ICICI Lombard Property All Risk Insurance Policy
Sales Literature

Introduction

This Sales Literature gives basic information about the **ICICI Lombard Property All Risk Insurance** Policy that You can purchase from Us, i.e. the ICICI Lombard General Insurance Company Limited. The **ICICI Lombard Property All Risk Insurance** Policy provides insurance cover for physical loss or damage to or destructionof Insured Property relating to Your business, on all risk basis, subject to the exclusions.

Important Do's and Don'ts

1.	When You fill up the Proposal Form	• Read the instructions in the proposal form carefullybefore filling up the details. • 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 isgiven below in this Sales Literature under the heading 'Sum Insured'. It is also explained in the Proposal Form. • Make sure You have opted for the correct policy based on the total Sum Insured. • Fill up the proposal form completely and answer all the questions truthfully.
2.	During the Policy Period	• Make full disclosure in the proposal and related documents about Yourself and all the Insurable Assets. • Remember, the information You give Us is the basis of Our contract with You. • You must inform Us of any changes in the business premises or if it remains unoccupied for more than 30 days. • Do not allow unauthorised persons to occupy Your premises. • Ensure that all security procedures are in force.

3.	When You havea Claim	• Give notice of loss to Us, as required. • Inform the respective authorities, as required. • Make true and full disclosures in Your claim form. • Give all documents supporting the claim. • Give full cooperation for inspection and investigation of claim.

The Insurance Cover

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

Section 1 Property Insurance:
We cover physical loss or damage, or destruction caused to the building and structures, and other assets relating to Your business on all risk basis, subject to the below exclusion.

The Company shall not be liable in respect of loss or damage that was caused directly or indirectly to the insured property by –

Sr. No.	Exclusions
1.	Any nuclear material whatsoever, ionizing radiation or radioactive pollution from any nuclear fuel whatsoever or from nuclear waste and /or from any nuclear fuel whatsoever and/or from the combustion of nuclear fuel whatsoever. For the purpose above, burning shall include any process of self- sustained nuclear fission
2.	The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly, weapon or component
3.	War, invasion, foreign enemy act, hostilities or acts of war (whether war has been declared or not), civil war, acts of sabotage and/or terrorism, rebellion, military or civilian uprising, mutiny, revolt, revolution, military or usurped power, military regime or a state of siege or events of factors causing the declaration or existence of military rule or a state of siege.
4.	Earthquake and/or volcanic eruption and/or other natural tremor or subterranean fire, tsunami, natural damages, storm, tempest and flooding, Inundation unless otherwise stated in the Schedule.
5.	Pollution, except for pollution of the property insured under this Policy if caused as a result of the risks expressly covered thereunder or damage to the insured property as a result of the risks expressly covered under this policy which were caused as a result of pollution.
6.	An intentional act of the Insured or by any one acting on his behalf and with his knowledge.
7.	A defect in the nature of the insured property (inherent vice), gradual deterioration, ordinary wear and tear, defective or unsuitable design, materials or work.
8.	Damage caused as a result of cleaning, repair or renovation process of the insured property demolition, construction, or erection and materials or supplies in connection therewith. The aforesaid shall not be applicable for other physical loss or damage, which was caused as a result of the aforementioned reasons and the Insurers liability shall be limited solely to damage caused as a result thereof.

