

# L&T GENERAL INSURANCE COMPANY LIMITED

## my:business Insurance Package Policy

### GENERAL TERMS & CONDITIONS

#### NOTES

- i. This Annexure is an integral part of my:business Insurance Package (Retail Establishment/ Commercial Establishment/ Hospitality & Leisure/ Educational Institution) Policy No.-----and it, embodies, the General Terms & Conditions applicable to this Policy.
- ii. The Policy combined with the General Terms & Conditions here below and the Policy Schedule contains the full insurance DEFINITIONS, TERMS, CONDITIONS AND EXCLUSIONS. Please read this Annexure carefully and keep it safe.
- iii. The Policy wordings, the General Terms & Conditions, the Schedule and any endorsement shall be read together and any word or expression to which a specific meaning has been attached to any one of them shall bear such meaning, wherever it appears unless otherwise, expressly, stated elsewhere in the Policy. PROVIDED that the Special Conditions mentioned in the relevant Sections of this Policy shall override the General Terms & Conditions to the extent of any duplication or contradiction.

#### DEFINITIONS

For the purpose of this Policy, the following terms shall have the meaning attributed to them below wherever they appear in this Policy. Some definitions and or meanings of words and phrases have been provided in the respective Sections also. In such cases the definitions ,words or phrases provided in the respective Sections shall take precedence.

**Proposal:** The proposal form provided by the Insured to procure this insurance and any other information or documentation or declaration supplied by the Insured or on Insured's behalf for that purpose.

**Schedule:** The Policy Schedule, any amended Schedule, and any annexures and endorsements attached thereto.

**Business:** Insured's business, vocation or occupation as described in the Schedule.

**"Business Hours" or "Office Hours"** mean the normal trading hours or whilst the Insured or their authorised employees are on the premises for the purpose of the business.

**Property:** The Premises, and the Contents belonging to the Insured whilst situated at the Premises, excluding electronically stored information unless otherwise expressly specified in any Section.

**Premises:** The location(s) specified in the Schedule where Insured's Business is carried out.

**Period of Insurance** The period between the commencement date and the expiry date specified in the Schedule.

<b>Contents:</b>	The specific item or categories of item specified in the Schedule and kept at the Premises.
<b>Geographical limits:</b>	Territory of India, unless otherwise specified elsewhere in the Policy.
<b>Sum Insured:</b>	The amount specified in the Schedule or Annexure thereto against each Section or Endorsement which represents the maximum amount the Company will pay for any and all claims made during the Policy Period under that Section or Endorsement regardless of the number or types of claims made, or the number of years that the Insured has held this Policy with the Company.
<b>First Loss Cover:</b>	The value of Property covered for insurance is a selected percentage of the value of total Property at risk and this also represents the Company's maximum liability in case of any loss or damage under the Policy.
<b>Excess:</b>	The first amount of each and every claim made that the Insured must bear and which is as specified in the Schedule or the applicable Section.
<b>Accident Or Accidental:</b>	A sudden, unforeseen, fortuitous, physical and involuntary event caused by external and visible means.
<b>Act of God Perils:</b>	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Hailstorm Flood or Inundation excluding those resulting from earthquake, volcanic eruption or other convulsions of nature.
<b>Asbestos:</b>	Crocidolite, amosite, chrysotile, fibrous actinolite, fibrous anthophyllite or fibrous tremolite or any mixture containing any of these materials.
<b>Asbestos Dust:</b>	Fibres or particles of Asbestos.
<b>Asbestos Containing Materials</b>	Any material containing Asbestos or Asbestos Dust.
<b>Kutcha Construction:</b>	Building(s) having walls and/or roofs of wooden planks/thatched leaves and/or grass/hay of any kind/bamboo/plastic cloth/asphalt cloth/canvas/tarpaulin and the like.
<b>Burglary or Housebreaking</b>	Any loss due to theft, destruction or damage to property insured, following upon actual forcible and violent entry of and/or exit from the premises.
<b>Electronically Stored Information</b>	Facts, concepts and information converted to a useable form and includes communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
<b>Employee:</b>	The term "Employee" wherever appearing in this Policy means any person (other than a person whose employment is of a casual nature or who is employed otherwise than for the purposes of the Insured's business) who has entered into a contract of permanent employment with the Insured and this also includes employees outsourced by the insured.

