THE NEW INDIA ASSURANCE COMPANY LIMITED
Head Office : New India Assurance Bldg.
87, M.G. Road, Fort, Mumbai – 400 001
CIN No: L66000MH1919GOI000526 / IRDAI Regn. No.190

**New India Bharat Laghu Udyam Suraksha Policy**
UIN: **IRDAN190RP0012V02202021**

# Key Features Document (KFD)

## *Introduction*

This document gives the important features of Our **New India Bharat Laghu Udyam Suraksha policy**. Here, We describe the policy and answer Your questions. Read it carefully before You buy this Insurance Cover, and keep it safe for future reference.

## *What is the Insurance Cover under this policy ?*

**New India 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 gives three types of covers:**

**1. Standard Cover** for the building and structures, plant and machinery, stock and other assets relating to Your business.

**2. 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.

i. **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)

ii. **Temporary removal of stocks:** Loss to stocks temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.

iii. **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. upto ₹50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data upto ₹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 (twenty) persons during the policy period.

iv. **Start-Up Expenses:** Start-up cost incurred by You, consequent upon a loss or damage due to insured events upto ₹ 5 Lakh (Rupees Five Lakh) during the policy period.

v. **Professional fees:** Reasonable fees of architects, surveyors and consulting engineers upto 5 % of the claim amount.

vi. **Costs for removal of debris:** Reasonable expenses for removal of debris upto 2% of the claim amount.

vii. **Costs compelled by Municipal Regulations:** Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

***Standard Add-ons :***

You can purchase the following standard Add-on on payment of additional Premium.

i) **Floater Cover:** Cover for stocks at multiple locations under one Sum Insured.

ii) **Declaration Policy for Stocks:** Cover for frequent fluctuations in stock/stock values on declaration basis.

***How does New India Bharat Laghu Udyam Suraksha Policy help me ?***

If building and structures, plant and machinery, stock and other assets relating to Your business are lost, damaged or destroyed because of unexpected events that occur during the period of this policy, We provide insurance cover as follows:

| **Your loss** | **Condition** | **We pay, but not more than the Sum Insured** |
|---|---|---|
| Any Insured Property is 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 such property. | Reinstatement Value |
| Stock is completely destroyed (Total Loss) | | a) For raw material: Landed Cost at Your Premises.<br>b) For stock in process: Input Cost of the stock at the time of damage,<br>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 completely destroyed. (Total Loss) | You have not rebuilt the building or reinstated other property. | Market Value (Reinstatement Value less Depreciation) |

## *Does New India Bharat Laghu Udyam Suraksha cover the entire claim?*

We pay Your claim if it is admissible under the terms and conditions of **New India Bharat Laghu Udyam Suraksha** Policy. A provision of 'Excess' applies to each claim, that means, You must bear for each claim the higher of ₹ 10,000 (Rupees Ten Thousand) or 5% of the claim amount, and We will pay the remaining amount of admissible claim. For terrorism risk Excess will be as per the clause attached with the policy.

***Which unexpected events does it cover ?***

We pay for physical loss or damage, or destruction caused to Insured Property by the following unforeseen events. 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** |
|---|---|---|
| 1. | Fire, including due to its own fermentation, or natural heating, or spontaneous combustion. | caused by<br>a. its undergoing any heating or drying process, or<br>b. burning of Insured Property by order of any Public Authority. |
| 2. | Explosion or Implosion | 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<br>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<br>- | caused by<br>a. normal cracking, settlement or bedding down of new structures,<br>b. the settlement or movement of made up ground,<br>c. coastal or river erosion,<br>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. |
| 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.), | a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds.<br>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 | caused by<br>a. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind,<br>b. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or<br>c. temporary or permanent dispossession of any Building by unlawful occupation by any person. |
| 11. | Acts of terrorism<br>(Coverage as per Terrorism Clause) | Exclusions as per Terrorism Clause. |
| 12. | Bursting or overflowing of water tanks, apparatus and pipes, | - |
| 13. | Leakage from automatic sprinkler installations. | a. repairs or alterations in the Building in which Your Business is located,<br>b. repairs, removal or extension of any sprinkler installation, or<br>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 | if it is<br>a. of any article or thing outside Your Premises, or |

| | | |
|---|---|---|
| | Insured Events | b. of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted. |

## *What is the basis of Sum Insured in this Policy ?*

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**.**

**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 the valuation certificate being submitted and found acceptable by Us**.**

## *What is Reinstatement Value ?*

This is the amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation, and to the extent required to bring that 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.

