

CONSEQUENTIAL LOSS-FIRE INSURANCE POLICY

ADD ON WORDINGS

1. Waiver of Underinsurance

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions; in the event of loss or damage it is found that the sum insured is less than the amount required to be insured, then underinsurance on each item of the schedule will be ignored if it does not exceed ___% there at. Provided, however, if the said sum insured in respect of such item(s) of the schedule shall not be less than ___% of the value of the item(s) thereat, this condition shall be of no purpose and effect.

UIN: IRDAN134CP0375V01202122/A0380V01202122

2. Minimum Demand Charges

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the insurance by this Policy is extended to include the minimum demand charges imposed by any named supplier of electricity, water, gas or utility services to which the Insured has contracted and which cost has been incurred by the Insured following upon the loss as insured under this Policy and provided that such expenditure is not more specifically insured by the Policy as a Standing charge or Fixed cost within the definition of Gross Profit or any other definition used in the terms of the policy wording.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.

UIN: IRDAN134CP0375V01202122/A0397V01202122

3. Claim Preparation Clause

Subject to the Sub-Limit of Liability as stated in the Schedule for Professional Fees and Claims Preparation Costs resulting from insured loss payable under this Policy for which the company have accepted liability, the insurance under this Item is to cover:

- (a) such professional fees as may be payable by the Insured;
- (b) such other expenses incurred by the Insured and not otherwise recoverable, for preparation, proving and/or verification of claims made by the Insured under this Policy;
- (c) the costs of arbitration if incurred and such reasonable professional fees and other reasonable expenses related thereto.

For the purpose of this Clause such reasonable professional fees shall include but not be limited to fees for financial advisors, accountants, loss adjusters, insurance intermediary, business interruption claims advocates and preparers and valuer's appointed by the Insured.

The Company's maximum liability under this Clause shall not exceed INR..... per occurrence.

UIN: IRDAN134CP0375V01202122/A0381V01202122

4. Additional increase cost of working

The insurance by this Section of this Policy is extended to insure additional increased cost of working and the amount payable as indemnity under this Extension shall be the additional expenditure over and above any amount payable elsewhere under this Section of this Policy necessarily and reasonably incurred during the Indemnity Period in order to minimise any loss and/or to resume or maintain the Insured's normal business operations, subject also to the applicable Sub-Limit of Liability shown in the Schedule.

UIN: IRDAN134CP0375V01202122/A0382V01202122

5. Soft Costs

It is hereby agreed and understood, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that this Policy covers the actual loss sustained incurred by the Insured of Soft Costs during the Indemnity Period arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an insured location.

References and Application. The following term(s) wherever used in this Policy means:

Soft Costs: Expenses over and above normal expenses at locations undergoing renovation or in the course of construction limited to the following:

- Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
- Commitment fees, leasing and marketing expenses - The cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).

- Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.

- Carrying costs - property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

Provided always that the Company's liability under this extension shall not exceed Rs. 10% of the claim amount subject to maximum of 50 lacs.

UIN: IRDAN134CP0375V01202122/A0383V01202122

6. Extension to cover Customers' premises

In consideration of the payment of the after-mentioned additional premium shown in the policy/the Endorsement, it is hereby agreed and declared that, subject to the conditions of the Policy, loss as insured by items(s) Nos. of this policy, resulting from interruption of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations, shall be deemed to be loss resulting from damage to property used by the Insured at the premises.

Provided that the liability under this memorandum in respect of any location shall not exceed in respect of (each of) item(s) No.(s)percent of the sum insured thereunder.

Further Provided that if the percentage, shown against the name of the customer in whose premises damage has occurred, shall be less than the percentage of the Annual Turnover derived by the Insured from that customer, the amount otherwise payable will be proportionately reduced.

Provided Again that the liability under this memorandum in respect of any one location under (each of) item(s) no(s) shall not exceed the percentage of the sum insured thereunder shown against each situation. Name of the Customer Situation of Selected percentage the premises limit of the sum insured.

