

Kshema Bharat Sookshma Udyam Suraksha Policy

Prospectus

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Introduction

This prospectus gives basic information about the Bharat Sookshma Udyam Suraksha Policy that You can purchase from Us, i.e. Kshema General Insurance Limited. The Bharat Sookshma Udyam Suraksha Policy provides insurance cover for physical loss or damage to, or destruction of, Insured Property relating to Your business.

This policy is meant for enterprises where the total value at risk across all insurable asset classes at one location does not exceed ₹ 5 Crore (Rupees Five Crore) at the policy commencement date.

Important DO's & Don'ts

The Insurance Cover: In this Prospectus, you will find information about

1	When You fill up the Proposal Form	<ul style="list-style-type: none"> • Read the instructions in the proposal form carefully before filling up the 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 is given below in this Prospectus 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	<ul style="list-style-type: none"> • 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 have a claim	<ul style="list-style-type: none"> • 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 following insurance covers:

Standard Cover: We cover physical loss or damage, or destruction caused to the building and structures, plant and machinery, stock and other assets relating to Your business. These are the Insured Properties.

If any Insured Property is lost, damaged or destroyed, We provide cover as follows-

Your Loss	Condition	We pay ,not more than the sum insured
Any Insured Property Damaged (Partial Loss)	You have repaired such property	Cost of repairs
If any insured stock is damaged (Partial Loss)		Extent of the loss of such Partial Loss
Any Building or Plant and Machinery or Furniture, Fixture, Fittings is completely destroyed (Total Loss)	You have rebuilt the building or reinstated /replaced such property.	Reinstatement /Replacement Value (i.e amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation)

Your Loss	Condition	We pay ,not more than the sum insured
Stock is completely destroyed (Total Loss)		<ul style="list-style-type: none"> a. For raw material: Landed Cost at Your Premises, b. For stock in process: Input Cost of the stock at the time of damage, c. For finished stock: the Manufacturing Cost of the finished stock or the Contract Price of goods sold but not delivered.
Any Building, Plant and Machinery, Furniture, Fixture and Fittings is destroyed. (Total Loss)	You have not rebuilt the building or reinstated other property.	Market Value (Reinstatement Value less Depreciation)

1. You must commence the repairs, reinstatement or reconstruction within a reasonable time after the date of damage or destruction. You must complete the repairs or reinstatement within 12 months from the date of damage or destruction or within such time as We may allow.
2. In all cases, We will not pay more than the relevant Sum Insured.
3. We will pay only to the extent required to bring the

property to a condition substantially the same as, but not superior, better or more extensive than its condition if it were new on the date, it is damaged or destroyed.

4. You can reconstruct the new building on the same site, or another site. If You reconstruct the new building on another site, We will not pay You more than what We would pay to reconstruct on the same site.

In-built Covers: Under the Standard Cover, We also pay the following:

	In-built Cover	Details
1	Additions, alterations or extensions	Property that You erect, acquire or add during the Policy Period is covered upto 15% of the Sum Insured for that item (excluding stocks).
2	Stocks on floater basis	Loss to stocks located at more than one named location.
3	Temporary removal of stocks	Loss to stocks temporarily removed to other premises for fabrication, processing or finishing up to 10% of value.
4	Cover for Specific Contents	Cover for Money upto ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for documents such as deeds, manuscripts, business books, plans, drawings, securities etc. up to ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data up to ₹5 Lakh (Rupees Five Lakh) during the policy period and cover for personal effects of employees, Directors and visitors upto ₹15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 persons during the policy period.
5	Start-Up Expenses	Start-up cost incurred by You in respect of insured risk consequent upon a loss or damage due to insured events upto ₹ 1 Lakh (Rupees One Lakh).

	In-built Cover	Details
6	Professional fees	Reasonable fees of architects, surveyors and consulting engineers upto 5 % of the claim amount.
7	Cost for Removal of debris	Reasonable expenses for removal of debris upto 2 % of the claim amount.
8	Costs by compelled Municipal Regulations	Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

Which Unexpected Events are Covered

We pay for the physical loss, damage or destruction caused to Insured Property by the following unforeseen events occurring during the Policy Period.

