the end of the Policy Period as stated in **Clause 7** above.
13. If the Insured Stocks are collectively of greater value than their Sum Insured at the time of loss, You will be Your own insurer for the difference, and must bear a rateable proportion of the loss. Every item of Stock shall be separately subject to this condition.
14. All other terms and conditions of the Policy shall apply to the Declaration Policy

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**Standard Special Clause (Agreed Bank Clause)**

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***Agreed Bank Clause***

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

Under this Clause, You agree as follows:

- i. We shall pay to the Bank the entire amount that We are liable to pay under this Policy. Such Bank will receive it for its own demand, and as agent for any other person interested in the amount.
- ii. When We pay the amount to the Bank, Our liability under this Policy will be discharged, and will be binding on all of You and all persons named as the insured.
- iii. Any notice or communication We make to the Bank under the provisions of this Policy shall be sufficient notice or communication to You.
- iv. Any settlement or compromise that We make with the Bank will be binding on You and all persons named as the insured. However, such settlement or compromise will not affect the rights of the Bank to recover any amount from You or any other person.
- v. If You make any change in the use of the Insured Property or Your Premises or sell or transfer the Insured Property, such actions will not prejudice the interest of the Bank under the Policy and this Clause, unless the condition has been broken by the Bank or its employees.
- vi. If You commit any act or omission that will increase the risk, the insurance cover will not be invalidated. However, the Bank shall notify Us of any change or ownership, or alterations and increase in risks as soon they become known to the Bank, and shall pay additional premium from the time of such change.
- vii. When We pay the amount to the Bank, We will become legally and automatically subrogated to all rights of the Bank to the extent of such payment. This will not impair or prejudice the rights of the Bank to recover any amount from You or any other person.

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