## *Does this policy cover all losses caused by the Insured events ?*

Some events and losses are not covered. Some of these are:

- Your deliberate, wilful or intentional act,
- Loss, destruction or damage to stocks in cold storage due to change in temperature,
- War, invasion, war-like operations,
- Ionising radiation,
- Pollution or contamination,

- Property is missing or has been mislaid,
- Consequential or indirect loss or damage,
- Costs, fees or expenses for preparing any claim,
- Insured premised or building remains unoccupied for more than 30 days,
- Bullion or unset precious stones, any curious or works of art unless specifically declared,
- 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.

**(*Please refer to policy document for complete list of exclusions)**

## *For which property can I take this policy ?*

The policy covers

- Building with its basement (if any), fittings and fixtures, garage, towers, security sheds, internal roads, lifts, air condition systems, security systems, electric installations, fire sprinkler systems and other structures that are located in Your business premises,
- Plant and machinery, spares, accessories,
- Stock of goods or merchandise which may include finished goods, semi-finished goods, stock in process and raw material, packing material etc.,
- Other items like furniture, office and electronic equipment, canteen and kitchen equipment, computers etc.

## *Can I cover curious or works of art under this policy ?*

Bullion or unset precious stones, any curious or works of art are excluded from the Policy. However, these items can be covered if You specifically declare such amount and it is recorded in policy schedule.

## *Are machinery and equipment temporarily removed for repairs, cleaning or similar purposes covered under this Policy ?*

These machinery and equipment are covered under this policy for period not exceeding 60 (sixty) days. If You wish to cover these items post 60 days please contact Us with details of machinery, new locations, Sum Insured etc.

## *Who is eligible to purchase this policy ?*

You can buy this cover for any property pertaining to Your business if You are its owner, tenant, lessee, purchaser, or You hold it as trustee on commission or are responsible for it and liable for taking insurance. It could be for any commercial enterprise upto the limit of value of all Insurable Assets as given below.

You can buy this cover if value of all insurable assets (whether insured or not) at any one location is more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹50 Crore ( Rupees Fifty Crore) at the policy Commencement Date. If the value of Your insurable assets is more than ₹50 Crore at the Policy Commencement Date, You can purchase the applicable policy meant for larger commercial enterprises and pay its premium. If the value of Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period, **New India Bharat Laghu Udyam Suraksha** policy will be replaced by the applicable policy on expiry of this policy.

## *What kind of commercial enterprise is this policy meant for ?*

This policy is applicable for Offices, Hotels, Shops, Industrial/Manufacturing risks, Utilities located outside the compound of Industrial/ Manufacturing risks, Storage risks outside the compound of Industrial/ Manufacturing risks and Tank farms/Gas holders outside the compounds of Industrial/ Manufacturing risks.

## *What amount am I entitled to receive if there is a covered loss ?*

The building, plant and machinery, stock and other assets are covered for the amount that will be required to replace them and basis for the same is mentioned above. This is the sum insured for each item or group of items. If any Insured Property is damaged (Partial Loss),

We pay the amount You have spent on repairs. If any insured property is lost or destroyed completely (Total Loss), We pay the Sum Insured for that item.

The amount of Sum Insured for each cover and item of property is shown in a document called the Policy Schedule. This is maximum amount We will pay, in case the actual cost of repair, rebuilding or replacement is higher. This policy ends when We pay the whole Sum Insured of any cover or item insured.

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 reasonable time, in any case not beyond 12 months from the date of damage or destruction or within such time as We may allow.

In all cases, We will not pay more than the relevant Sum Insured.

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.

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 that what We would pay to reconstruct on the same site.

**Special feature**: Underinsurance upto 15 % of Sum Insured is waived. Underinsurance occurs if the replacement or reinstatement value on 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 New India **Bharat Laghu Udyam Suraksha** Policy, difference upto 15% is ignored, but beyond that underinsurance is applicable to the full extent.

The amount of Sum Insured is declared beforehand for each cover and items of property. It is shown in a document called the Policy Schedule. This is the maximum amount We will pay, in case the actual cost of repair, rebuilding or replacement is higher. This policy ends when We pay the whole Sum Insured of any cover or item insured.

## *Can I buy any other additional covers (add-ons) other than the standard Add-ons ?*

You can opt for an Add-ons by choosing from the Add-ons, if any, offered by Us under this product and the ones that You have purchased will be mentioned in the Policy Schedule and the relevant clause/s and/or endorsements will be attached to this Policy.

## *How much do I pay for this cover ?*

The Premium for the Insurance depends on

(i) the nature of insured property, viz. building, plant, stock etc.

