

## UNIVERSAL SOMPO - BHARAT LAGHU UDYAM SURAKSHA

### PROSPECTUS

CONTENTS	PAGE NO.
Introduction	2
Important Dos and Don'ts	2
The Insurance Cover	3
Which unexpected events are covered?	4
Standard Add-On	6
Which property can be covered under this policy?	7
Who can purchase this policy?	8
Sum Insured	9
Underinsurance	10
Exclusions, that is, what We do not pay	11
Premium	12
Changes and Cancellation	12
Details of additional covers (add-ons) offered with the policy	13
Making a Claim	21
This Prospectus	22
Grievances	22
About Our Company	23

## Introduction

This prospectus gives basic information about the **Bharat Laghu Udyam Suraksha** Policy that You can purchase from Us, i.e. the Universal Sampo General Insurance Company Ltd. 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.	When You fill up the Proposal Form	<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.	During the Policy Period	<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>
3.	When You have a Claim	<ul style="list-style-type: none"> <li>• Give notice of loss to Us, as required.</li> <li>• Inform the respective authorities, as required.</li> <li>• Make true and full disclosures in Your claim form.</li> <li>• Give all documents supporting the claim.</li> <li>• Give full cooperation for inspection and investigation of claim.</li> </ul>

## The Insurance Cover

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

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

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

Your loss	Condition	We pay, but not more than the Sum Insured
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)
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 Contract Price 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 of destruction or within such time as We may allow.
- i In all cases, We will not pay more than the relevant Sum Insured.
- ii We will pay only to the extent required to bring the Property to a condition substantially the same as, but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.
- iv. You can reconstruct the new building on the same site, or another site. If You reconstruct the new building on another site, We will not pay You more than what We would pay to reconstruct on the same site.

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

	<b>In-built Cover</b>	<b>Details</b>
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 up to 10% of value.
3	<b>Cover for Specific Contents</b>	Cover for Money up to ₹50,000 (Fifty Thousand Rupees) during the policy period, cover for documents such as deeds, manuscripts, business books, plans, drawings, securities etc. up to ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data up to ₹ 5 Lakh ( Rupees Five Lakh) during the policy period and cover for personal effects of employees, Directors and visitors up to ₹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 up to ₹ 5 Lakhs ( Rupees Five Lakh).
5.	<b>Professional fees</b>	Reasonable fees of architects, surveyors and consulting engineers up to 5% of the claim amount.
6.	<b>Costs for Removal of debris</b>	Reasonable expenses for removal of debris up to 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.

### 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 physical loss or damage, or destruction caused to the Insured Property by</b>	<b>We do not cover for loss or damage, or destruction caused to the Insured Property by</b>

1	Fire, including due to its own fermentation, or natural heating, or spontaneous combustion.	caused by a. its undergoing any heating or drying process 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 Customer can opt to delete this cover in lieu of which discount will be allowed in the premium	-
5	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation Customer can opt to delete this cover in lieu of which discount will be allowed in the premium	-
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., 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) Customer can opt to delete this cover in lieu of which discount will be allowed in the premium	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	a. if it is 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.***

### Standard Add-On

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.
- i. 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
- i. any other structure shown in the Policy Schedule.

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

- i. machines under repair,
- i. machines taken on hire or lease, or any system of purchase of goods,
- i. 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,
- i. raw materials, packing materials,

- i 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,
- i 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.
  
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
- i For Stocks:
  - a For raw material: Landed Cost at Your Premises.
  - b For stock in process: Input Cost of the stock at the time of damage,
  - c For finished stock: the Manufacturing Cost of the Finished Stock or the **Contract Price** of goods sold but not delivered and more precisely defined below.
 

**Contract Price** is in respect only of goods sold but not delivered, for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any damage insured under this Policy either wholly or to the extent of the damage. The Company's liability shall be based on the Contract Price.
- i Bullion or unset precious stones, any curios or works of art or obsolete machinery and the like are to be covered on Agreed Value basis subject to 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 expired 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.