9.	Corrosion, rust, extreme conditions of heat or cold, changes in temperature, humidity, mold, evaporation, shrinkage, contamination, dilution, loss of weight, vermin, insects or scratches, mould or fungi, unless resulting from loss or damage to the insured property not otherwise excluded under this policy and reported to the insurer within 6 months of the date of the original insured loss or damage
10.	Loss due to infidelity or dishonesty of the Insured or his employees nor loss or damage resulting from the Insured voluntarily parting with title or possession of any property, if induced to do so by any fraudulent scheme, trick, device or false pretense nor loss or shortage disclosed on taking inventory. This exclusion as relates to employees of _____shall be limited solely to loss of Property Insured due to theft, or embezzlement in the course of their service with the Insured
11.	Larceny
12.	Mechanical breakdown, irregular mechanical or electrical operation unless, if damage was caused as a result thereof, by any reason whatsoever which was not excluded and, in such event, the Insurers' liability shall be limited only to the damage caused as a result thereof. In order to obviate doubt, this exclusion shall not apply to explosion, buckling, collapse, splitting and overheating of boilers, pressurized and under-pressurized instruments.
13.	Damage caused to stock and/or materials being processed or as a direct result of same being in the production process or due to temperature changes or atmospheric changes emanating from mechanical breakage or electrical damages or emanating from interruptions in the supply of electricity, gas or water, except as stated in extensions 6 spoilage of stock
14.	Mysterious Disappearance, unexplained shortage.
15.	Gradual subsidence of land and gradual subsidence of buildings and infrastructures. Collapse or cracking of buildings unless except directly resulting from a peril not otherwise excluded. Gradual change in water table and /or normal settlement of buildings is also excluded.
16.	Erasure or corruption of electronic data (including following a computer virus). This exclusion does not apply to resulting loss or damage to Property Insured, should an Insured Event (except malicious, purposeful and intentional loss or damage) follow.

Extensions to Section 1

Sr. No.	Extensions	Details
1.	**Property outside the insured premises**	The insured property is also covered against an insured event whilst it is outside the premises specified in the Schedule, anywhere within the boundaries of India for every purpose connected with the business of the Insured. The liability of the Insurer under this extension shall be limited to **up to the limits mentioned in the policy schedule** per location unless any revision specifically mentioned. This sum is on the basis of a "first loss" which is not subject to underinsurance.

2.	**Property in course of erection and/or demolition**	Property that You erect, acquire or add during the Policy Period is covered **up to the limits mentioned in the policy schedule** for that item (excluding stocks).
3.	**Property in the open**	The insured property is also covered against the insured risks at the time of same being situated in the open except for loss or damage to property which by its nature is not to be situated in the open, due to natural / AOG perils. The liability of the Insurer under this extension shall be limited to not exceed **up to the limits mentioned in the policy schedule** per location
4.	**Additions to the insured property**	The Policy covers additional sums arising out of alterations, extensions or physical additions to the insured property and also due to levies and additional taxes which shall be imposed by the Authorities on such property, provided that all the aforementioned took place after the inception of this policy. The liability of the Insurer under this extension shall be limited to not exceed **up to the limits mentioned in the policy schedule.**
5.	**Natural Damages**	Earthquake Storm and Tempest Rain and Cloudburst, Snow and Hail Flood
6.	**Spoilage of stock**	Covers spoilage of food products in cold storage due to interruption in refrigeration, all the aforementioned under the condition that same were caused as a result of the insured event.
7.	**Reinstatement of the sum insured**	If the Company at its option, reinstates or replaces the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join with any other Company or insurer in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner.
8.	**Underinsurance Clause**	The special feature of the Property All Risk Insurance policy is, where we waive underinsurance up to the limit mentioned in policy schedule
9.	**Personal Effects**	The Policy is extended to include personal effects of the Insured's workers and visitors being at the premises used by the Insured, against an insured event, insurer's liability in respect of the effects of one person shall not exceed the sum mentioned in the policy schedule.
10.	**Costs of removal of debris**	Reasonable expenses for removal of debris **up to the limits mentioned in the policy schedule**
11.	**Special expenses after damage**	Additional reasonable operating expenses required in order to enable the continuous functioning of the insured business during the period required to execute the replacement or repair of property, which was damaged by a covered event.

