



Issuing office address:

## Reliance Standard Fire And Special Perils Policy (Material Damage) Policy Wording -

IN CONSIDERATION OF the Insured named in the Schedule hereto having paid to the Reliance General Insurance Company Limited (hereinafter called the Company) the premium mentioned in the said schedule, THE COMPANY AGREES, (Subject to the Conditions and Exclusions contained herein or endorsed or otherwise expressed hereon) that if after payment of the premium the Property insured described in the said Schedule or any part of such Property be destroyed or damaged by any of the perils specified hereunder during the period of insurance named in the said schedule or of any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal of the policy, the Company shall pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof

### I Fire

Excluding destruction or damage caused to the property insured by

- a) i) Its own fermentation, natural heating or spontaneous combustion,
- ii) Its undergoing any heating or drying process.
- b) Burning of property insured by order of any Public Authority.

### II Lightning

### III Explosion/Implosion

Excluding loss, destruction of or damage

- a) To boilers (other than domestic boilers), economisers or other vessels, machinery or apparatus (in which steam is generated) or their contents resulting from their own explosion/implosion,
- b) Caused by centrifugal forces.

### IV Aircraft Damage

Loss, destruction or damage caused by Aircraft, other aerial or space devices and articles dropped therefrom excluding those caused by pressure waves.

### V Riot, Strike and Malicious Damage

Loss of or visible physical damage or destruction by external violent means directly caused to the property insured but excluding those 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) Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.
- c) Permanent or temporary dispossession of any building or plant or unit or machinery resulting from the unlawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.
- d) Burglary, housebreaking, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance or public peace) in any

malicious act.

If the company alleges that the loss/damage is not caused by any malicious act, the burden of proving the contrary shall be upon the insured.

### Terrorism Damage Exclusion Warranty

This Policy 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 exclusion, an act of 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, 2008 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.

This exclusion also includes loss, damage, cost or expense 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 the above.

### VI Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation

Loss, destruction or damage directly caused by Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood or Inundation excluding those resulting from earthquake, volcanic eruption or other convulsions of nature. (Wherever earthquake cover is given as an "add on cover" the words "excluding those resulting from earthquake volcanic eruption or other convulsions of nature" shall stand deleted).

### VII Impact Damage

Loss of or visible physical damage or destruction caused to the property insured due to impact by any Rail/Road vehicle or animal by direct contact not belonging to or owned by:

- a) The Insured or any occupier of the premises or
- b) Their employees while acting in the course of their employment.

### VIII Subsidence and Landslide including Rock Slide

Loss, destruction or damage caused by Subsidence of part of the site on which the property stands or Land slide/Rock slide excluding:

- a) The 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
- e) Demolition, construction, structural alterations or repair of any property or ground works or excavations.

## **IX Bursting and/or overflowing of Water Tanks, Apparatus and Pipes**

## **X Missile Testing operations**

## **XI Leakage from Automatic Sprinkler Installations**

Excluding loss/destruction or damage caused by

- a) Repairs or alterations to the buildings or premises
- b) Repairs, Removal or Extension of the Sprinkler Installation
- c) Defects in construction known to the Insured.

## **XII Bush Fire**

Excluding loss, destruction or damage caused by Forest Fire.

Provided that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total Sum Insured hereby or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

## **General Exclusions**

1. This Policy does not cover (not applicable to policies covering dwellings)
  - a) The first 5% of each and every claim subject to a minimum of Rs. 10,000/- in respect of each and every loss arising out of "Act of God perils" such as Lightning, STFI, Subsidence, Landslide and Rock slide covered under the Policy.
  - b) The first Rs. 10,000/- for each and every loss arising out of other perils in respect of which the Insured is indemnified by this policy. The Excess shall apply per event per Insured.
2. Loss, destruction or damage caused by war, invasion, act of foreign enemy hostilities or war Like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
3. Loss, destruction or damage directly or indirectly caused to the property insured by
  - a) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  - b) The radio active toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
4. Loss, destruction or damage caused to the insured property by pollution or contamination excluding
  - a) pollution or contamination which itself results from a peril hereby insured against.
  - b) any peril hereby insured against which itself results from pollution or contamination
5. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an amount exceeding Rs.10,000/-, goods held in trust or on commission, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer systems records, explosives unless otherwise expressly stated in the policy.
6. Loss, destruction or damage to the stocks in Cold Storage premises caused by change of temperature.
7. Loss, destruction or damage to any electrical machine, apparatus, fixture or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating, or leakage of electricity, from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so setup.
8. Expenses necessarily incurred on (i) Architects, Surveyors and Consulting Engineer's Fees and (ii) Debris Removal by the Insured following a loss, destruction or damage to the Property insured by an insured peril in excess of 3% and 1 % of the claim amount

respectively.

9. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
10. 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 perils covered.
11. Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike, Malicious and Terrorism Damage cover.
12. Any loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, volcanic eruption or other convulsions of nature.
13. Loss or damage to property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

## **General Conditions**

1. THIS POLICY shall be voidable in the event of mis-representation, mis-description or nondisclosure of any material particular.
2. All insurances under this policy shall cease on expiry of seven days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part.  
PROVIDED such a fall or displacement is not caused by insured, perils, loss or damage by which is covered by this policy or would be covered if such building, range of buildings or structure were insured under this policy.  
Notwithstanding the above, the Company subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.
3. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company :-
  - a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.
  - b) If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days (Condition deleted for dwelling rateable under section III).
  - c) If the interest in the property passes from the insured otherwise than by will or operation of law.
4. This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would, but for the existence of this policy, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.
5. This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days' notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.
6. (I) On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company
  - a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the

amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.

b) Particulars of all other insurances, if any

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and the origin and cause of the loss and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this policy shall be payable unless the terms of this condition have been complied with.

(ii) In no case whatsoever shall the Company be liable for any loss or damage after the expiry of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

7. On the happening of loss or damage to any of the property insured by this policy, the Company may
- enter and take and keep possession of the building or premises where the loss or damage has happened.
  - take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage.
  - keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
  - sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim.

If the Insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

8. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.
9. If the Company at its option, reinstate or replace 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 (s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the Sum Insured by the Company thereon. If the Company so elect to reinstate or replace any property the insured shall at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the Company with a view to reinstatement or

replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

10. If the property hereby insured shall at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against be collectively of greater value than the sum insured thereon, 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.
11. If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.
12. The Insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.
13. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996. It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided, if the Company has disputed or not accepted liability under or in respect of this policy. It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.
14. Every notice and other communication to the Company required by these conditions must be written or printed.
15. At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which upon the settlement of any loss under this policy, pro-rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the insured to the Company.
- The additional premium referred above shall be deducted from the net claim amount payable under the policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to the Insured subject only to the right of the Company for deduction from the claim amount, when settled, of pro-rata premium to be calculated from the date of loss till expiry of the policy.
- Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case the insured immediately on occurrence of the loss exercises his option not to reinstate the Sum Insured as above.

**Warranties (The serial number of the applicable warranty(ies) will be mentioned in the Schedule of this policy)**

**1. Class of Construction**

Warranted that the buildings are not of 'Kutch' construction consisting of walls and / or roofs of wooden planks / thached leaves and / or grass / hay of any kind / bamboo / plastic cloth / asphalt cloth / canvas / tarpaulin and the like.

**2. FEAWarranty**

Warranted that fire extinguishing appliances in respect of which discount is given shall conform to the Tarrif Advisory Committee regulations and shall be maintained in efficient working condition at all times and an annual maintenance contract with an external agency shall be in force at all times throughout the currency of this policy.

**3. Stocks Lying Adjacent in Open**

Warranted that policy covers stocks belonging to the Insured stored in the open area adjacent to the Insured's premises.

**4. Stocks Stored in Shops**

Warranted that storage of following materials should not exceed 5% of the total stock

- ▶ Celluloid goods
- ▶ Coir (loose)
- ▶ Crackers and fire works
- ▶ Explosives of any kind
- ▶ Hay/straw
- ▶ Hemp
- ▶ Jute loose
- ▶ Matches
- ▶ Methylated spirit
- ▶ Nitrocellulose plastic
- ▶ Oils / ether/ industrial solvents and other inflammable liquids flashing at and below 32 degrees Centigrade (close cup test) other than in sealed tins or drums
- ▶ Paints with inflammable base having flash point below 32 degrees Centigrade (close cup test) - otherthan in sealed tins or drums.
- ▶ Varnishes having a flash point below 32 degrees Centigrade (close cup test) - otherthan in sealed tins or drums.
- ▶ Disinfectant liquids and liquid insecticides - otherthan in sealed tins or drums
- ▶ Vegetable fibers of any kind including rayon fibre

**5. Silent Risks**

Warranted that no manufacturing / storage activities is carried out in the insured premises for a consecutive period of 30 days or more.