### Examples

1. *If You repair Your air-conditioning tower insured for ₹ 45 lakh 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 up to 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 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 ₹ 57 Crore. 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 stock has underinsurance of 37.5% and hence, we could consider Your claim for payment of ₹ 31.25 Lakh only (62.5% of ₹50 Lakh) by applying underinsurance.*

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

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

1. i. Excess of 5 % 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
  - i. an Insured Event itself results from pollution or contamination.
10. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
11. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.

12. Loss or damage to any Insured Property removed from Your Premises to any other place, except
  - i. Machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days,
  - i. 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.

## 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.

### 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
For a period not exceeding 15 days	90% of the Annual rate
For a period not exceeding 1 month	85% of the Annual rate
For a period not exceeding 2 months	70% of the Annual rate
For a period not exceeding 3 months	60% of the Annual rate
For a period not exceeding 4 months	50% of the Annual rate

For a period not exceeding 5 months	40% of the Annual rate
For a period not exceeding 6 months	30% of the Annual rate
For a period not exceeding 7 months	25% of the Annual rate
For a period not exceeding 8 months	20% of the Annual rate
For a period not exceeding 9 months	15% of the Annual rate
For a period exceeding 9 months	Nil

### 3. We can cancel the policy.

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.

### 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.
- i Change of ownership of insured property
- i Sale of Insured Property

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

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

#### 1. Accidental Damage Cover

This policy is extended to cover direct physical loss or damage to Building and Contents situated in the insured premises due to accident from any fortuitous cause including accidental discharge, leakage, or overflow of water or steam from plumbing, septic tanks and cylinders, stand pipes for fire hose, industrial and domestic appliances, refrigerating system, air-conditioning system and rain (or snow) admitted through defective roof, headers spouting or by open or defective windows, show windows, picture windows, doors, transoms, ventilators or skylights; subject to the terms, conditions, warranties and exclusions herein.

#### 2. Loss of Rent and Additional Expenses of Rent for an Alternate Premises

##### a. For Owners (Loss of Rent)

##### b. For Owners and Tenants (Additional Expenses of Rent for an Alternate Premises)

- a. If the insured building or any part thereof is unfit for occupation in consequence of its destruction or damage by the perils insured against and then the amount payable shall not exceed such portion of the sum insured on Rent as the period necessary for reinstatement bears to the term of the Rent

Insured".

- b. In the event of the premises described in the policy and occupied by the insured, hereinafter referred to as 'PREMISES' being destroyed or damaged by any Insured Peril as to become unfit for occupation and the insured in consequence taking up alternative premises, the Company shall subject to conditions, indemnify the insured against the additional rent (as explained herein) which the insured is called upon to bear for the period beginning from the date of operation of any of the Insured Perils until the 'PREMISES' is rendered fit for occupation such period not exceeding such reasonable time as is required to restore the premises with due diligence to a condition fit for occupation or the maximum indemnity period as opted by you and mentioned in Policy Schedule whichever is earlier.

## EXPLANATION

**Additional Rent:** If the insured is the Owner-Occupant, the additional rent borne by him is arrived at after deducting the standard rent of the premises from the actual rent paid for the alternative premises. The standard rent shall be based on the rateable values fixed by the Municipal/Revenue authorities for tax purposes.

If the insured is a tenant only and for safeguarding his legal tenancy rights is obliged to pay rent for the premises even during the period when it is not fit for occupation, the additional rent borne by him is the actual rent for the alternative premises. If the insured is a tenant and is not obliged to pay rent for the premises during the period when it is not fit for occupation, the additional rent borne by him is the actual rent paid for alternative premises taken less the rent which he was paying for the premises immediately prior to the same being damaged or destroyed by Insured Perils and rendered unfit for occupation.

### **3. Escalation Clause**

This clause provides automatic pro-rata increase in the sum insured from the date of inception till expiry of the policy. The increase in the sum insured shall be  $1/365$  the of the above-specified percentage for each day since inception up to the date of the loss.

### **4. Involuntary Betterment**

In the event of damage to Insured property wherein replacement property of like kind and quality is not obtainable due to technological obsolescence or statutory/regulatory requirements, new property which is as similar as possible to the damaged property and which is capable of performing the same function, shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment to the Insured.