The events covered are given in the Column A and those not covered in respect of these events are given in Column B.

	Column A	Column B
	We cover physical loss or damage, or destruction caused to the Insured Property by	We do not cover loss or damage, or destruction caused to the Insured Property by or destruction caused to the Insured Property by
1	Fire, including due to its own fermentation, or natural heating or spontaneous combustion.	caused by <ul style="list-style-type: none"> a. Its undergoing any heating or drying process, or b. burning of Insured Property by order of any Public Authority.
2	Explosion or Implosion	<ul style="list-style-type: none"> a. caused to boilers, economizers or other vessels, machinery or apparatus in which steam is generated, or their contents, resulting from their own explosion or implosion, or b. caused by centrifugal forces.
3	Lightning	
4	Earthquake, volcanic eruption, or other convulsions of nature	
5	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood, and Inundation.	
6	Subsidence of the land on which Your Premises stand, Landslide, Rockslide	caused by <ul style="list-style-type: none"> a. 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, or e. demolition, construction, structural alterations or repair of any property, or ground works or excavations.

	Column A	Column B
7	Bush fire, Forest fire, Jungle fire,	
8	Impact damage of any kind, i.e., damage caused by impact of, or collision caused by, any external physical object (e.g. vehicle, falling trees, aircraft, wall etc.)	<ul style="list-style-type: none"> a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds, b. caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in course of employment.
9	Missile testing operations	
10	Riot, Strikes, Malicious Damages	<p>Caused by</p> <ul style="list-style-type: none"> 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. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or c. temporary or permanent dispossession of any Building by unlawful occupation by any person.
11	Acts of terrorism (Coverage as per Terrorism Clause attached)	Exclusions as per Terrorism Clause attached.
12	Bursting or overflowing of water tanks, apparatus and pipes,	
13	Leakage from automatic sprinkler installations.	<ul style="list-style-type: none"> a. repairs or alterations in the Building in which Your Business is located, b. repairs, removal or extension of any sprinkler installation, or c. defects in the construction known to You.
14	Theft within 7 days from the occurrence of, and proximately caused by, any of the above Insured Events.	<p>if it is</p> <ul style="list-style-type: none"> a. of any article or thing outside Your Premises, or b. of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.

Examples :

- a. Your insured building catches fire. All its doors are opened for fighting the fire. A person takes advantage of the situation and carries away insured electronic equipment. Since this theft follows a fire and is within 7 days of occurrence of the fire, We will pay for Your loss upto the limits of the applicable Sum Insured for that equipment.
- b. During riots, a rioter breaks a window of Your shop and takes away articles of value ₹ 35,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riot, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 35,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more

Standard Add-On Covers:

You can purchase the following standard Add-on cover under Bharat Sookshma Udyam Suraksha Policy. You must apply for this cover, and pay additional premium, as required.

1. Declaration policy for Stocks

You can opt for a Declaration policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Policy and understand these conditions

Which property can be covered under this policy?

This policy covers the following properties in Your premises, that is, the place You carry on Your business. The properties must be located in Your premises, except some properties that You declare, and the Policy covers in special situations. The Bharat Sookshma Udyam Suraksha Policy covers the following properties.