**6. Chemical Manufacturing**

Warranted that no materials having a flash point below 32 degrees Centigrade are used / stored in the premises.

**7. Cigarette Filter Manufacturing**

Warranted that no material having a flash point below 32 degrees Centigrade are used / stored in the premises

**8. Cinematography Laboratory**

Warranted that no film processing is carried out the premises

**9. Detergent Manufacturing**

Warranted that no sulphonation process is carried out in the premises

**10. Man-made Fibre/Yarn Manufacturing**

Warranted that no manufacturing process using cellulose is carried out in the premises.

**11. Metalising Works**

Warranted that metalising operations otherthan metals is not done in the premises.

**12. Paint Factories**

Warranted that otherthan water based paint manufacturing is not carried out in the premises Warranted that nitro - cellulose based paint manufacturing is not carried out in the premises

**13. Plastic Goods Manufacturing**

Warranted that foamed plastics are not manufactured in the premises

**14. Pulversing Plants**

Warranted that pulverising of otherthan metals and non-hazardous goods are prohibited in the premises

**15. Rope Works**

Warranted that rope works using plastics is prohibited in the premises.

**16. Rubber Goods Manufacturing**

Warranted that spreading is not carried out in the Manufacturing

**17. Tiny Sector Industries**

Warranted that value at risk shall not exceed Rs. 10 lakhs towards building, machinery and stocks and other contents belonging to the insured

**18. Tissue culture premises**

Warranted that crops are excluded from the scope of coverage.

**19. Godown and Warehouses**

Warranted that the presence of hazardous goods of a higher category does not exceed 5 % of the total value of the stocks.

- a) Warranted that hazardous goods of Category I, II, III, Coir waste, Coirfibre and caddies are not stored therein.
- b) Warranted that hazardous goods of Category II, III, Coir waste, Coirfibre and caddies are not stored therein
- c) Warranted that hazardous goods of Category III, Coir waste, Coirfibre and caddies are not stored therein.
- d) Warranted that Coir waste, Coirfibre and caddies are not stored therein.

**20. Granite Factories**

Warranted that no inflammable solvent are used in the premises.

**Description of Goods Falling under Category I, II, III**

**Category I**

- Solids which are moderately or slightly combustible
- Flammable liquids having a flash point above 65 degrees Centigrade
- Inert and non-combustible gases
- Highly toxic materials
- Waste of non-hazardous materials

**Category II**

- Pyrotechnic materials
- Flammable liquids having flash point between 32 degrees Centigrade and 65 degrees Centigrade
- Moderate oxidising agents and oxygen
- Materials which evolve combustible gases in contact with water
- Waste of Category I materials

**Category III**

- Explosives
- Materials which are self ignitable
- Flammable liquids having flash point below 32 degrees Centigrade
- Strong oxidising agents
- Combustible gases
- Waste of Category II and III materials.

**Endorsements & Clauses (The serial number of the applicable warranty(ies) will be mentioned in the Schedule of this policy)**

**1. Architects, Surveyors And Consulting Engineers Fees (in excess of 3% 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 upto 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."

**2. Removal Of Debris** (in excess of 1 % of the claim amount)

It is permissible to cover cost necessarily incurred by an insured in the removal of debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril by incorporating the following clause:

"On costs and expenses necessarily incurred by the insured

a) In the removal of debris from the premises of the Insured

b) Dismantling or demolishing;

c) Shoring up or propping;

of the portion or portions of the property insured by (Items.....of) this policy destroyed or damaged by perils hereby insured against but not exceeding in the aggregate Rs"....."

Note 1. (b) & (c) above should be deleted when neither Building nor Machinery are covered.

Note 2. The cover may be given by separate item in the policy for an amount not exceeding 10% of the total Sum Insured.

**3. A) 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 the electric service feeders from which the insured obtains electric supply directly due to damage caused by any perils insured against under this policy to property at insured premises or any Electric Station or Sub-station of public electric supply undertaking from which 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 system or by the exercise by 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 duration of each such failure exceeds 24 hrs.

Subject otherwise to the terms, extensions, condition and limitations of this policy."

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

**B) 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 Insured's property due to insured peril(s).

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, extensions, conditions and limitations of this Policy."