12.	**Costs of restoration of documents**	The Policy is extended to include costs actually incurred for the restoration of various documents, manuscripts, plans, drawings, sketches, electronic data, magnetic tapes, disks, and other information storage media, books of account and business books which were damaged due to a peril covered by the Policy **up to the limits mentioned in the policy schedule**.
13.	**Expenses for architects fees and others**	Reasonable architects, engineers, advisors and other experts are covered up to the certain limits.
14.	**Reinstatement value clause**	On the occurrence of a loss or damage to insured property covered by this Policy, the Insurer shall compensate the Insured in respect of the reinstatement cost or the replacement cost of property of the same kind, character and type. For the purpose of this paragraph the term "reinstatement" means: In partial loss – repair, in total loss – re-erection or replacement
15.	**Expediting and Preservation Expenses**	Actions & expenses which are necessary to prevent immediately impending physical loss or damage to Property Insured like: - • Overtime, night-work, work on public holidays, express freight. • The temporary repair of Property Insured to expedite the perm66anent repair or replacement of damaged property; • The temporary removal of Property Insured for cleaning, renovation or repair; and • The temporary protection or preservation of Property Insured caused by a peril insured under this Policy
16.	**Fire-fighting Expenses**	Fire-fighting expenses necessarily and reasonably incurred by the Insured to prevent or minimise the extent of any loss or damage to the Property Insured **up to the limit mentioned.**
17.	**Brands and Labels**	A brand and label endorsement will grants permission for the insured to remove labels from damaged goods or mark the items as "salvage," provided the goods are not damaged in the process. Then the Insured must re-label so as to comply with any applicable regulation **up to the limits mentioned.**
18.	**Lessee's liability**	Loss or damage by the insured perils to buildings which the Insured leases and that are included in the Insured property, If the Insured is unable, or not entitled in repairing or replacing the loss or damage **up to the limits mentioned**: - • Indemnify the Insured in the amount the Insured shall be legally obliged to pay to the owners of property due to the loss. • Loss of protected rights (as shall be estimated by a land assessor) to hold and to operate his business in the premises when the insured event occurred.

19.	**Tenants improvements**	The Policy is extended to include loss or damage as a result of the insured perils in respect of investment in improvements, changes and installations of every type whatsoever which were executed by the Insured in the buildings maintained by him under lease **up to the limits mentioned**.
20.	**Increase in sums insured**	Increase in the sum insured up to 10% is allowed.
21.	**Lien Clause**	Every payment if due in terms of the Policy shall be paid to the banks/institutions stated in the Schedule according to the level of beneficial right which they have over the insured property
22.	**Cooling Gas**	The Policy is extended to cover loss or damage of cooling gas and/or other operational material as a result of an insured event covered under the Policy **up to the limits mentioned**.
23.	**Preventive Expenses**	The Policy is extended to covers expenses which the insured incurred to prevent loss or damage by an insured peril even if no actual loss or damage to the insured property itself was caused on condition that such costs were vital for the preservation of the insured property **up to the limits mentioned.**

Section 2 Business Interruption: - (This section is in force only if specifically noted in the schedule)

The Insurers agree that if during the period of insurance, the business carried on by the Insured at all the premises specified and listed in the Schedule is interrupted or interfered with, in consequence of loss, destruction or damage indemnifiable under Section 1, then the Insurers shall indemnify the Insured for the amount of loss as hereinafter defined resulting from such interruption or interference, provided that the liability of the Insurers, in no case, exceeds the total sum insured or such other sum as may hereinafter be substituted therefor by Endorsement, signed by or on behalf of the Insurers.

EXTENT OF THE COVER

1. **Loss of Gross Profit:**
   Loss of gross profit and increase in cost of working less savings in standing charges, as per definitions hereunder:

   A. Loss of gross profit
   B. Increase in cost of working
   C. Saving in standing charges
   D. Underinsurance

2. **Loss of wages on dual basis, if separately covered in the schedule:**
   A. Loss of Wages
   B. In respect of increase in cost of working

EXCLUSIONS TO INSURER'S LIABILITY

This section shall not cover any loss:

A. As a result of an event excluded by the electricity as defined in section 1 of the policy, even if the property policy was extended to cover such an event.

B. Due to loss of goods in transit.

C. Due to loss to property under construction.

D. Due to the extension of the interference with the insured business, caused by restrictions and/or requirements of any kind imposed by any public and government authority.

E. Any other loss or damage excluded under Section 1 of the Policy.

F. Changes, improvements or renovations which were carried out during reinstatement or replacement of the insured property which had been damaged.

G. The Insured's lack of sufficient capital for timely restoration or replacement of property lost, destroyed or damaged.

H. Loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order etc. which occurs after the date when the items lost, destroyed or damaged are again in operating condition and the business could have been resumed, if said lease, license, order etc, had not lapsed or had not been suspended or cancelled.