The Company will also pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace equipment suffering damage and undamaged existing equipment at the same or an interdependent location.

## **5. Additional Removal of Debris Including Foreign Debris**

The insurance under this policy is extended to cover cost necessarily and reasonably incurred by an insured in the removal of debris incl. foreign debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril. The coverage will be (in excess of 2% and maximum of 5% of the claim amount).

## **6. Protection and Preservation of Property**

This policy extends to cover expenses for loss minimization necessarily and reasonably incurred by the Insured to prevent any aggravation of an insured loss following a loss or damage at any Insured's Premises specified in the Schedule, including moving or shifting of property if this contributes to loss minimization.

## **7. Cost of Clearing Drains Cover**

Policy extends to cover any expense necessarily incurred by the Insured in the clearing of drains within the surrounding premises as a consequence of property insured by this policy being destroyed or damaged by fire or by any other perils hereby insured against, it being understood that the total liability for such clearing shall not exceed any one loss /aggregate.

## **8. Extra Expense**

This extend the policy towards expenses which are reasonable and necessary incurred by the Insured towards:

- i. extra expenses to temporarily continue as nearly normal as practicable the conduct of the Insured's business;
- ii. extra costs of temporarily using property or facilities of the Insured or others
- iii. less any value remaining at the end of the period of liability for property obtained in connection with the above.

## **9. Voluntary Deductible Clause**

It is hereby declared and agreed that the insured having opted a voluntary deductible of 5% of the claim amount subject to a minimum of Rs. \_\_\_\_\_ for losses arising out of Act of God Perils and a voluntary deductible of Rs ----- for losses arising out of all other perils, out of net amount of each and every admissible claim under the fire policy(ies) covering the said premises, the company has allowed a discount of ---- % on the final premium payable for the policies and Add on Covers. It is further agreed that the above voluntary deductible opted shall replace the compulsory excess stipulated under "General Exclusion" attached to the policy(ies) and or for add-on cover

## **10. Architects, Surveyors and Consulting Engineers Fees (in excess of 5% of the claim amount)**

It is hereby declared and understood that the expenses incurred towards Architects, Surveyors and Consulting Engineers fees for plans, specification tenders, quantities and services in connection with the superintendence

of the reinstatement for the Building, Machinery, Accessories and equipment insured under this policy up to a maximum of 7.5% of the adjusted loss is covered, but it is understood that this does not include any cost in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils.

**11. Deterioration of Stocks in Cold Storage premises due to accidental power failure consequent to damage at the premises of Power Station due to an insured peril**

In consideration of the payment of additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions, this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply at the terminal ends of electric service feeders from which the Insured obtains electric supply directly due to damage caused by any peril insured against under this policy to property at insured premises or any Electric Station or Sub-Station of Public Electric Supply undertaking from which the Insured obtains electric supply. Provided 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 systems 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. Provided further 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 proceedings 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.

**12. Deterioration of stocks in cold storage premises due to change in temperature arising out of loss or damage to the cold storage machinery (ies) in the Insured's premises due to operation of insured peril.**

In consideration of the payment of additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions this policy covers destruction of or damage to the property hereby insured caused by change of temperature in consequence of failure of electric supply following damage to the cold storage machinery (ies) due to insured peril(s). Provided further 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, extensions, conditions and limitations of this Policy". In any action, suit or other proceedings 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.

**13. Omission to Insure additions, alterations or extensions**

The Insurance by this Policy extends to cover Buildings and/or Machinery, Plant and other Contents and defined in Columns.....hereof which the insured may erect or acquire or for which they may become responsible:-

(a) at the within described premises



(b) for use as factories

i) The liability under this Extension shall not exceed in respect of (a) above, 5% of the Sum Insured by each item, in respect of (b) above, 5% of the Sum Insured by item No.....

ii) The Insured shall notify the Insurer of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.

iii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.

iv) No liability shall attach to the insurers in respect of any Building, machinery, Plant or other contents while such property is otherwise insured.

