

---

## Sales Literature

### Industrial All Risk Policy (Commercial)

#### Benefits

- 1) Umbrella Cover
- 2) Economical Rate of Premium
- 3) Option for Higher than standard deductible in return of liberal discounts in premium rate.
- 4) Grey Area claims eliminated altogether.
- 5) Insulation against all possible aspects of risk exposure which may have been overlooked inadvertently.
- 6) Covers eventualities which cannot be taken care of by any of the present operational policies.

#### Eligibility

Industrial Units - Both manufacturing as well as Storage Units. (Excluding Petroleum Refineries, Petrochemical and Fertiliser Plants)

#### Scope of cover

The IAR policy is a true “All Risks” operational policy as compared to the present named perils operational policies which have a limited scope of cover. In an “All Risks” cover all fortuitous mishaps are insured barring a few named exclusions. The possible perils insured against are as follows:

##### A) Material Damager Section

- 1) Fire & Allied Perils
  - Fire
  - Lightning
  - Riot, Strike, Malicious Damager
  - Terrorism
  - Explosion/ Implosion
  - Impact Damage
  - Aircraft Damage
  - Storm, Typhoon, Hurricane, Tornado, Flood and Inundation.
  - Impact damage.
  - Subsidence and landslide including Rock slide.
  - Bursting and overflowing of water tanks, apparatus and Pipes.
  - Missile testing operations.
  - Leakage from Automatic Sprinkler Installation.
  - Bush Fire.

- 
- Earthquake, Fire & Shock
  - Leakage and Contamination
  - Spoilage Material damage following operation of Insured Peril
  - Subterranean Fire
  - Spontaneous Combustion
  - Forest Fire
  - Deterioration of Stock following FOES
  - Sprinkler Leakage
2. Theft & Burglary ( other than Larceny )
  3. Transit Risk inside insured premises
  4. Boiler & Pressure plant insurance
    - Explosion/implosion due to its own working
    - Explosion due to Smelt water reaction for waste heat boiler
    - Flue Gas Explosion
  5. Machinery Insurance
    - Mechanical & Electrical Breakdown

## **B) Business interruption Section**

1. Loss of profit following fire and allied perils
2. Loss of profit following claims under machinery insurance, boiler& pressure plant insurance or Electronic Equipment Insurance (Optional)

## **EXCLUSIONS**

The intangible but more correct way of viewing such a policy is through its exclusions. In effect, save the few listed exclusions all accidental or damages are covered.

## **Material Damage Section**

### **A) Excluded causes**

- Faulty or defective design or workmanship
- Inherent vice, latent defect
- Gradual deterioration, wear and tear
- Interruption of water supply, gas, electricity or fuel systems
- Failure of effluent disposal systems
- Collapse or cracking of building
- Corrosion, rust, fungus, shrinkage, pollution
- Action of light, vermin, insects

- Larceny
- Acts of fraud and dishonesty
- Inventory losses
- Coastal and river erosion
- Wilful act or wilful negligence
- Cessation of work
- War, invasion, mutiny, civil commotion
- Permanent or temporary dispossession resulting from requisition by lawful authority
- Destruction by order of public authority
- Nuclear weapons material, ionising radiations

## **B) Excluded property**

- Money, cheques and other valuable documents unless specifically mentioned in the policy.
- Goods held in trust or on commission unless specifically mentioned in the policy
- Vehicles licensed for road use
- Property in transit other than that within the insured
- Property in course of demolition, construction or erection
- Land (including top soil) back fill, drainage or culverts, roads, runways, railway lines, reservoir, canals, tunnels, bridges, piers unless specially covered
- Livestock, growing crops or trees
- Property damaged as a result of of its undergoing any process
- Property undergoing alteration, repair, testing, or servicing if damage thereto directly attributable to the operations of work performed thereon

However, if a damage ensue from any of these reason such ensuring damage is covered subject to policy conditions.

## **Interruption Insurance Section**

The policy dose not cover loss resulting from interruption of or interference with the business directly or indirectly from-

- Any restriction or reconstruction or operation imposed by any public authority
- Lack of sufficient capital to ensure timely restriction of normalcy
- Suspension, lapse or cancellation of a lease license or order
- Damage to boilers, economisers, turbines or other vessels where pressure is used resulting from their explosion implosion
- Damage to electronic equipments, computers
- Mechanical breakdown or derangement of machinery

These exclusions are to be deleted in case MLOP cover is opted for.

---

## FAVOURABLE FEATURES

### 1. Better coverage

- Transit risk cover with compound available
- Cover provided for equipments and machinery send for repairs outside the premises for a limit of 60 days
- No deduction on account of depreciation from claim amount for damage , whether total or partial
- 15% underinsurance has been allowed without affecting claim amount.
- LOP due to burglary and other accidental damage cover
- Standard time excess under MLOP reduced

### III Administrative control

- The cover is in widest form
- Single policy document
- Risk located in various places can be covered under a single policy

## STANDARD DEDUCTIBLES

### Material Damage Claim

5% of the claim subject to a minimum of Rs.5 lacs ,Rs 10 lacs, Rs 25 lacs,Rs 50 lacs for Sum Insured(MD+BI) upto Rs 100 Cr,Above Rs 100 Cr to Rs 1500 Cr,Above Rs 1500 Cr to Rs 2500 Cr and above Rs 2500 Cr respectively per location.

### Business Interruption Claims

FLOP:7 days of standard gross profit .

MLOP: 14 days of standard gross profit.

**NB:** Scheme for higher than standard Deductible available which fetches attractive discount in premium rate.

## SUM INSURED

### Material Damage Section

- Building, plant, machinery and other fixed assets - at Reinstatement value basis
- Stock and other Current assets - at Market Value

### Business Interruption Section

- Turnover less variable Charges