

BANKER'S INDEMNITY – LAGHU UDYAM CLAUSES WORDINGS

Section II

Agreed Bank Clause

If You have mortgaged, hypothecated or created any security over Your Home or any of its Contents 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.

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 Your Home 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.

SECTION III BURGLARY

Non Premium Bearing Add-ons:

1. Agreed Bank clause

It is hereby declared and agreed:-

- a) That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
- b) That the receipts of the Bank shall be complete discharge of the Company therefor and shall be binding on all the parties insured hereunder. N.B: The Bank shall mean the first named Financial Institution/ Bank named in the policy.
- c) That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
- d) That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
- e) That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of condition 3 of the Policy except where a breach of the condition has been committed by the Bank or its duly authorised agents or servants and this insurance shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to upon or any building hereby insured or any building in which the goods insured under the policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazards not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place.
- f) It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the Mortgagor or owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

N.B: In cases where the name of any Central Government or State Government owned and / or sponsored Industrial Financing or Rehabilitation Financing Corporations and /or Unit Trust of India or General Insurance Corporation of India and/or its subsidiaries or LIC of India/ any Financial Institution is included in the title of the Fire Policy as mortgagees, the above Agreed Bank Clause may be incorporated in the Policy substituting the name of such institution in place of the word 'Bank' in the said clause.

2. Waiver of FIR

It is hereby declared and agreed that the FIR for the admissible claims under the policy stands waived off. This waiver is applicable only for the claims upto INR _____

3. Designation of Property Clause

For the purpose of determining, where necessary, the item under which any property is insured, the insurers agree to accept the designation under which the property has been entered in the insured's books.

4. Loss Payee Clause

It is agreed and declared that loss is payable to the Insured or as directed by the Insured, which shall include such party who has an insured interest in the subject matter insured at the time of loss or damage.

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

5. Nominated Adjustor Clause

It is hereby noted and agreed that in the event of a loss, reported under the policy, surveyors/loss adjusters to be engaged individually or jointly by the insurer from the panel of surveyors/loss adjuster, mutually agreed between the insured and insurer, subject to the concurrence of Reinsurer.

6. Claims payment "On Account" Clause

It is hereby agreed and noted that the 'payment on account' will be made to the Insured if desired, provided that it is established that the loss or damage is covered under the Policy. Subject otherwise to the terms, conditions and exclusions of the Policy.

7. Additional Insured

It is understood and agreed that any individual, firm, corporation and/or its joint ventures, for whom or with whom The Insured may be operating is hereby named as additional Insured in The Schedule when required by contract, or as required. It is further understood and agreed that in the event there is any violation of the terms and conditions of this insurance by one Insured, it shall not affect the rights of other Insureds; including interest of mortgagees and notice of assignment in respect thereof. Subject otherwise to the terms, conditions and exclusions of the Policy.

8. Non Vitiating Clause

Notwithstanding anything to the contrary contained in this Policy, as the various parties comprising the Insured operate as separate and distinct entities, the rights of each of the parties in all respects shall {notwithstanding anything contained or implied herein to the contrary) be treated as though each of the parties had separate policies for their respective rights and interests and the rights and indemnities of any of the parties who are not guilty of any fraud, misrepresentation, non-disclosure or breach of condition or warranty shall not be prejudiced

or affected by any fraud, misrepresentation, non-disclosure or breach of condition or warranty by any of the other parties comprising the Insured. Nothing contained in this Endorsement shall be deemed to increase the Sum(s) Insured or Limit of Indemnity stated in The Schedule.

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

SECTION V ELECTRONIC EQUIPMENT INSURANCE

1. Agreed Bank Clause

It is hereby declared and agreed:-

- i) That upon any monies becoming payable under this policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interests of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
- ii) That the receipts of the Bank shall be complete discharge of the Company therefor and shall be binding on all the parties insured hereunder.

N.B.: The Bank shall mean the first named financial institution/Bank named in the policy.

- iii) That if and whenever any notice shall be required to be given or other communication shall be required to be made by the Company to the insured or any of them in any manner arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
- iv) That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between the Company and the insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties insured hereunder.
- v) That this insurance so far only as it relates to the interest of the Bank therein shall not cease to attach to any of the insured property by reason of operation of condition 3 of the Policy except where a breach of the condition has been committed by the Bank or its duly authorised agents or servants and any other party insured hereunder whereby the risk is increased or by anything being done to upon or in any building hereby insured or any building in which the goods insured under the policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alterations or increase of hazard not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company necessary additional premium from the time when such increase of risks first took place and

vi) It is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the Mortgagor or owner no liability therefor existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgage or Owner or any other party or parties insured hereunder or from any securities or funds available.

2. Designation of Property Clause

For the purpose of determining, where necessary, the item under which any property is insured, the insurers agree to accept the designation under which the property has been entered in the insured's books.

3. Loss Payee Clause

Insurer will pay the loss directly to the parties as directed by insured.

4. Non-Vitiation Clause

Interest of various parties is covered. Breach of conditions by one party will not affect the interest of other parties.

5. 72 Hrs clause

This clause defines the period of 72 hours as a single event for the purpose of application of Excess under loss due to storm, tempest, flood or earthquake any AOG peril.