I. damage to boilers, economizers, turbines or other vessels, machinery or apparatus, in which pressure is used or their contents resulting from their explosion or rupture

J. Mechanical or electrical breakdown or derangement of machinery or equipment.

K. The deductible stated in the Schedule to be borne by the Insured.

Extensions to Section 2

Sr. No.	Extensions	Details
1.	**Accountants Clause**	Policy is extended to cover certificate regarding data out of the business book keeping which is required by the Insurer in terms of the Policy conditions and which shall be provided by the Chartered Accountant of the Insured shall be used as prima facie evidence for the purpose as to the accuracy of the data.
2.	**Loss Settlement**	It is agreed that on termination of the first month of the indemnity period and every month thereafter, the Insurer undertakes to pay to the Insured an on account payment towards his claim at a rate of 75% of the sum of the monthly estimated indemnity.
3.	**Departmental Clause**	The policy is extended to pay If the business of the Insured is conducted in separate departments the results of which are independent and can be clearly isolated, the Insured shall be entitled to require calculation of separate gross profit and wages rates for each department which was affected by the insured event.
4.	**Additional sum insured**	Section is extended to cover additional sums up to 20% of the sums insured of each and every item in the schedule solely for unexpected increases in the sums of gross profit and/or wages.
5.	**Property, which is not owned by the insured**	Insured property in the property section noted in the Schedule shall also be regarded to include leased premises or hired premises and equipment which do not belong to the Insured, but is being used by him at the premises
6.	**Deductible in the Property section**	This cover by this section shall not be affected due to the loss or damage covered under the property section being less than the deductible stated therein.
7.	**Mutual services**	If, at the time of the occurrence of an insured event, the Insured is a party to any limiting agreement whatsoever regarding the provision of mutual services between parties to the agreement, then the Insured shall not be required to breach such an agreement by actions which are taken in order to prevent a reduction in the turnover.

8.	**Adjustment of specified working expenses**	It is hereby clarified that subject to the contents of the underinsurance paragraph of the "specified working expenses", the policy conditions in the Schedule are not within the framework of "a closed list" and those adjustments required in accordance with the trend of development of the business but for the occurrence of the insured event shall also be affected
9.	**Expenses for preparation of a claim**	The Policy shall be extended to cover expenses required and actually paid for the purposes of calculating the damage and for the preparation of a claim in respect of a loss covered under the Policy up to the amount noted in the Schedule

Section 3 Optional Covers:

Optional Coverages to Section 1 – Property Damage

1. **Loss of Rent: -**
   It is hereby agreed that in the event of damage to the Insured Property by an insured peril, this policy extends to cover
   (a) The additional rent incurred by the Insured for alternate premises for the Indemnity Period as specified in the Policy Schedule.
   (b) The rent component of income which Insured was earning for the affected Insured premises before the loss event and will continue till the end of Indemnity Period specified in policy schedule.

2. **Machinery Breakdown**
   I. It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in this Policy or endorsed thereon, and subject to the Insured having paid the agreed additional Premium, this Policy is extended to include direct sudden and accidental physical loss or damage sustained to or destruction of any machinery, including by or happening through any mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind up to the separate limit or sublimit contained in the Schedule. Exclusion I & J contained in the Policy shall be deleted as far as applicable.
   It is a requirement of this Policy that the Sum(s) Insured specified in the Schedule in respect of machinery shall not be less than the New Replacement Value of such property. In the event of any indemnification under this Section the Sum(s) Insured shall be automatically reinstated.
   II. For the purpose of this cover machinery means any mechanical, electrical and electronic equipment.

   III. In the event of any loss or damage, the basis of loss settlement under this endorsement shall be as follows:
   The Insurer will at its option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing same, subject to the following conditions:

1. For machinery older than five (5) years (to be calculated from the date of manufacture) and for mobile units of any age (to be calculated from the date of manufacture) the basis of settlement is Actual Cash Value (as defined in this Policy).
2. Conditions regarding Actual Cash Value settlement
   For damage which can be repaired the costs necessarily incurred to restore the machinery to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the Sum(s) Insured. If the repairs are carried out at a workshop owned by the Insured, the Insurer shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for Depreciation in respect of parts replaced.
   If the cost of repairs equals or exceeds the Actual Cash Value of the machinery immediately before the Occurrence of loss or damage, that property shall be regarded as a total loss.