#### **14. Spoilage Material Damage Cover**

In consideration of the payment of an additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that, notwithstanding anything contained to the contrary, in the within written Policy, the insurance under Item No..... of this policy shall extend to cover loss or damage by Spoilage resulting from the retardation or interruption or cessation of any process or operation caused by any of the perils covered under this Policy, provided that liability for destruction of or damage to the property insured described in the schedule to this policy, or any part of such property, is first admitted by the company. Provided always that all the conditions (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and that any reference therein to the loss or damage caused by insured perils shall be deemed to apply also to loss or damage caused by Spoilage which peril this insurance extends to include by virtue of this Endorsement.

#### **SPECIAL CONDITIONS**

For the purpose of this Endorsement but not otherwise, the following special conditions shall apply:  
Average: If the property hereby insured against spoilage shall, at the time of occurrence of any loss or damage, be collectively of greater value than the sum insured on machinery, containers, equipment and stocks in the specified blocks, then the Insured shall be considered as being his own insurer for the difference and shall bear rateable proportion of the loss accordingly. Every time, if more than one, of the Policy shall be separately subject to this condition. Provided that it is hereby further expressly agreed and declared that the liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured by item Nos. \_\_\_\_\_ of this Policy. Sum to be insured: The cover must be for all stocks and machinery, container and equipment in specified blocks, specified sums being declared for each block and must be made subject to 'Average

#### **15. Leakage And Contamination Cover**

(A) Where Leakage And Contamination Cover Is Granted:

In consideration of the payment of an additional premium of Rs..... it is hereby agreed and declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of oil/chemical by leakage from its container by accidental means and all accidental contaminations by contact

with foreign matter.

PROVIDED always that this policy does not cover:

- a) Loss by Contamination through Improper Handling or Controls by Insured's own Employees;
- b) Loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- c) Loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory shortage, mysterious disappearance or unexplained loss;
- d) Loss by burglary or theft or any attempt thereat;
- e) Loss resulting from processing or faulty workmanship;
- f) Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- g) Any legal and/or contractual liability arising from any cause whatsoever; and Consequential Loss of any nature.

**SPECIAL CONDITIONS:**

- (i) The cover under this endorsement shall attach only on or after the receipt of the insured subject matter in land tanks as described in the policy and subject to lodgement with the company by Insured of a certificate obtained by them at their own expense from a competent approved and independent agency/surveyor as to the purity and quality of the subject matter herein insured.
- (ii) Before the commencement of pumping and/or decanting operations, the Insured shall arrange at their own expense sampling and quality/purity certification by competent, approved and independent agency/surveyor for such distinct lot, batch or tank load ex/ocean vessel of insured subject matter and shall pump/decant only such material as is pure and without contaminants.
- (iii) The insured shall at their own expense arrange inspection and certification from competent approved and independent agency/surveyor as to the cleanliness and fitness of the pipe lines, pumping equipment and the receiving land tanks to carry and/or receive the insured subject matter, prior to the commencement of pumping, decanting, receiving and/or storage operations. Such certification as mentioned above should, inter alia, confirm that the pumping, carrying and storage equipment facilities and tanks are free from impurities, contaminants and/or residue or left-overs from previous use of equipment, facilities or storage tanks. As concerning the receiving land tanks and initial certificate of fitness to receive and store the insured material shall be deemed to satisfy the above condition in so far as such tanks are concerned. However, a fresh certification as mentioned above would be required in the event of the said tanks being empty and fresh stocks are subsequently pumped/decanted in during the currency of this insurance.
- (iv) In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- (v) It is understood and agreed that all loss or damage to property occurring during any one period of seventy-two consecutive hours during the currency of this policy directly caused by earthquake shock shall be deemed to have been caused by single earthquake and therefore to constitute one loss for the purpose of this policy, the Insured shall select a time from which any such period shall commence but no two such selected periods shall overlap.
- (vi) All salvage recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustment shall be made by the parties hereto.
- (vii) If any breach of a clause or condition in this contract or policy of insurance shall occur prior to a loss under this Policy, such breach shall not void the policy nor avail the company to avoid the liability unless such breach shall exist at the time of such a loss under this contract or policy, it being understood that such breach of a clause or condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.

