

# Magma HDI Bharat Sookshma Udyam Suraksha Policy Sales Literature

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## INTRODUCTION

**Magma HDI Bharat Sookshma Udyam Suraksha** policy gives insurance cover to all property at the risk location including Buildings, Fittings and Fixtures, Plant and Machinery, Stocks, other contents etc where the proposer has insurable interest and where the total 'value at risk' does not exceed INR 5 Crore (Rupees Five Crore) across all insurable asset classes at any one location at the commencement of the insurance

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

## ELIGIBILITY

This product can be offered to:-

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 not be more than 5 Cr. at one location

## SCOPE OF COVER

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).
- **Stocks on floater basis:** Loss to stocks located at more than one named location.
- **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 ₹ 1 lakh (Rupees One 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 Sookshma Udyam Suraksha Policy, difference up to 15% or as specified in 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 cover for Stocks:** Cover for frequent fluctuations in stock/stock values on declaration basis.

#### **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.