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

**4. Forest Fire**

In consideration of the payment of additional premium the insurance under item of the policy shall extend to include loss of or damage to the property insured directly caused by burning, whether accidental or otherwise, of forest, bush and jungles and the clearing of lands by Fire.

Note 1: Where loss experience for previous 5years excluding the expiring policy period is less than 30%, a 50% discount on the rate may be considered.

Note 2: Where loss experience is above 60%, the rate shall be adjusted in such a way that the loss experience for policy period worked out as given in Note 1 above be adjusted to 60% subject to a maximum rate of Rs.15% .

**5. Impact Damage Due To Insured's Own Rail/road Vehicles, Fork Lifts, Cranes, Stackers And The Like And Articles Dropped Therefrom.**

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 Vehicles, Fork lifts, cranes, stackers and the like and articles dropped therefrom.

**6. Spontaneous Combustion**

In consideration of the payment by the Insured to the Company of additional premium of Rs.\_\_\_\_\_the Company agrees notwithstanding what is stated in the printed exclusions of this policy to the contrary that the insurance by (items) of this policy shall extend to include loss or damage by fire only of or to the property insured caused by its own fermentation, natural heating or spontaneous combustion.

**7. Omission To Insure Additions, Alterations Or Extensions**

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

a) At the within described premises

b) For use as factories

i) The liability underthis 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, the 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.

Note 1: All new additions to Buildings and/or Machinery and Plant not specifically insured/included during the currency of the policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of completion of the construction /erection of additions may be suitably adjusted.

If the insured fails to declare the values of such additions within 30 days after the expiry of the policy, there shall be no refund of the advance premium collected.

Note 2: Other Contents' in the above clause shall mean 'Furniture and Fittings' and does not include 'Stocks'.

**8. Earthquake (Fire and shock)****If option to delete STFI peril is exercised**

"In consideration of the payment by the Insured to the Company of the sum of additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by earthquake including Landslide/Rockslide

resulting therefrom but excluding flood or overflow of the sea, lakes, reservoirs and rivers caused by Earthquake.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement".

In the event of the Insured making any claim for loss or damage under this policy he must (if so required by the Company) prove that the loss damage was occasioned by or through or in consequence of earthquake.

**Excess - 5% of each and every claim subject to a minimum of Rs.10,000. /-**

**If option to delete STFI peril is not exercised**

"In consideration of the payment by the Insured to the Company of the sum \_\_\_\_\_ of additional premium, it is hereby agreed and declared that notwithstanding anything stated in the printed exclusions of this policy to the contrary, this Insurance is extended to cover loss or damage (including loss or damage by fire) to any of the property Insured by this policy occasioned by or through or in consequence of earthquake including flood or overflow of the sea, lakes, reservoirs and rivers and/or Landslide / Rockslide resulting therefrom.

Provided always that all the conditions of this policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement."

In the event of the Insured making any claim for loss or damage under this policy he must (if so required by the company) prove that the loss damage was occasioned by or through or in consequence of earthquake.

**Excess - 5% of each and every claim subject to a minimum of Rs.10,000. /-**

**9. Spoilage Material Damage Cover**

**The cover shall extend to material damage, i.e.**

- i) Loss of stock in process; and
- ii) Damage to machinery, containers and equipment (including cost of removal of debris and cleaning) and shall be provided by a separate item of the SFSP policy subject to the Conditions that the perils causing the spoilage should be the same as those covered under the policy.

"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 item, 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'.

**10. Leakage And Contamination Cover**

**A) Where Leakage And Contamination Cover Is Granted:**

"In consideration of the payment of an additional premium of Rsit 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 earnings, 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
- h) Consequential Loss of any nature.

**(B) Where Leakage Cover Alone Is Granted:**

In consideration of the payment of an additional premium of Rsit 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 earnings, 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 shortage, 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:** (Applicable to A and B)

- 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 lodgment 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 an 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 hereby 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

Note: Special Conditions (i), (ii) And (iii) Are Not Applicable Where Leakage Cover Alone Is Granted.

#### 11. Temporary removal of stocks clause

It is agreed that the stock insured hereby not exceeding 10% of the total sum insured of such stock is covered while temporarily removed to any other premises for purposes of fabrication or processing or finishing or other similar purposes. This extension does not apply to stock if and so far as it is otherwise insured.

The pro-rata condition of average should be applied to the limit of stocks temporarily removed as well as to the total sum insured of such stock under the policy.

