Latent Defects Insurance

Prospectus & Sales Literature

Scope

Latent Defects Insurance is a type of insurance that provides cover for the cost of remedying and rectifying damage arising out of latent defects. Latent defects are normally defined as faults in design, workmanship, materials, supervision, construction, installation or site preparation of a new building that remain undiscovered at the date of practical completion, but come to light afterwards by virtue of physical damage, and are of a type that could not reasonably have been revealed by the insured.

Coverage

LDI provides building owners but also construction companies with protection against damage caused by defects in design, workmanship or materials affecting the structure, external walls and roofs, and any consequential damages to non-structural works and equipment.

The basic cover also includes debris removal, as well as professional fees and any changes in the work repairs required to satisfy local authority or similar regulatory requirements. **Add on covers –**

- Water proofing of Flat Roofs
- Water proofing of Basement
- Water proofing of External façade
- Loss of Rent
- Failure of the Electrical cable

Exclusions

This Policy excludes:

Excluded unless endorsed:

- Defects in non-structural works and equipment

- Defects due to structural alterations after inception
- Deficient waterproofing

Firm exclusions:

- Earthquake, storm, flood, etc.
- Defects known prior to inception
- Defects due to lack of maintenance or misuse
- Consequential losses (furniture, process equipment, stocks, etc.)
- Normal fire perils, war and kindred risks
- Subsidence heave or landslip unless due to an latent defect

Sum Insured

Sum Insured is the total rebuilding cost of the building at the date of inception of policy. However, cost of professional/process equipment, furniture and external works is not included in the sum insured. The sum insured may be index-linked throughout the insurance period

Premium

Premium chargeable depends on various factors like Technical Inspection Service Reports, Final construction costs, Ground Investigation report and extension covers as well as terms defined in policy structure

Excess

As per the policy terms and conditions

Grievance Redressal Procedure:

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre(IGCC) at their toll free no. 1800 4254 732 / 155255. You may also approach

Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in, or on the Company's website at www.icicilombard.com.

STATUTORY WARNING PROHIBITION OF REBATES
(Under Section 41 of Insurance Act, 1938) (Amendment Act 2015)

1. 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 [or continuing] a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

Provided that acceptance by an insurance agent of commission in connection with a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.