

Magma HDI Bharat Laghu Udyam Suraksha Policy Sales Literature

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INTRODUCTION

The **Magma HDI Bharat Laghu Udyam Suraksha** policy gives insurance cover to your property relating to your business. Under this policy, we agree to pay you for the loss you suffer when unexpected events cause physical loss, damage or destruction of building and structures, plant and machinery, stock and other assets relating to your business. This policy is for enterprises where the total value at risk across all insurable asset classes at one location exceeds ₹ 5 Crore (Rupees Five Crore) but does not exceed ₹50 Crore (Rupees Fifty Crore) at the policy commencement date.

This policy insurance cover for physical loss or damage to, or destruction of, Insured Property relating to insured business.

ELIGIBILITY

1. Dwellings (not falling under Bharat Griha Raksha), Offices, Hotels, Shops etc. located outside the compounds of Industrial / Manufacturing Risks
2. Industrial/Manufacturing Risks
3. Utilities located outside the compound of Industrial / Manufacturing Risks
4. Storage Risk

Policy Sum Insured should be between 5 Cr – 50 Cr. at one location

SCOPE OF COVER

Fire Insurance

This policy covers assets belonging to the Insured including, Any Building or Structure, Plant and Machinery and accessories , Stock of goods or merchandise – Raw material, Stock and Stock-in-Process and Finished goods , all other assets like Furniture, Fixture and other contents belonging to the Insured and related to business against the risk of Fire and other named perils.

In Built Covers: Under the Standard Cover if we agree to pay your claim for loss or damage to Insured Property, We will also pay for the following loss or damage and expenses.

- **Additions, alterations or extensions:** Property that You erect, acquire or add during the Policy Period is covered up to 15% of the sum insured for that item (excluding stocks).
- **Temporary removal of stocks:** Loss to stocks temporarily removed to other premises for fabrication, processing or finishing up to 10% of value.
- **Cover for Specific Contents:** Cover for money up to ₹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 up to ₹15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 (twenty) persons during the policy period.

- **Start Up Expenses:** Start-up cost incurred by you, consequent upon a loss or damage due to insured events up to ₹ 5 lakh (Rupees Five Lakh) during the policy period.
- **Professional fees:** Reasonable fees of architects, surveyors and consulting engineers up to 5% of the claim amount.
- **Cost of Removal of debris:** Reasonable expenses for removal of debris up to 2 % of the claim amount.
- **Costs compelled by Municipal Regulations:** Additional cost of reconstruction of Property incurred solely for complying with municipal regulations.

Special feature: Underinsurance up to 15 % of Sum Insured or as specified in the Policy Schedule is waived. Underinsurance occurs if the Replacement or Reinstatement value on the date of loss of any Insured Property is more than the Sum Insured. It is usual in insurance covers that in such a case, the full claim is not paid. It is reduced in proportion to the difference. Under the Bharat Laghu Udyam Suraksha Policy, difference up to 15% or as specified on the Policy Schedule is ignored, but beyond that underinsurance is applicable to the full extent.

Basis of Sum Insured:

- For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value
- 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 loss.
 - 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.

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.

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.

Optional cover - Declaration policy for Stocks: You can opt for Declaration Policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Clause and understand these conditions.

Optional cover - Floater cover: You can opt for Floater cover under the Policy for physical loss or damage to Stocks at more than one location subject to certain conditions. Read the Clause and understand the conditions.

INSURED EVENTS:

1. Fire
2. Explosion or Implosion
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 Home Building stands, Landslide, Rockslide
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.)
9. Missile testing operations
10. Riot, Strikes, Malicious Damages
11. Acts of terrorism
12. Bursting or overflowing of water tanks, apparatus and pipes
13. Leakage from automatic sprinkler installations
14. Theft within 7 (seven) days from the occurrence of and proximately caused by any of the above Insured Events.

Insured has an option to exclude Earthquake and Terrorism cover by way of an endorsement.

DETAILED COVERAGE, EXCLUSIONS & CONDITIONS

As per the policy wording

POLICY DURATION

This policy is generally issued for 12 months (annual). However short period policies (less than one year) can be issued subject to applying premium as per short period provision specified under the policy. The policy can also be issued for a period exceeding one year but not exceeding 15 years on request. Annual Premium for such long-term policies shall be proportionately increased based on duration of the policy with application of long term discount.

POLICY CANCELLATION/TERMINATION

This Policy may be terminated by Insured at any time by giving Company notice in writing. If Insured cancels the Policy, Company will

- a) Refund the proportionate premium for unexpired policy period, if the term of the Policy is up to one year and there is no claim(s) made during the policy period.
- b) Refund the premium for the unexpired policy period, if the term of the Policy is more than one year and the risk coverage for such policy years has not commenced.

The Company can cancel this Policy during the policy period by giving notice of minimum 7 days to Insured only on the grounds of established fraud committed by Insured.

SALVAGE

Salvage is the amount that is assessed which the damaged asset will fetch in the open market. This amount is deducted from the claim amount.

Note –

The details furnished above do not constitute the entire terms and conditions. For details please refer to our Policy document.