**Hold up:** when the Insured or its personnel is/are threatened by any weapon and there exists a possibility of actual physical threat to the person of the Insured or its personnel.

**Pollutants:** Any solid liquid gaseous or thermal irritant or contaminant and the like including but not limited to smoke, vapour, soot, fumes, acids, alkalis, bacteria, chemicals seepage and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

### **GENERAL EXCLUSIONS:**

This Policy does not cover loss or damage and/or liability whether directly or indirectly caused by, arising from or howsoever attributable to any of the following:

1. war, warlike operations, which includes invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, or usurped power, seizure, capture, confiscation, arrests, restraints and detainment by order of any government or any other authority.
2. i) Ionising radiations or radioactive contamination from any nuclear fuel or from any nuclear waste from the combustion, burning or fission of nuclear fuel or the radioactive, toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.  
ii) Nuclear weapons material.
3. Permanent or temporary dispossession of any building or otherwise resulting from the unlawful occupation of such building by any person or from confiscation, nationalisation, requisition by any lawfully constituted authority or the destruction of Property by the order of any government de-jure or de-facto or any public authority.
4. Pressure waves caused by aircraft or other flying objects moving at or above the speed of sound.
5. Any loss, destruction or damage, occurring before the commencement of the Policy Period.
6. Depreciation and Damage caused by wear and tear or gradual deterioration.
7. Consequential loss of any kind or description whatsoever including but not limited to delay, loss of market, loss of opportunity, loss of use, loss of appreciation and the Insured's actual or alleged legal liability of whatsoever nature, unless otherwise specified in the Schedule.
8. Loss, damage and/or liability caused by or arising out of any criminal (alleged or proved), intentional, willful or deliberate act, error or omission, willful neglect or gross negligence of the insured and/or his representatives.
9. E-risks, namely:

- a. The total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of software or other Electronically Stored Information.
- b. An error in creating, amending, entering, deleting or using software or other Electronically Stored Information, or
- c. The total or partial inability or failure to receive, send, access or use software or other Electronically Stored Information for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur, nor any liability arising from or in any way related to any such event.

10. Terrorism Damage

- a. This Policy excludes (unless opted for) 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.
- b. 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.
- c. 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.

11. Loss, damage and/or liability caused by or arising out Pollutants unless provided for specifically in any of the attached Sections and then too only to the extent covered therein.

12. Loss, damage and/or liability caused by or arising out Asbestos, Asbestos Dust and Asbestos Containing Materials

13. Loss arising out of or allegedly due to exposure to or contact with Electromagnetic Radiation. For the purposes of this Exception Electromagnetic Radiation includes but is not limited to magnetic energy waves fields or forces generated produced distributed transmitted or maintained by charges currents frequencies energy or forces of electricity.

14. Loss arising out of or allegedly due to Toxic Mould and Fungus

15. Loss or damage to Buildings of Kutcha construction and contents of any nature whilst contained in such buildings howsoever cost.

***In any action, suit or other proceedings where the Company alleges that by reason of the provisions of either the General Exclusions or Exclusions under any Section, any loss or damage is not covered by this insurance, then the burden of proving that this loss or damage is covered shall be upon the Insured.***

#### **GENERAL CONDITIONS:**

- 1) **Notice:** Every notice and communication to the Company required by this Policy shall be in writing addressed to the office of the Company through which this Policy is obtained.
- 2) **Duty of Disclosure:** The Policy shall be null and void and no benefit shall be payable in the event of untrue or incorrect statements or misrepresentation, mis-description or non-disclosure of any material particulars or if any material information had been withheld in the Proposal Form, personal statement, declaration or other documents, or if a claim is found to be fraudulent or any fraudulent means or device is used by the Insured/ Insured Person or any one acting on his/their behalf to obtain a benefit under this Policy.

Material information to be disclosed includes every matter that the Insured/Insured Person knows, or could reasonably be expected to know, that relates to questions in the Proposal form and which is relevant to the Company's decision to accept the risk of insurance and if so on what terms. The Insured must exercise the same duty to disclose those matters to the Company before the renewal, extension, variation, endorsement or reinstatement of the contract.