1. Any building or structure in Your premises where You carry on Your business. It may be a shed, flat, house, unit of a building. It may be made of any material. It includes:
 - i. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc.
 - ii. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule:
 - a. garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences and gates, internal roads,
 - b. lifts, hoists,
 - c. solar panels, wind turbines and air conditioning systems, central heating systems, security systems and cameras, electrical installations, fire alarm, fire sprinkler systems, power lines, power installations, or
 - d. water, gas and sewage pipeline within the premises.
 - iii. any other structure shown in the Policy Schedule.
2. Plant and Machinery, that is, all equipment, machinery, pipes and cables, spares, computers, servers and preloaded licensed system software, located within any structure or in the open area of Your premises. It includes
 - i. machines under repair,
 - ii. machines taken on hire or lease, or any system of purchase of goods,
 - iii. foundation, bedding or setting of the machines, or
 - iv. accessories of machines.
3. Stock of goods or merchandise. It may be:
 - i. finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,
 - ii. raw materials, packing materials,

- iii. stock accepted for job work for which You are responsible,
- iv. stock held in trust for which You are responsible,
- v. stock in Open in the Insured Premises.

4. All other assets, that is, all other tangible property located in Your premises and used for Your business. It includes
 - i. furniture and fixtures, office equipment, telephone equipment, electronic equipment, computers etc,
 - ii. canteen and kitchen equipment, gym, and permanent sports equipment etc.

Who can purchase this Policy?

1. You can purchase the Bharat Sookshma Udyam Suraksha Policy for the building or structure if
 - i. You own it, or occupy it under a lease,
 - ii. You occupy it as purchaser under an agreement of sale or lease,
 - iii. You are an occupier authorised under any law,
 - iv. Your property is occupied by a tenant, a licensee or Your employee, or
 - v. You are a tenant under an agreement in writing and are liable to repair it.
2. You can purchase the Bharat Sookshma Udyam Suraksha Policy for plant and machinery, stock or other property if
 - i. You own it, or use it under a lease in writing,
 - ii. You hold it in trust or on commission or are responsible for it,
 - iii. You have taken plant and machinery or other contents on hire or lease, or any other system of purchase,
 - iv. You have accepted stock for job work for which You are responsible.
3. You are eligible to purchase the Bharat Sookshma Udyam Suraksha Policy
 - i. if You carry on any business of manufacturing or production of goods, or of providing or rendering services, and
 - ii. if You own or are legally responsible for Your business, and
 - iii. if the value of all Your insurable assets at one location is NOT more than ₹ 5 Crore (Rupees Five Crore) at the Policy Commencement Date. These include buildings, plant and machinery, stock, and all other assets, even if You have not taken insurance cover for all of them. Insurable assets include all assets which You own, or hold as tenant or occupant, or hold in trust or commission, or are legally responsible for.
4. If the value of all Insurable Assets exceeds ₹ 5 Crore (Rupees Five Crore) during the Policy Period this Bharat Sookshma Udyam Suraksha policy will be replaced with the applicable policy on expiry of this policy.

Sum Insured

1. The maximum amount: The maximum amount We pay under this Policy is the total Sum Insured. The maximum amount We pay under this Policy for any cover, or any item, or category or group of items, is the Sum Insured for that cover or item, category or group. The Sum Insured for each cover is as per Policy Schedule
2. Basis of Sum Insured:
 - i. For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value.
 - ii. For Stocks:
 - a. For raw material: Landed Cost at Your Premises.
 - b. For stock in process: Input Cost of the stock at the time of damage,
 - c. For finished stock: the Manufacturing Cost of the finished stock or the Contract Price of goods sold but not delivered and more precisely defined below.
 - d. Contract Price is in respect only of goods sold but not delivered, for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any damage insured under this Policy either wholly or to the extent of the damage. The Company's liability shall be based on the Contract Price.
 - iii. Bullion or unset precious stones, any curios or works of art or obsolete machinery and the like are to be covered on Agreed Value basis subject to a valuation certificate being submitted and found acceptable by Us.
3. Restoration of Sum Insured:

If We have paid any loss on Your claim, it reduces the Sum Insured. When We pay You the full Sum Insured for any cover or any item covered, the Policy ends to that extent. If You pay proportionate premium for the unexpired policy period, We will restore the policy to the full original amount of Sum Insured during the Policy Period. This ensures full cover during the period of the policy. However, in case You, immediately on occurrence of loss, exercise Your option not to restore the Sum Insured, the Sum Insured shall stand reduced by the amount of loss.