#### 12. Loss Of Rent Clause

The insurance on rent applies only if (any of) the said building(s) 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.

#### 13. Insurance Of Additional Expenses Of Rent For An Alternative Accommodation

It is hereby declared that 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 accommodation, the Company shall, subject to special conditions set out herein, 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 of..... months whichever is earlier.

Provided that the liability of the Company shall not exceed Rs. .... the sum insured hereby.

Provided further that if the sum produced by applying the monthly additional rent, borne by the insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced.

#### SPECIAL CONDITIONS:

1. This insurance shall apply subject to the condition that the PREMISES occupied by the insured, whether as owner or tenant, forms part of a building not being "Kutchha" Construction.
2. If the area of alternative accommodation taken by the insured is more than the area of the PREMISES occupied by the insured, the additional rent borne by the insured for the purpose of this insurance shall be deemed to be that proportion of the additional rent actually borne by the insured as the area of the PREMISES which was in the insured's occupation bears to the area of the alternative accommodation taken by the insured. The insured shall be at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

#### 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 accommodation. The standard rent shall be based on the ratable 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 accommodation.

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 accommodation 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.

#### 14. Start Up Expenses

"It is hereby agreed and declared that this policy extends to cover start-up costs necessarily and reasonably incurred by the insured consequent upon a loss or damage covered by this policy."

#### 15. 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 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 alternations 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 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 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 one such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

#### 16. Contract price insurance clause

"It is hereby agreed and declared that in respect only of goods sold but not delivered for which the insured is responsible and with regard to which under the conditions of sale, the sale contract is by reason of the perils covered under the Policy, cancelled either wholly or to the extent of the loss or damage, the liability of the Company shall be based on the contract price and for the purpose of average the value of all goods to which the clause would in the event of loss or damage be applicable shall be ascertained on the same basis."

#### 17. Designation Of Property Clause

It is hereby agreed and declared that for the purpose of determining, where necessary, the item under which any property is insured, the Company agrees to accept the designation under which the property has been entered in the Insured's books.

#### 18. Reinstatement Value Clause

"It is hereby declared and agreed that in the event of the property insured under (Item Nos...of...) within the policy being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the policy is to be calculated shall be cost of replacing or reinstating on the same site or any other site with property of the same kind or type but not superior to or more extensive than the insured property when new as on date of the loss, subject to the following Special Provisions and subject also to the terms and conditions of the policy except insofar as the same may be varied hereby."

Special Provisions:

1. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch and in any case must be completed within 12 months after the destruction or damage or within such further time as the Company may during the said 12 months in writing allow, otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.
2. Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged, the Company shall not be liable for any payment in excess of the amount which would have been payable under the policy if this memorandum had not been incorporated therein.
3. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed, exceeds the Sum Insured thereon or at the commencement of any destruction or damage to such property by any of the perils insured against by the policy, then the insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provision.

4. This Memorandum shall be without force or effect if
  - (a) The insured fails to intimate to the Company within 6 months from the date of destruction or damage or such further time as the Company may in writing allow his intention to replace or reinstate the property destroyed or damaged.
  - (b) The Insured is unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.

#### 19. Local Authorities Clause

The insurance by this policy extends to include such additional cost of reinstatement of the destroyed or damaged property hereby insured as maybe 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 provide that

1. 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 or 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 or 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.
2. 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.
3. 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.
4. The total amount recoverable under any item of the policy shall not exceed the sum insured thereby.
5. All the conditions of the policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

#### 20. Escalation Clause

"In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the under noted items(s) the Sum(s) Insured thereby shall, during the period of insurance, be increased each day by an amount representing 1 /365th of the specified percentage increase per annum.

Item Number	Specified percentage increase per annum
-----	-----

Unless specifically agreed to the contrary the provisions of this clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each renewal date the insured shall notify the Insurers :-

- i) The sums to be insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement

effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of insurance up to that renewal date, and

- ii) The specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein."

**21. Architects, Surveyors And Consulting Engineer's Fees** (upto 3% 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 is covered upto 3% of the adjusted loss, but it is understood that this does not include any costs in connection with the preparation of the Insured's claim or estimate of loss in the event of damage by insured perils."

**22. Removal Of Debris Clause (upto 1 % of the claim amount)**

It is hereby declared and agreed that the expenses incurred upto 1 % of the claim amount is included in the sum insured on:

- a) Removal of debris from the premises of the Insured;
- b) Dismantling or demolishing;
- c) Shoring up or propping."