- 3) **Material change:** The Insured must inform the Company in writing if there is any material change to the Premises or the Business during the Policy Period, including but not limited to:
  - i) Work on the Premises other than routine maintenance or decoration.
  - ii) Any change in the nature of the Insured's Business or occupation of the Premises, or other circumstances affecting the Property or Premises if any such change is such as to increase the risk of loss or damage.
  - iii) If the Premises becomes or is likely to become unoccupied and remain so for more than 30 consecutive days or in the aggregate in any one Policy Period.
  - iv) If the interest in the Property or the Premises passes from The Insured otherwise than by will or operation of law.

The insurance provided by the Policy shall automatically and without notice cease to attach upon the occurrence of a material change, and shall not be reinstated unless and until the Company has confirmed its awareness of the full extent of the change that has occurred and consented to such change (to be evidenced only by an endorsement to the Schedule), and the Insured shall have paid the Company any additional premium that it may request as a result.

- 4) **Due Diligence:** It is a condition precedent to the Company's liability that the Insured shall at the Insured's own expense:
  - i) Take all reasonable steps to prevent any claim from arising under this Policy.

- ii) If a claim has arisen, take all reasonable steps to minimise the consequences and quantum of any claim and preserve any right of recovery against third parties.
- iii) Comply with all laws and safety requirements imposed by any authority or by state or national legislation.
- iv) Employ only competent Employees.
- v) Keep all Property or Premises well maintained.

**5) Indemnity:** The Company may at its option reinstate, replace, or repair the property lost or damaged or any part thereof instead of paying the amount of loss or damage or may join with other insurer in so doing but 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 not more than the Sum Insured by the Company thereon.

**6) Contribution:** 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, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

This Condition however will not be applicable for following Sections:

- Personal Accident for Employees Insurance
- Group Health
- Hospital cash
- Third party Liability.

**7) Subrogation:**

- a) The Insured shall do, cause to be done or permit to be done (including before settlement of a claim) at his own cost and expense everything necessary or desirable or directed by the Company for the purpose of enforcing or preserving any rights or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon paying any loss 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 the Insured's indemnification by the Company. The Insured shall not do or cause to be done anything that may result in prejudice to any third party rights of recovery that might exist.
- b) The Insured must not settle or compromise in any way any right of recovery without the prior written consent of the Company.
- c) Any recoveries shall first be applied in making good any sums paid out by the Company in respect of a claim, including costs incurred by the Company in its investigation and settlement or any recovery.
- d) The Insured shall promptly advise the Company of any recoveries which reduce the claim or any recoveries effected after the payment of a claim. Without prejudice to any other rights or remedies available to the Company, and the Company shall be entitled to set off any recovery against any obligation to make any payment to the Insured.

- e) After the payment of a claim the Insured shall, if the Company may so require, assign his rights and interests against third parties to the Company.

This Condition however will not be applicable for following Sections:

- Personal Accident for Employees Insurance
- Group Health
- Hospital cash

- 8) Cancellation:** The Insured may cancel the insurance by giving the Company prior written notice. Provided no claim has been made under the Policy, the Company will refund premium calculated per the Short Period Scale below.

**SHORT PERIOD SCALE**

<b>Period of risk</b>	<b>Proportion of premium to be returned</b>
Up to 1 month	75%
1 month to 3 months	50%
3 months to 6 months	25%
6 months to 8 months	15%
More than 8 months	0%

The Company may cancel the insurance at any time by sending the Insured 15 days' notice in writing and the Company will refund the premium that the Insured paid for the remaining Policy Period on a proportional basis.

- 9) Arbitration:** If any dispute or difference shall arise as to the quantum to be paid under the 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 the dispute/ difference 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 dispute or difference 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.

- 10) Pair or Set Clause:** Where any items insured hereunder consists of articles in pair or set, the Company's liability in respect thereof shall not exceed the value of any particular part or parts which may be lost or damaged without reference to any special value which such article or articles may

have as part of such pair or set and not more than proportionate part of the insured value of the pair or set.