Example

- i. If You repair Your air-conditioning tower insured for ₹ 15,00,000 damaged in a fire, and We pay Your claim of ₹ 5,00,000, You can pay proportionate premium for ₹ 5,00,000 for unexpired period in order to take benefit of full cover. If the tower is destroyed, and We pay Your claim of ₹ 15,00,000, the new tower that You install will not be covered under this Policy unless You have paid premium for it.

- ii. If Your building insured for ₹ 2,00,00,000 is severely damaged and We pay You ₹ 2,00,00,000 under the Bharat Sookshma Udyam Suraksha Policy for its repair and reinstatement, You will not be covered under this Policy for the new building that You construct, unless You have paid premium for it.

Underinsurance

Underinsurance waiver upto 15% : This is a special feature of the Bharat Sookshma Udyam Suraksha policy, where We waive underinsurance up to 15%. The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date of loss. If the Reinstatement/Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, except to the extent waived i.e 15%, it amounts to underinsurance and will reduce proportionate to the difference, the amount that We will pay for Your claim. Every item of Insured Property is subject to this condition separately.

If at the time of the damage the Sum Insured applying to the relevant Buildings, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents is less than 85% of the value of Insurable Assets You will be responsible for the difference and You will bear a proportionate share of the loss.

Examples (These examples only demonstrate the effect of underinsurance. Final claim payable may vary due to application of Excess and other policy terms)

- i. You have taken insurance for a Sum Insured of ₹ 5 Crore. The value at risk of insurable items at the time of loss is found as ₹ 5.5 Crore. There is a loss of ₹ 1 crore. Underinsurance works out to 9%. Since it is less than 15%, We will consider the full claim of 1 Crore for payment.
- ii. Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 2.5 Crore. This includes some stock that is older than 6 months. Your Bharat Sookshma Udyam Suraksha policy covers stock of finished goods for ₹ 3 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 3.25 Crore. The stock of manufacturing cost ₹ 1 Crore is burnt in fire. Since underinsurance works out to less than 15%, We will consider the full claim of ₹ 1 Crore for payment.

Your shop has the Bharat Sookshma Udyam Suraksha Policy. You have insured the structure for ₹ 3 Crore and stock for ₹ 1 Crore. The actual value of structure is ₹ 3.5 Crore and value of stock is ₹ 1.5

- iii. Crore. Stock of ₹ 50 Lakh is burnt in a fire. The stock has underinsurance of 20% that We cannot waive. We ought to consider Your claim for payment of ₹ 40 Lakh (80% of ₹ 50 Lakh).

Exclusions, that is, what We do not pay

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1. i. Excess of ₹ 5,000 (Rupees Five Thousand) for each claim. This means that We will deduct ₹ 5000 for each and every loss suffered by You under the terms of this policy.
ii. For terrorism risk the Excess shall be as per the Clause attached to this policy.
2. Your deliberate, wilful or intentional act or omission, or of anyone on Your behalf, or with Your connivance.
3. Loss, damage or destruction to any electrical/electronic machine, apparatus, fixture, or fitting by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included). This exclusion applies only to the particular machine so lost, damaged or destroyed. However, any ensuing loss or damage to other insured property due to operation of an insured peril is covered.
4. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
5. 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 Insured Events.
6. Your Premises or any Insured Building remaining continuously unoccupied for a period of more than 30 days, unless You have obtained prior written approval from Us and such approval is recorded as an endorsement on the Policy.
7. War, invasion, act of foreign enemy hostilities or war-like operations (whether war is declared or not), civil war, mutiny, civil commotion amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
8. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component that is part of it.
9. Pollution or contamination, unless
 - i. the pollution or contamination itself has resulted from an Insured Event, in which case only physical damage to the Insured Property is covered, or
 - ii. an Insured Event itself results from pollution or contamination.
10. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
11. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
12. Loss or damage to any Insured Property removed from Your Premises to any other place, except
 - i. Machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days
 - ii. Stock covered under -'Temporary removal of stocks'
13. Any reduction in market value of any Insured Property after its repair or reinstatement.
14. Loss or damage to any Insured Property or any claim which is covered by a marine policy in force at the time of loss or damage, except in excess of the limits of that policy.
15. Any consequential or indirect loss or damage of any description, i.e. losses or extra costs (financial or non-financial) that follow or are a consequence of an Insured Event, like, loss by delay, loss of income or wages or earnings, or of market, or of time, medical expenses, or any costs not covered by this Policy.
16. Costs, fees, or expenses for preparing any claims.