   In the event of a total loss the Insurer shall pay the Actual Cash Value of the machinery insured immediately before the Occurrence, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the Sum(s) Insured. The Insurer shall also pay any reasonable costs to dismantle damaged equipment.
   Where parts are no longer available estimated cost of similar parts currently available or if unavailable no more than the manufacturers or suppliers latest list price.

3. For all other machinery (to be calculated from the date of manufacture), the basis of settlement is New Replacement Value

Optional Coverages to Business Interruption (Section 2)

1. Contingent Business Interruption Endorsement

In consideration of the Premium paid this Policy is extended to cover the actual loss sustained by the Insured during the Period of insurance as a direct result of a direct sudden and accidental physical loss or damage sustained from a peril covered under Section 1 of this Policy to property owned or controlled by the following direct suppliers or direct receivers

2. Prevention of Access Endorsement: -

In consideration of the Premium paid this policy extends to include loss resulting from interruption of or interference with the Insured's business in consequence of loss as insured or the use of such property with a ___ km radius of the Insured's business premised (including new or additional premises as declared, endorsed and insured) which shall prevent or hinder the use thereof or access thereto whether the premises or property of the insured is damaged or not.

The insurance by the provisions of this clause includes the occurrence of rising flood waters and snow drifts at the premises of the Insured or upon any road, bridge or rail access to the premises of the Insured within a ___ km radius of the Insured's premises.

3. Service Interruption Endorsement

In consideration of the Premium paid this policy extends to covers business interruption such coverage shall extend to actual loss sustained resulting from necessary interruption of Business Insured caused by direct sudden and accidental physical loss or damage sustained, as covered by this Policy to which this extension is attached, to gas, electric, water and telephone facilities supplying the Insured's Location(s).

Optional Cover to both Sections

1. Terrorism Damage Cover (Material Damage and Loss of Profit)

INSURING CLAUSE

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the 'Terrorism Risk Exclusion'' of this Policy to the contrary, this Policy is extended to cover :-

(i) Physical loss or physical damage occurring during the period of this Policy caused by an act of sabotage and/or terrorism to the location/s mentioned in the schedule, subject to the exclusions, limits and excess hereinafter contained,
For the purpose of this cover, an act of sabotage and/or terrorism means an act or series of acts, 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 organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 1967 (as amended from time to time) or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.
For the purpose of this cover, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

(ii) Loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of sabotage and/or terrorism by the duly empowered government or Military Authority.
Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean

armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

(iii) Loss resulting from necessary interruption of business caused by direct physical loss or damage in respect of which liability has been admitted by the Company under (i) and/or (ii) above. In the event of such direct physical loss or damage, this Policy shall be liable for the actual loss sustained by the insured resulting directly from such necessary interruption of business, but not exceeding the loss of gross profits, as defined in the Policy, less charges and expenses which are not necessary during the interruption of business, for such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged, commencing with the date of such direct physical loss or damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured for Material Damage and Loss of Profits given in the Policy Schedule or INR 25,000,000,000 per compound/location whichever is lower.

In respect of several locations being covered under a single policy on a floater basis, the maximum aggregate loss suffered for Material Damage and Loss of Profits from all the locations mentioned in the Policy schedule shall not exceed Total Sum Insured as mentioned in the Policy Schedule or Rs. 25,000,000,000/- whichever is lower.

In respect of several insurance policies within the same compound/location with one or different insurers, the maximum aggregate loss payable per compound/location by anyone or all insurers shall be INR 25,000,000,000 for Material Damage and Loss of Profits. If the actual aggregate loss suffered at one compound/location is more than INR 25,000,000,000 for Material damage and Loss of Profits, the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS

A. For material damage*

Shops & Residential Risks: 1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000

Non-Industrial Risks: 1% of the claim amount for each and every claim subject to Minimum of INR 25,000 and Maximum of INR 1,000,000

Industrial Risks: 5% of the claim amount for each and every claim subject to Minimum of INR 100,000 and Maximum of INR 25,00,000
(*Whichever is applicable)

B. For Loss of Profit

In anyone occurrence of loss or damage, the Company shall not be liable for the amount obtained by multiplying seven (7) days standard turnover with rate of gross profit.

ADD ON COVERS

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 25,000,000,000 whichever is lower. In respect of several insurance policies with in the same compound /location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 25,000,000,000.

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