6. Public Authority

This Section of the Policy includes such additional cost of reinstatement of the destroyed or damaged sections of the Property caused by a contingency insured against as may be incurred solely by reason of the necessity to comply with any Regulations, Bye-laws or Statutory Provisions relating to the reinstatement of Property provided that:

- i) The amount recoverable under this extension shall not include:
 - a) the cost of complying with any such Regulations, Bye-laws, or Statutory Provisions where destruction or damage occurs prior to inception of this Policy, or is not insured by this Policy, or where notice to comply has been served upon the Insured prior to the occurrence of any destruction or damage or in respect of any undamaged sections of the Property;
 - b) any increased rates, taxes, duties, charges, levies or assessment as a result of complying with such Regulations, Bye-laws or Statutory Provisions;
- ii) the work of reinstatement must be commenced within 12 months of the date of occurrence of any loss or damage unless permitted by the insurer within the said 12 months and may be carried out wholly or partially upon another site, provided that the liability of the Insurer is not increased thereby.

7. Local Authority

The insurance by this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with the Building or other Regulations under or framed in pursuance of any act of Parliament or with Bye-laws of any Municipal or Local authority provided that -

I. The amount recoverable under this extension shall not include :

- a) The cost incurred in complying with any of the aforesaid Regulations or Bye-laws,
 - i) in respect of destruction or damage occurring prior to the granting of this extension,
 - ii) in respect of destruction or damage not insured by the Policy,
 - iii) under which notice has been served upon the Insured prior to the happening of the destruction of damage,
 - iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged,
- b) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations of Bye-laws 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 property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-laws.

II. The work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.

III. If the liability of the Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion.

IV. The total amount recoverable under any item of the Policy shall not exceed the sum insured thereby.

All the Conditions of the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

8. Assets Register

An updated Fixed Asset Register assists the Insurance Manager in Arriving at the correct value of assets to be insured. Ensuring that all the assets are covered and are documented in the policy. Ensuring that claims do not get delayed due to lack of clarity on the status of the asset damaged.

SECTION VII PUBLIC LIABILITY

1. CLARIFICATION AGREEMENT

Property damage covered under this Agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Agreement:

(i) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

(ii) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

2. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001 EXCLUSION CLAUSE

It is hereby declared and agreed that a person who is not a party to this Policy contract shall have no right under the Policy.

3. CYBER RISKS EXCLUSIONS CLAUSE (NMA2915)

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

(i) This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programme or otherwise, those propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horse' 'worms' and 'time or logic bombs'.

(ii) However, in the event that a peril listed below results from any of the matters described in paragraph above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by the Policy directly caused by such listed peril.

Listed Perils

- Fire
- Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by the Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generations. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

4. DUTY OF DISCLOSURE

We would remind you that you must disclose to us fully and faithfully, the facts you know or ought to know, otherwise you may not receive any benefit from your policy.

5. ELECTRONIC DATE EXCLUSION CLAUSE

The indemnity will not apply to any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from the failure or inability of any computer or other equipment or system for processing storing or retrieving data, whether the property of the Insured or not, occurring at any time to:-

- (i) correctly recognize any date as its true calendar date
- (ii) capture save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- (iii) capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

6. TERRORISM DAMAGE EXCLUSION WARRANTY

Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization (s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.

The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to action taken in respect of any act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

7. ALTERATIONS AND REPAIRS

Workmen are allowed in on or about any premises herein referred to carrying out alterations and repairs without prejudice to the terms of this insurance.

8. BREACH OF CONDITIONS

The conditions and warranties of this Policy shall apply individually to each of the risks insured and not collectively to them. Thus a breach of any condition or warranty shall void the Section only in respect of all the risks to which that breach applied and does not affect the Section in respect of the other risk.

9. BREACH OF WARRANTIES

Any breach of the within warranties without the knowledge and consent of the Insured shall not prejudice this Insurance provided notice, in writing, be given to the Company immediately upon such breach coming to their knowledge.

10. CROSS LIABILITY CLAUSE

For the purpose of this Policy each of the parties comprising the Insured shall be considered as separate and distinct unit and the words " The Insured " shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each of the said parties and the Company hereby agrees to waive all rights of subrogation or action which they may have or acquire against any of the aforesaid parties arising out of any occurrence in respect of which claim is made hereunder.

The inclusion herein of more than one Insured shall not operate to increase the Limits of the Company's Liability as stated in the Policy.

11. FIRE BRIGADE WATER DAMAGE EXTENSION

The Company will indemnify the Insured in respect of loss or damage to third party property caused by or arising out of the use of water or chemicals by the fire brigade to extinguish a fire on the Insured's premises.

12. LOSS NOTIFICATION CLAUSE

Notwithstanding anything contained herein to the contrary it is agreed that this insurance will not be prejudiced by any inadvertent delays errors or omissions in notifying the Company of any circumstances or events giving rise or likely to give rise to a claim under this Policy.

13. MISDESCRIPTION CLAUSE

This Policy shall not be prejudiced by any alteration or misdescription of occupancy. Notice to be given to the Company immediately the Insured become aware of the same and to pay additional premium, if required from the date of the inception of the increased hazard.

14. AGREED BANK CLAUSE

The Company undertakes to obtain the Bank's or Finance Company's consent prior to their cancellation of the Policy if instructions have been received for the cancellation of the Policy and also to advise the Bank's or Finance Company's immediately of any other material changes which are proposed to be made in the terms of the Insurance.

15. Cover for Acts of God

This policy is extended to cover the loss or damage to third party (public) directly caused by Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood, Inundation, Subsidence and Landslide including Rockslide and Earthquake (Fire and Shock).