- (viii) Each claim for loss or damage shall be adjusted separately and each claim is subject to an excess of 1% on each tank with a minimum of Rs. 60,000/- each loss.
- (ix) If the property here by insured shall at the time of the operation of a peril insured hereunder, be collectively of greater value than the sum insured thereof, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

(B) Where Leakage Cover Alone Is Granted

In consideration of the payment of an additional premium of Rs..... it is hereby agreed and declared that the Insurance under this policy shall, subject to terms, conditions and exclusions of this Policy and also subject to terms, conditions and exclusions hereinafter contained, extend to include the physical loss of oil/chemical by leakage from its container by accidental means. PROVIDED always that this policy does not cover:

- (a) loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or /indirect loss or damage of any kind or description whatsoever;
- (b) loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory storage, mysterious disappearance or unexplained loss;
- (c) loss by burglary or theft or any attempt thereat;
- (d) loss resulting from processing or faulty workmanship;
- (e) loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- (f) any legal and/or contractual liability arising from any cause whatsoever; and
- (g) Consequential Loss of any nature.

**SPECIAL CONDITIONS:**

- (i) In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- (ii) It is understood and agreed that all loss or damage to property occurring during any one period of seventy-two consecutive hours during the currency of this policy directly caused by earthquake shock shall be deemed to have been caused by single earthquake and therefore to constitute one loss for the purpose of this policy, the Insured shall select a time from which any such period shall commence but no two such selected periods shall overlap.
- (iii) All salvage recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustment shall be made by the parties hereto.
- (iv) If any breach of a clause or condition in this contract or policy of insurance shall occur prior to a loss under this Policy, such breach shall not void the policy nor avail the company to avoid the liability unless such breach shall exist at the time of such a loss under this contract or policy, it being understood that such breach of a clause or condition is applicable only to the specific property to which the condition or clause has reference and in respect of which such breach occurred.
- (v) Each claim for loss or damage shall be adjusted separately and each claim is subject to an excess of 1% on each tank with a minimum of Rs. 60,000/- each loss.
- (vi) If the property here by insured shall at the time of the operation of a peril insured hereunder, be collectively of greater value than the sum insured thereof, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss

accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

**16. Impact Damage due to Insured's own Rail/Road Vehicles, Fork lifts Cranes, Stackers and the like and articles dropped there from.**

In consideration of an additional premium of Rs. \_\_\_\_\_, it is hereby agreed and declared that the policy is extended to cover loss and/or damage caused due to impact by direct contact to Insured's property caused by Insured's own Rail/Road Vehicle, Fork lifts, cranes, stackers and the like and articles dropped there from.

**17. Loss Of Income**

In consideration of payment of additional premium by the Insured, it is hereby agreed and declared that notwithstanding anything to the contrary as contained in the Policy, the Company hereby undertakes to indemnify the Insured from financial losses due to loss or damage to the insured property from fire & allied perils.

The company will compensate the insured for the loss of income as a result of business being inoperable due to loss or damage caused to the insured property by Fire & allied perils.

Conditions

- The claim must be admissible under Fire & Allied perils
- The compensation will be paid/provided as per the option selected by the insured from the table below based on the daily collection of the insured's business
- The compensation will be provided for the actual number of days for which business was affected and remained inoperable or 30 days whichever is less
- This add on is for the non Industrial category of business / occupancy. Any Manufacturing or storage units are excluded from the scope of this cover
- The insured must take initiatives to restart the business at earliest post occurrence of loss or damage by Fire & Allied perils. Deliberate delays for restarting the business are excluded from the coverage. All other general terms & conditions of the policy will also be applicable to this