UIN: IRDAN134CP0375V01202122/A0385V01202122

7. Extension to cover Suppliers' premises

Where the extension relates to more than one supplier with differing limits, the proviso and "Situations" should be amended to read as follows:

"Provided that the liability under this memorandum in respect of any one location under (each of) item(s) No(s) shall not exceed the percentage of the sum insured thereunder shown against each situation,

SITUATION LIMIT"

“Further provided that if the percentage shown against the name of the supplier in whose premises damage has occurred shall be less than the percentage of dependence of the insured on that supplier, the amount otherwise payable shall be proportionately reduced.”

UIN: IRDAN134CP0375V01202122/A0384V01202122

8. Auditor's Clause

The Insurance under Item No. is limited to the reasonable charges payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of Condition 3 of this Policy. Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under Condition 3 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's Auditors, and their certificate shall be prima facie evidence of the particulars and details to which such certificates relate.

UIN: IRDAN134CP0375V01202122/A0386V01202122

9. Interruption By Civil Authority Extension

The insurance by this Section of this Policy is extended to insure loss resulting from interruption of or interference with the Business in consequence of access to or from the Insured's premises or use of the Insured's premises being specifically prohibited, hindered or restricted by order of civil or military authority as a direct result of Damage to property at the Insured's premises or property within 10 kilometres of the perimeter of the premises of the Insured.

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10. Delay Indemnity Clause

In the event of an interruption to the business insured arising out of peril not excluded hereunder which commences and/or recommence at a date later than that of the loss or damage to the property insured hereunder which gives rise to such business interruption, insurers shall agree to extend the period during which indemnity is provided by this policy. Provided always the insurers shall not be liable for more than the indemnity limits as stated in the schedule nor the maximum number of days interrupted as stated in the schedule. Under no circumstance shall insurers be liable for any loss under this policy if such interruption to the business insured commences later than 12 months after the date of the loss or damage to the property insured hereunder and which shall occur after the

conclusion of the period commencing on the date of damage and ending not later than the date of conclusion of the maximum indemnity period plus waiting period and 12 months thereafter.

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11. Lay Off And Retrenchment Compensation

Lay-off and/ or retrenchment Compensation with or without Notice

Wages Liability

The Insurance under this is limited to the amount which the Insured shall become legally liable to pay and shall pay to employees as* under the provisions of the Industrial Disputes Act, 1947 and all subsequent amendments thereto.

Provided that the amount payable as indemnity under this item shall not exceed the amount which would otherwise have been payable as Wages to the said employees during the period of indemnity, had no damage occurred.

Provided also that if the sum insured by this policy shall be less than the aggregate amount of * to the said employees the amount payable shall be proportionately reduced.

“For the purpose of this item „Employee” shall mean „Workman” as defined under the Industrial Disputes Act, 1947 and subsequent amendments thereto but excluding those employees whose remuneration is insured as a standing charge under Item 1 of the Policy.

* Insert here the appropriate cover opted by the insured, viz.

I. Lay-off and/ or Retrenchment Compensation, or

II. Lay-off and/ or Retrenchment Compensation with or without Notice Wages Liability; or

III. Lay-off Compensation, or

IV. Retrenchment Compensation, or

V. Retrenchment Compensation with or without notice Wages Liability.

As the case may be.

UIN: IRDAN134CP0375V01202122/A0389V01202122

12. Hindrance Of Access/Ingress/Egress Clause/ Port Blockage

This is extended to include the actual loss of Gross Profit sustained as a consequence of physical damage or destruction resulting out of causes not excluded under policy to any property within a maximum radius in kms as specified in schedule from the insured's premises and only inland resulting in the insured being unable to or prohibited by any governmental or municipal order, to obtain access or exit from the insured premises.

Provided that after the application of all other terms, conditions and provisions of policy the liability under this extension in respect of any one occurrence shall not exceed the maximum indemnity periods under II of this Policy of Insurance but always subject to the Sum Insured stated in the Particular Conditions.