- 11) Designation of Property Clause:** 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.
- 12) Geographical Limits:** Unless expressly stated to the contrary in the Schedule or in any Section, the Policy is operative only within India and all claims shall be settled only within India and in Indian Rupees.
- 13) Renewal Notice:** The Company shall not be bound to issue any renewal notice nor shall be bound to accept the renewal premium there under. If the Insured desires renewal he/she shall apply to the Company for the same prior to expiry of the Period of Insurance. Renewal shall be with mutual consent.
- 14) Entire Contract:** This Policy constitutes the complete contract of insurance and shall not be altered or amended in any way save by a duly signed and sealed endorsement on the Policy issued by the Company.
- 15) Policy Disputes:** Any dispute concerning the interpretation of the terms, conditions limitations and/or exclusions contained herein is understood and agreed to by both the Insured and the Company to be subject to Indian Law. Each party agrees to submit to the jurisdiction of any Court of competent jurisdiction within India and to comply with all requirements necessary to give such Court the jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such Court.
- 16) Claims Procedure & Reporting:** It is a condition precedent to the Company's liability that the Insured must, (at the Insured's own expense):
  - (a) Inform the Company in writing immediately and in any event within 14 days of the occurrence of any event that has or may give rise to a claim (unless otherwise specified in the respective Sections).
  - (b) If the event has been occasioned by any act of fraud, dishonesty or criminality, or this is suspected to be so, make a written complaint to the police and any other competent authority that may become involved within 24 hours of the occurrence of such event and obtain a FIR.
  - (c) Preserve and retain any damaged Property and make it available for inspection by the Company or the Company's authorised representative.
  - (d) Not authorise the repair or replacement of any damaged Property without the Company's prior written agreement.
  - (e) Provide the Company with any and all assistance and cooperation including but not limited to the provision of any documentation and information sought in respect of the claims and the Company's liability for it, to the Company's satisfaction. If the Company asks for it, the Insured must provide the Company with a statutory declaration verifying the truth of the Insured's claim and any matters connected with it. If the Company asks for it, the Insured must also give consent to the Company obtaining any document or information from any other person, authority,

establishment or place. The Company shall not be liable to make any payment unless all the Company's investigations are complete.

- (f) Comply with any request made by the Company to be allowed to survey the Insured's Premises for the protection or improvement of the Insured's Property or to reduce the likelihood of a claim under this Policy. Any inspection the Company undertakes shall not relieve the Insured of any obligation to take care under this Policy or the Insured's disclosure obligations at renewal. The Company's inspection may not be relied upon in any way as confirmation that matters not observed or commented upon are satisfactory or compliant, nor may any observations the Company makes be relied upon as being conclusive of the observations that could or should have been made.
- (g) Allow the Company to enter the Insured's Premises for inspection, and to take possession of any damaged Property or have it delivered to the Company by the Insured and to deal with it in a reasonable manner (including examining, arranging and removing it) and to sell it or otherwise dispose it. If the Company does not expressly take possession of the damaged Property the Insured cannot abandon it to the Company.

**17) Claims Aggregation & Section Aggregation:**

- (a) Any claim attributable to the same event or cause shall be deemed to be one claim attracting one Sum Insured and one Deductible and if more than one Sum Insured and/or Deductible applies then respectively the highest applicable.
- (b) If any event gives rise to claims under more than one Section then, unless expressly stated to the contrary in any applicable Section, only one Section shall respond, such Section being that with the highest available Sum Insured.

**18) Agreed Bank Clause:**

It is hereby declared and agreed:-

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.

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.

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.

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.

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 alterations 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

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 on such Mortgagor or Owner or any other party or parties insured hereunder or from any securities or funds available.

N.B: In cases where the name of any Central Government or State Government owned and / or sponsored Industrial Financing or Rehabilitation Financing Corporations and /or Unit Trust of India or General Insurance Corporation of India and/or its subsidiaries or LIC of India/ any Financial Institution is included in the title of the Fire Policy as mortgagees, the above Agreed Bank Clause may be incorporated in the Policy substituting the name of such institution in place of the word 'Bank' in the said clause.