Basis Daily collection	Benefit Plan	Max benefit	Premium(With GST)
Upto Rs.1000/-	Rs.1000 for actual number of days for which business was affected upto max 30 days which ever is less	30,000	99
Above Rs.1000/- & Upto Rs.2000/-	Rs.2000 for actual number of days for which business was affected upto max 30 days which ever is less	60,000	198
Above Rs.2000/- & Upto Rs.3000/-	Rs.3000 for actual number of days for which business was affected upto max 30 days which ever is less	90,000	297
Above Rs.3000/- & Upto Rs.4000/-	Rs.4000 for actual number of days for which business was affected upto max 30 days which ever is less	1,20,000	396

Above Rs.4000/- & Upto Rs.5000/-	Rs.5000 for actual number of days for which business was affected upto max 30 days which ever is less	1,50,000	495
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You can select any of the following additional covers (add-ons) whereby you would be eligible for **discount**

### 1. Storm, tempest, flood & inundation Deletion clause:

On selection of STFI deletion clause, this policy will exclude any loss or damage to insured's contents or premises caused by Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation.

An additional discount on premium will be given to the policyholder on selection of this clause based on the ratings as per policy schedule

### 2. Earthquake deletion clause:

On selection of Earthquake deletion clause, this policy will exclude any loss or damage to insured's contents or premises caused by Earthquake, volcanic eruption, or other convulsions of nature.

An additional discount will be given to the policyholder on selection of this clause based on the ratings as per policy schedule

### 3. Terrorism Deletion clause:

On selection of Terrorism deletion clause, this policy will exclude any loss or damage to insured's contents or premises caused by Acts of Terrorism.

An additional discount on premium will be given to the policyholder on selection of this clause based on the ratings as per policy schedule

**Note:** Any add on cover being triggered as a result of stfi, earthquake, terrorism would not be payable if STFI deletion clause, earthquake deletion clause or terrorism deletion clause is selected

**Note:** All the add ons will trigger basis admissibility of claim under Fire & allied perils.

## Making a claim

1. If You suffer a loss because of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
  - i. give notice to Us immediately along with details of the event and Your loss,
  - ii. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
  - iii. take all reasonable steps to prevent further damage to Insured Property,
  - iv. You must not sell, give away or dispose of any damaged items of any property,

- v. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
- vi. preserve and collect evidence, take and preserve photographs,
- vii. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
- viii. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage,
- ix. prove that the Insured Event has happened, and 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: [www.universalsompo.com](http://www.universalsompo.com). For any legal interpretation, policy document will hold.

## 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**

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

**Grievance cell,**

Universal Sampo General Insurance

Unit No. 601 & 602, 6th Floor, Reliable Tech Park, Cloud City Campus; Gut no 31, Mouje Elthan, Thane Belapur Road, Airoli, Navi Mumbai – 400708

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Emails – [grievance@universalsompo.com](mailto:grievance@universalsompo.com)
  - Designated Grievance Officer in each branch.
  - Company Website – [www.universalsompo.com](http://www.universalsompo.com)
- 2.** The Consumer Affairs Department of IRDAI—You can register Your grievance on IRDAI's Integrated Grievance Management System (IGMS),
  - 3.** The Insurance Ombudsman, depending on the nature of grievance and the financial implication, if any, or

4. The Consumer Protection Forum or the Court.
5. You can find more details about Insurance Ombudsmen at <https://www.cioins.co.in/Ombudsman>

## About Our Company

**Name of the company:** Universal Sampo General Insurance Company Limited

**Registered & Corporate Office:** Office No. 103, 1<sup>st</sup> Floor, Akruiti Star, MIDC Central Road, Andheri (East), Mumbai 400093, Maharashtra

Tel.: 022-41659800/900

**Website:** [www.universalsompo.com](http://www.universalsompo.com).

**E-mail:** [contactus@universalsompo.com](mailto:contactus@universalsompo.com)

### Customer Service:

- Toll Free Numbers: 1800-200-4030/ 1800-22-4030
- Landline Numbers: (022)-39635200 (Chargeable)

**Courier:** Universal Sampo General Insurance Co. Ltd, Unit No- 601 & 602 A Wing, 6th Floor, Reliable Tech Park, Cloud City Campus; Thane- Belapur Road, Airoli- 400708

### **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.**