Limit: Maximum as specified in policy schedule over and above the policy time excess

This extension includes loss originating from blockage of the port due solely to accidental causes, resulting in the inability to use the jetty of the

UIN: IRDAN134CP0375V01202122/A0390V01202122

13. Overhauls

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption.

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14. Crisis Management

The insurance by this of this Policy is extended to insure the actual loss sustained and Additional Increase in Cost of Working incurred by the Insured during the Indemnity Period if an order of civil or military authority prohibits access to premises of the Insured, provided such order is a direct result of a violent crime, suicide, attempted suicide, or armed robbery at such premises of the Insured.

For the purposes of this Extension only, a violent crime, suicide, attempted suicide, or armed robbery will be considered Damage.

This Extension of coverage will apply when the Indemnity Period is in excess of 4 hours.

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15. Research and development

The GROSS PROFIT coverages are extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges and ordinary payroll directly attributable to the interruption of research and development activities, that in themselves would not have produced income during the PERIOD OF indemnity.

The PERIOD OF LIABILITY for this EXTENSION will be the period from the time of direct physical loss or damage of the type insured by this Policy to the time when the property could be repaired or replaced and made ready for operations, but not to be limited by the date of expiration of this Policy.

UIN: IRDAN134CP0375V01202122/A0393V01202122

16. Professional Accountants Clause

Any particulars or details contained in The Insured's books of account or other business books or documents which may be required by The Insurer for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for The Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurer will pay to The Insured the reasonable charges payable by The Insured to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by The Insurer and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause shall not exceed the limit stated in The Schedule and the amount otherwise payable under the Policy of Insurance shall in no case exceed the liability of The Insurer as stated.

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17. Uninsured Standing Charges Clause

If any standing charges of the Business be not insured by this Policy of Insurance (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges. Where the Specified working Charges (Uninsured Working Expenses) are recognised variable charges, the Uninsured Standing Charges Clause and the reference hereto should be deleted.

UIN: IRDAN134CP0375V01202122/A0395V01202122

18. Start-up / Shut-down Cost (if applicable)

On the occurrence of an event which leads to a damage or loss covered under Sections I or II, this Policy of Insurance covers actual loss sustained due to specified start-up / shutdown costs for power and utilities such as electricity, water, steam, gas as well as feedstock, fuels or combustibles to reestablish the plant in the operational state it was at the time of the damage in a normal start-up procedure and subject to the sublimit entered in The Schedule. Start-up costs will not be recoverable under normal or emergency shut down operations.

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19. Electricity Station, Gas Works and Water Works

In consideration of the payment of an additional premium amounting to Rs..... it is hereby agreed and declared that loss as insured by + (item Nos..... of) this policy resulting from interruption of or interference with the business carried on by the insured at the premises described within in consequence of failure of electric supply at the terminal ends of the electricity service feeders*/ Gas Works*/ Water Works* from which the insured obtain electric Supply*/ Gas*/ Water* at the said premises directly due to Damage (as within defined) to property at an Electricity Station or Substation of Public Electricity Supply Undertaking*/ Gas Works*/ Water Works* (excluding Jack wells) from which the insured obtain electricity supply*/ Gas*/ Water* shall be deemed to be loss resulting from damage to property used by the insured at the premises

+ Delete if inapplicable

* Omit as may be necessary

Provided, however, that the Company shall not be liable for any loss occasioned by the deliberate act of the Government, Municipal or Local Authority or Supply Authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system or by the exercise by any such Authority of its power to withhold or restrict or ration supply not necessitated solely by Damage to the supply undertaking's generating or supply equipment by an insured peril.

For the purpose of the above extension, the 'Indemnity Period' in respect of each damage or of a series of damages consequent on or attributable to one source or original cause shall be as follows:

"The period beginning with the occurrence of damage and ending not later than 60 days thereafter during which the result of the business shall be affected in consequence of the damage."

Provided that the Company shall not be liable for any loss unless the duration of each such failure exceeds 24 hours.

Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that this loss or damage is covered shall be upon the insured.

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20. Molten material damage

In consideration of the payment of the after-mentioned additional premium shown in the policy/the Endorsement, it is hereby agreed and declared that, subject to the conditions of the Policy, the policy extends to cover losses consequent to the physical loss or damage to property excluding cost of

molten material serving business operations that arises without the occurrence of fire as a result of the spillage or leakage of glowing molten material from container or lines.

Physical loss or damage shall not include damage to containers, unless such damage is caused by spilled glowing molten material acting from the outside.

LOP cover to be limited to 50% of respective loss limit opted for material damage

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21. Spoilage Consequential Loss Cover:

Loss of Profits as a result of spoilage may be covered as an additional item by extending the Consequential Loss (Fire) Insurance Policy subject to the following conditions:-

(a) Scope of Cover

The cover shall extend to loss of profits arising out of the spoilage, i.e. interruption of business solely as a result of (i) loss of stock-in-process and (ii) damage to machinery, containers and equipment. The following endorsement wording shall be used:

Attached to and forming part of the Policy No

In consideration of the payment of the sum of Rs..... additional premium, it is hereby agreed and declared that notwithstanding anything in the within written policy

contained to the contrary, the term 'Damage' as defined under this Policy, shall extend to include loss or damage in consequence of spoilage resulting from the retarding or interruption or cessation of any process or operation caused by any of the perils covered under this Policy,

Provided that it is hereby further expressly agreed and declared that:

1. The liability of the Company shall in no case under this endorsement and the policy exceed the sum insured by this policy.
2. All the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage caused by spoilage which perils this insurance extends to include by virtue of this Endorsement.

(b) Sum to be insured:

Consequential Loss Cover may be covered for an indemnity period selected by the insured and the sum insured being gross profit corresponding to the same indemnity period which shall not be less than one month.

(c) Rate to be charged:

The rate to be charged shall not be less than the full 'Average Spoilage Rate' of the items covered against Spoilage Risk under the Material Damage Policy. The 'Average Spoilage Rate' shall be the percentage which the aggregate net premium in respect of items covered under the Material Damage Policy against Spoilage risks bears to the total sum insured against spoilage risks under the material damage policy. The cover is otherwise subject to the Condition of Average.

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22. Insured property stored at other situations

In consideration of the payment of (the after mentioned additional premium) (an additional premium which is included in the premium hereon) it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by the item(s) number(s) of this policy, resulting from interruption of/or interference with the business in consequence of damage (as within defined) to property at the under noted situation shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed in respect of (each of) item(s) number(s) ----- percent of the sum insured there under.

Note:

Add On Wordings – Consequential Loss - Fire Insurance Policy

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(a) Property of the Insured Stored

Where the extension relates solely to property of the insured, the words “property at the under noted situation” and the heading “situations” should be deleted from the wording and the former replaced by “property of the insured while stored anywhere than at premises in the Insured’s occupation”.

(b) Suppliers’ Premises

Where the extension relates to more than one supplier with differing limits, the proviso and “Situations” should be amended to read as follows:

“Provided that the liability under this memorandum in respect of any one location under (each of) item(s) No(s) shall not exceed the percentage of the sum insured there under shown against each situation,

SITUATION	LIMIT”
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“Further provided that if the percentage shown against the name of the supplier in whose premises damage has occurred shall be less than the percentage of dependence of the insured on that supplier, the amount otherwise payable shall be proportionately reduced.”

(c) Premises where a Contract is being carried out:

The following should be inserted under ‘SITUATIONS’: ‘Any location where the insured is carrying out work’.

(d) Professional Insured:

Applicable solely to items on the Gross Revenue/Fees of a business providing professional or similar service only.

The words ‘Property at the under noted situations’ and the heading ‘SITUATION’ should be deleted from the wording and the former replaced by ‘documents belonging to or held in trust by the insured, whilst temporarily at premises not in the occupation of the insured, or whilst in transit by road, rail or inland waterway.’

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