Premium

The premium is the amount You pay Us for this insurance. The Policy Schedule shows the amount of premium for the Policy Period and all other taxes and levies. Your policy will commence on payment of premium in full.

Changes and Cancellation

1. Changes during Policy Period.
You can choose to make changes to the covers of this Policy, for example, take additional cover, or increase or reduce any Sum Insured. You must make a proposal or request for any change. It will be effective only after We have accepted Your proposal, and You have paid the additional premium where applicable.
2. You can cancel the Policy.
Cancellation at any time: You can cancel the policy at any time during the policy period by giving notice to Us in writing.

If You cancel the Policy, we will refund premium as follows

Time for which Policy in force	Refund of Premium
For a period not exceeding 15 days	90% of the Annual rate
For a period not exceeding 1 month	85% of the Annual rate
For a period not exceeding 2 months	70% of the Annual rate

For a period not exceeding 3 months	60% of the Annual rate
For a period not exceeding 4 months	50% of the Annual rate
For a period not exceeding 5 months	40% of the Annual rate
For a period not exceeding 6 months	30% of the Annual rate
For a period not exceeding 7 months	25% of the Annual rate
For a period not exceeding 8 months	20% of the Annual rate
For a period not exceeding 9 months	15% of the Annual rate
For a period exceeding 9 months	Nill

3. We can cancel the policy.

We will not cancel the Policy during the policy period except on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation on Your part.

4. Policy ends automatically:

- i. If Your property is lost, destroyed or stolen, or its cost of repair is more than the Sum Insured, and We have paid You the entire Sum Insured for that property and You have decided not to restore the Sum Insured.
- ii. Change of ownership of Your property
- iii. Sale of Your Property

Details of additional covers (add-ons) offered with the policy:

(list of Add-ons shall be included once filed)

1. Declaration Policy for Stocks

- a. We agree to cover Your Stock on receipt of provisional premium based on Your declaration of the value of Stock, the premium being liable to be adjusted at expiry of the Policy Period, as follows:
- b. You will declare to Us in writing signed by You or an authorised person, the value of Your Stock less any amount insured by Policies other than declaration policies. If any Stock is covered by declaration policies, you must apportion to each policy a share of the value of stocks insured by such declaration policies pro-rata to the respective amounts named in those policies.
- c. Your declaration shall state
 - i. Average of the value at risk on each day of the month, or
 - ii. Highest value at risk during the month
- d. You must give a separate declaration relating to each separate location.
- e. You shall give such declaration before the last day of the succeeding month. If You do not make a declaration in time, we will consider the Sum Insured mentioned in the Policy Schedule as the value at risk.