Note: (b) & (c) above should be deleted when neither Building nor Machinery are covered.

**23. Floater Clause**

"In consideration of floater extra charged over and above the policy rate, the sum insured in aggregate under the policy is available for any one, more, or all locations as specified in respect of movable property.

At all times during the currency of this policy the Insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

The changes in the address of locations specifically declared at inception should be communicated."

**24. Declaration Clause**

- i) In consideration of the premium by this policy being provisional in that it is subject to adjustment on expiry of each period of insurance.  
"The insured agrees to declare to the Reliance General Insurance Company in writing the value of his stocks (other than retail) less any amount insured by policies other than declaration policies, in each separate building or non-communicating compartment or in the open on the following basis namely: a) average of the highest value at risk on each day, b) the highest value at risk during the month and to make such declaration(s) latest by the last day of the succeeding month, Such declaration(s) to be signed by the insured or by a responsible person authorised to sign on his behalf.

If other policies on declaration basis cover the stocks hereby insured, the declarations shall be made so as to apportion to each policy a share of the value of the stocks insured under such declaration policies, PRO RATA to the respective amounts named in the policies.

In the event of a declaration not being made latest by the last day of the succeeding month, then the insured shall be deemed to have declared the Sum Insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated at the rate of on the average Sum Insured namely, the total of the values declared or deemed to have been declared divided by the number of declarations deemed to have been made.

If the resultant premium is less than the provisional premium, the difference shall be repaid to the insured but such repayment shall not exceed 50% of the provisional premium.

Further it is hereby agreed and understood that no reduction in sum insured shall be allowed during the currency of the policy.

- ii) The basis of value for declarations shall be the market value and

any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.

- iii) If at the time of any loss, there be any subsisting insurance or insurances on other than a declaration basis, whether effected by the insured or by any other person or persons, covering the stocks hereby insured, this policy shall apply only to the excess of the value of such stocks at the time of the loss over the sum insured by such other insurance or insurances, and this company shall not be liable to pay or contribute

Page 15 more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess) but not exceeding the sum insured hereby, bears to the total value of the stocks.

- iv) If after the occurrence of a loss, it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.
- v) Notwithstanding the occurrence of loss, it is understood that the sum insured will be maintained at all times during the currency of the policy and the Insured therefore undertakes to pay extra premium on the amount of any loss pro-rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken in to account in, and shall be distinct from, the final adjustment of premium.
- vi) In the event of this policy being cancelled by the insured during its currency (whether stocks exist or not) the premium to be retained by the company shall be the appropriate short period premium calculated on the average amount insured upto the date of cancellation or 50% of the provisional premium whichever is greater; but if the policy is cancelled by the insured after a loss had occurred the premium to be retained by the company shall be the PRO RATA proportion of the premium calculated on the average amount insured upto the date of cancellation plus the PRO RATA proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of loss paid, or 50% of the provisional premium which ever is greater.
- vii) The maximum liability of the company shall not exceed the sum insured hereby and premium shall not be receivable on value in excess thereof. The Sum Insured may, however, be increased by prior agreement with the company in which event the new Sum Insured and the date from which it is effective will be recorded on the policy by endorsement. In the event of an increase in the sum insured being agreed to, the company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy and upon the expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause (i) of this special conditions. If during the currency of the policy the rate for the class of risk to which the insurance applies is revised, and an increase in Sum Insured under a declaration policy is agreed to, the Company shall charge on such increased sum an additional provisional premium on a basis proportionate to the unexpired period of the policy, at the rate at which the insurance was originally effected and upon expiry of each period of insurance the total provisional premium so paid shall be adjusted as provided for in Clause (i) above.
- viii) If the stocks hereby insured shall at the time of loss be collectively of greater value than the sum insured thereon, 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, on stocks shall be separately subject to this condition.
- ix) It is warranted that every other policy on a declaration basis covering the stocks insured hereby shall be identical in wording with this policy.
- x) This insurance is subject in all respects to the printed conditions of the policy except in so far as they may be varied by the above conditions."

## 25. Voluntary Deductible Clause

"It is hereby declared and agreed that the insured having opted a voluntary deductible of Rs..... 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 shall replace the compulsory excess stipulated under "General exclusions" attached to the policy(ies) and/or for add-on covers."