

Add-on Wordings

COMMERCIAL PACKAGE INSURANCE POLICY

SECTION I- STANDARD FIRE AND SPECIAL PERILS INSURANCE

INSURANCE OF ADDITIONAL EXPENSES OF RENT FOR AN ALTERNATIVE ACCOMMODATION (UIN: IRDAN150A0018V01201718)

Policy may be extended to cover the above subject to following:

Additional expenses of rent for an alternative accommodation in respect of non-manufacturing risks may be covered on the following basis:

1. The cover may be granted for non-manufacturing premises only.
2. The cover may be granted under the Policy and not under Consequential Loss (Fire) Policy
3. The period of Indemnity may be limited to the period during which the original premises remain untenable as a result of occurrence of perils insured against. Maximum indemnity period not to exceed 3 (three) years.
4. The additional expense recoverable under the Policy may be additional rent actually paid i.e. the difference between the new and the original rent only.
5. Certificate from the Local Municipal Authority or an Architect to the effect that premises in question are untenable will be accepted as adequate proof of the fact that the premises, in fact, have become untenable
6. Insurance should be granted against Fire, Riot, Strike, Malicious and Terrorist Damage and Earthquake (Fire & Shock) and other Extraneous Perils. Cover against Riot, Strike, Malicious and Terrorist Damage should be granted only if it involves actual physical damage to the building. The cover does not intend to pay, if for instance, the insured's entry is barred by strikers, demonstrators and similar occurrences.
7. The cover may be limited to buildings other than those of "Kutchha" construction.
8. The area for alternative accommodation may be equivalent to the area presently occupied. However, no restriction will apply in respect of locality for the alternative accommodation, so long as the alternative accommodation is taken in the same city of town.

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9. Cover may be permitted to the tenant as also to the Owner-Occupant. Further, in respect of the Owner-Occupant, the alternative accommodation may be limited to the area presently under his occupation.
10. For the Owner-Occupant, since he will not be paying any rent based on the area occupied by him (in comparison with the actual rent being paid by the tenant in the same building or similar buildings in the same locality) the standard rent based on the rateable values fixed by Municipal/Revenue Authorities for tax purposes may be treated as the original rent for the purpose of this insurance.
11. It will be compulsory for
 - i) the Owner-Occupant to insure both building and contents.
 - ii) the tenant to insure the contents of the premises for which he is seeking this extension

Endorsement wording for insurance of rent for alternative accommodation

Tenant or Owner-Occupant

It is hereby 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 accommodation, the Company 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 of months whichever is earlier.

Provided that the liability of the Company shall not exceed Rs..... the Sum Insured hereby.

Provided further that if the sum produced by applying the monthly additional rent, borne by the Insured for the alternative accommodation to the maximum indemnity period is more than the Sum Insured hereby, the liability of the Company shall be proportionately reduced.

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COMMERCIAL PACKAGE INSURANCE POLICY**SECTION I- STANDARD FIRE AND SPECIAL PERILS INSURANCE****Special Conditions:**

1. 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 “Kutchra” Construction.
2. If the area of alternative accommodation 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 accommodation taken by the Insured. The Insured shall be at liberty to take alternative accommodation in any locality so long as it is within the Municipal limit of the city or town in which the PREMISES is situated.

Explanation

Additional Rent: If the Insured is the Owner-Occupant, the additional rent borne by him is arrived at after deducting the standard rent of the premises from the actual rent paid for the alternative accommodation. The standard rent shall be based on the rateable values fixed by the Municipal/Revenue authorities for tax purposes.

If the Insured is a tenant only and for safeguarding his legal tenancy rights is obliged to pay rent for the premises even during the period when it is not fit for occupation, the additional rent borne by him is the actual rent for the alternative accommodation.

If the Insured is a tenant and is not obliged to pay rent for the premises during the period when it is not fit for occupation, the additional rent borne by him is the actual rent paid for alternative accommodation taken less the rent which he was paying for the premises immediately prior to the same being damaged or destroyed by Insured Perils and rendered unfit for occupation.