- f. At the end of the Policy Period, the actual premium will be calculated at the rate applied under the Policy on the average Sum Insured, i.e., The total of values declared or deemed to have been declared ÷ the number of declarations made or deemed to have been made.
- g. If the premium calculated on adjustment is less than the provisional premium You have paid, we will repay the amount of the difference not exceeding 50% of the provisional premium.
- h. If at the time of loss there is another subsisting insurance policy covering the insured Stock other than on declaration basis, whether You have taken such policy or someone else, We will only pay the amount of difference by which the value of the Stock at the time of loss exceeds the Sum Insured under the other policies, and We will not be liable to contribute more than that proportion which such difference bears to the total value of stocks. In all cases, the maximum We will pay is the relevant Sum Insured.
- i. If after loss has occurred, it is found that the amount of last declaration before the loss is less than the amount which ought to be declared, we will pay only that proportion of loss which the amount in the last declaration bears to the amount that ought to have been declared.
- j. If You cancel the policy (whether any stock exists or not), We will retain short period premium calculated on the average amount insured until the cancellation, or 50% of the provisional premium, whichever is higher. If You cancel the policy after loss has occurred, we will retain the premium of the higher of the two amounts:
 - i. The pro-rata proportion of the premium calculated on the average amount insured until cancellation plus the pro-rata proportion of the premium from the date of loss to the end of the Policy Period, and
 - ii. 50% of the provisional premium.
- k. You cannot reduce the Sum Insured during the Policy Period
- l. We will not pay more than the Sum Insured, and You need not pay premium on value in excess of the Sum Insured. You and We can increase the Sum Insured by agreement, and its effective date will be added by Endorsement on the Policy. You are liable to pay an additional provisional premium on the increased Sum Insured proportionate to the unexpired Policy Period. If the rate for the class of the relevant risk is revised during the Policy Period, you must pay an additional provisional premium on the revised rate for the unexpired period. In both these cases, the premium will be adjusted at the end of the Policy Period as stated in Clause 7 above.
- m. If the Insured Stocks are collectively of greater value than their Sum Insured at the time of loss, you will be Your own insurer for the difference and must bear a rateable proportion of the loss. Every item of Stock shall be separately subject to this condition.

- n. All other terms and conditions of the Policy shall apply to the Declaration Policy.

2. Architect's, Surveyor's, and Consulting Engineer's fees

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 up to a maximum of 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.

3. Removal of Debris

The insurance under this policy is extended to cover cost necessarily and reasonably incurred by an insured in the removal of debris including foreign debris from the premises of the insured, dismantling, demolishing, shoring up or propping of Insured property following destruction or damage by Insured Peril. This will also include 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.

The coverage will be (in excess of 2% and maximum of 5% of the claim amount) subject to maximum of

Limit of liability selected.

Sum insured: Maximum up to 10% of SI

4. 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 electric service feeders from which the Insured obtains electric supply directly due to damage caused by any peril insured against under this policy to property at insured premises or any Electric Station or Sub-Station of Public Electric Supply undertaking from which the 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 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, exceptions, conditions, and limitations of this Policy." In any action, suit or other proceedings 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.

5. 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 the cold storage machinery (ies) due to insured peril(s). 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 proceedings 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.

6. Impact Damage due to Insured's own Rail/Road Vehicles, Forklifts Cranes, Stackers and the like and articles dropped there from

"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."

7. Loss of Rent

In consideration of payment of additional premium, it is hereby agreed and declared that 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.

Special Condition:

- i. 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 "Kutcha" Construction.
- ii. If the area of alternative Premises 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 Premises taken by the insured. The insured shall be at liberty to take alternative Premises in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

8. Rent for Alternate accommodation

In consideration of payment of additional premium, it is hereby agreed and 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 Premises, We 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 as opted by you and mentioned in Policy Schedule whichever is earlier.

Provided our liability shall not exceed the Sum Insured as opted by you and mentioned in Policy Schedule. Provided further that if the sum produced by applying the monthly additional rent, borne by the insured for the alternative Premises to the maximum indemnity period is more than the Sum Insured hereby, our liability shall be proportionately reduced.

Special Condition:

- i. 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 "Kutcha" Construction.
- ii. If the area of alternative Premises 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 Premises taken by the insured. The insured shall be at liberty to take alternative Premises in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

9. Spoilage Material Damage cover

Policy may be extended to include spoilage risk subject to the following conditions:

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. The following endorsement wording shall be used:

"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 no 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 ratable 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 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".