(ii) the amount of Sum Insured,

(iii) the nature of Your business.

(iv) various factors that define the risk profile of Your enterprise… … … … … … … …

## *How long does this cover protect me?*

The cover protects You during the period of the policy which is not more than one year.

## *How and when do I pay the premium ?*

You must pay premium in advance. The insurance cover begins only after We receive Your premium.

## *What are my obligations ?*

You have some obligations to fulfil. You must:

- state all and true information about Yourself, Your property and Your business when You submit a proposal,
- make true and full disclosure in Your claim and documents supporting the claim,
- give Us full cooperation for investigating the claim that You will make,
- make a claim when You suffer loss, and follow the claim procedure,
- ensure that unauthorised persons do not occupy Your premises and whenever Your premises is unoccupied ensure that all security procedures are in force,
- inform to Us change in circumstances such change in nature of business or process, premises or any part of it no longer be solely occupied by You, premises remain unoccupied for 30 days or more, You change the use of premises or building.

## *How do I make a claim ?*

If You suffer a loss that is covered by this policy, You must make a claim. We will verify the claim and accept it if it is according to the terms and conditions of this policy.

When You suffer loss to any Insured Property because of Insured Event, You must

- give notice to Us immediately,
- report to police, fire authorities and other appropriate legal Authorities,
- take all reasonable steps to prevent further damage to Insured Property,
- preserve and collect evidence, take and preserve photographs,
- assist Us and Our representatives in collecting evidence and details, give Us all information, books of accounts, and other documents etc,
- submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage.

## *What is the effect of death of the insured on this policy ?*

If You are an individual, the policy will continue for the benefit of Your legal representatives until the end of the policy period.

## *What will happen if the value at risk for all insurable assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period ?*

If value of Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the Policy Period then **New India Bharat Laghu Udyam Suraksha** policy will continue till the expiry of the policy. However, on renewal, **New India Bharat Laghu Udyam Suraksha** policy has to be replaced with the applicable policy.

## *Can I make changes to this Policy ?*

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

## *Can this Policy be cancelled ?*

**Cancellation at any time:**

You can cancel the policy at any time during the policy period by giving notice to Us in writing.

a] The retail policyholder can cancel the policy at any time during the term,by informing the insurer. In case the Policyholder cancels the policy, he/she is not required to give reasons for cancellation.

(b) The insurer shall –

(i) refund proportionate premium for unexpired policy period, if the term of the policy is upto one year and there is no claim[s] made during the policy period.

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***Cancellation by Us***

We will not cancel the Policy during the policy period except only on the grounds of established fraud, by giving minimum notice of 7 days to the retail policyholder

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## *How can this policy be renewed?*

This policy will expire at the end of the Policy Period. If You wish to renew the Policy, You must apply for renewal before the end of the Policy Period and pay the required premium amount.

**Renewal of this policy is not automatic**, **We** may seek relevant information from **You** for the purpose of renewal. We can reject Your renewal only on grounds on mis-representation, non-disclosure of material facts, fraud or non-co-operation on Your part.

## *How do I obtain this Policy ?*

You can contact any agent of the company or any intermediary or other approved distribution channel, visit Our website for information on this product including whether it is available online, call Our call centre or contact Our office near to You.

## *Where can I find the details of the cover?*

We have given above the broad features of **New India Bharat Laghu Udyam Suraksha** Policy. If You choose this policy, Your transaction with Us will have legal implications. Please also read the 'Prospectus'. Further, detailed terms and conditions of this cover will be stated in a legal document called the 'Policy'. It is therefore important to read the prospectus and the policy.

- You can read these two documents on Our website www.newindia.co.in
- You can download them from Our web-site.
- website https://www.newindia.co.in/portal/readMore/OmbudsmenList
- You can send email and ask for copies. We will email to You soft copies.
- You can get copies from any branch of Our Company.

## *Whom do I contact about this Cover or Policy?*

You can contact any agent of the company or other approved distribution channel, visit Our website for information on this product including whether it is available online, call Our call centre or contact Our office near to You.

## *What do I do if I have a* grievance?

You can send Your grievance in writing by post or email to Our Grievance Redressal Officer at the following address:
Address : The New India Assurance Co.Ltd.,
Head Office, 87 M.G.Road, Fort, Mumbai - 400 001
e-mail : gro@newindia.co.in
e-mail : customer.relation@newindia.co.in

If this does not resolve Your, grievance You may approach the Insurance Ombudsman, depending on the nature of the grievance and the financial implications, if any. You can find more details about Insurance Ombudsmen at www.gbic.co.in or www.irda.gov.in.

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