Limit: Sum insured for stocks and machinery, container, and equipment in specified blocks maximum up to Rs. 1,00,00,000/-

10. Leakage

In consideration of the payment of an additional premium of Rs..... it 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:

- i. loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or /indirect loss or damage of any kind or description whatsoever.
- ii. loss resulting from any kind of infidelity or dishonesty on the part of the Insured or any of their employees, inventory storage, mysterious disappearance, or unexplained loss.
- iii. loss by burglary or theft or any attempt thereat.
- iv. loss resulting from processing or faulty workmanship.
- v. loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded.
- vi. any legal and/or contractual liability arising from any cause whatsoever; and
- vii. Consequential Loss of any nature.

Special Conditions:

- i. In case of loss to property insured hereunder, the basis of adjustment shall be the market value at the time and place of loss.
- ii. 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.
- iii. 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.

- iv. 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.
- v. 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.
- vi. If the property here by 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 policies shall be separately subject to this condition.

11. Leakage and Contamination Cover

Where Leakage And Contamination Cover Is Granted: In consideration of the payment of an additional premium of Rs..... it 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:

- I. Loss by Contamination through Improper Handling or Controls by Insured's own Employees;
- II. Loss resulting from loss of use, loss of earning, delay or loss of markets or other consequential or indirect loss or damage of any kind or description whatsoever;
- III. 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;
- IV. Loss by burglary or theft or any attempt thereat;
- V. Loss resulting from processing or faulty workmanship;
- VI. Loss resulting from shrinkage, evaporation, loss of weight unless caused by a peril not otherwise excluded;
- VII. Any legal and/or contractual liability arising from any cause whatsoever; and Consequential Loss of any nature.

Special Conditions:

- 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 and 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 here by 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.

Making a Claim

1. If You suffer a loss because of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
 - I. give notice to Us immediately along with details of the event and Your loss,
 - II. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
 - III. take all reasonable steps to prevent further damage to Insured Property,
- IV. You must not sell, give away or dispose of any damaged items of any property,
- V. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
- VI. preserve and collect evidence, take and preserve photographs,
- VII. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
- VIII. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage
- IX. prove that the Insured Event has happened, and prove the extent of Your loss

This Prospectus

This prospectus gives only information. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the Bharat Sookshma Udyam Suraksha Policy document. You must read the policy document to know the insurance cover fully. You can get a copy of the Bharat Sookshma Udyam Suraksha Policy from Our branch or from Our website [www.kshema.co](#). For legal interpretation the policy document will hold.

Grievances

If You have any query or grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address your grievance as follows:

- i. For resolution of any query, You may contact the Policy issuing office by writing to Us at Kshema General Insurance Limited, Regd. Office:# 413, 4th Floor, My Home Tycoon, Kundan Bagh, Begumpet, Hyderabad, Telangana, India- 500016. or email Us at customer.support@kshema.co or through Kshema Application or call us at 1800 572 3013 (toll-free)
- ii. If You are not satisfied with the resolution provided, You may escalate to our E-mail grievance.cell@kshema.co or gro@kshema.co or call us at 1800 570 2998 (toll-free) or can write to us at Grievance Redressal Office, Kshema General Insurance Limited, Regd. Office:# 413, 4th Floor, My Home Tycoon, Kundan Bagh, Begumpet, Hyderabad, Telangana, India- 500016 or at the sub section "Grievance Redressal" on our website www.kshema.co.

INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer. ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

Disclaimer

In the event of any question relating to interpretation of the insurance coverage the policy document will prevail.

- iii. If you are not satisfied with the resolution provided by us, you have the option to approach the Insurance Ombudsman for grievance redressal at <https://www.cioins.co.in>. Alternatively, you may also contact the Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal at <https://bimabharosa.irdai.gov.in> or via the IRDAI Grievance Call Centre (IGCC) at toll-free numbers 1800 4254 732 / 155255.

About Us

Information about Us

Kshema General Insurance limited.

For further information, please visit Our website: www.kshema.co

Registered Office: 6-3-1192/T/413/A, My Home Tycoon, Begumpet, Hyderabad, India- 500016