
Sales Literature

Industrial All Risk Policy (Commercial)

Benefits

- 1) Umbrella Cover
- 2) Economical Rate of Premium
- 3) Option for Higher than standard deductible in return of liberal discounts in premium rate.
- 4) Grey Area claims eliminated altogether.
- 5) Insulation against all possible aspects of risk exposure which may have been overlooked inadvertently.
- 6) Covers eventualities which cannot be taken care of by any of the present operational policies.

Eligibility

Industrial Units - Both manufacturing as well as Storage Units. (Excluding Petroleum Refineries, Petrochemical and Fertiliser Plants)

Scope of cover

The IAR policy is a true “All Risks” operational policy as compared to the present named perils operational policies which have a limited scope of cover. In an “All Risks” cover all fortuitous mishaps are insured barring a few named exclusions. The possible perils insured against are as follows:

A) Material Damager Section

- 1) Fire & Allied Perils
 - Fire
 - Lightning
 - Riot, Strike, Malicious Damager
 - Terrorism
 - Explosion/ Implosion
 - Impact Damage
 - Aircraft Damage
 - Storm, Typhoon, Hurricane, Tornado, Flood and Inundation.
 - Impact damage.
 - Subsidence and landslide including Rock slide.
 - Bursting and overflowing of water tanks, apparatus and Pipes.
 - Missile testing operations.
 - Leakage from Automatic Sprinkler Installation.

-
- Bush Fire.
 - Earthquake, Fire & Shock
 - Leakage and Contamination
 - Spoilage Material damage following operation of Insured Peril
 - Subterranean Fire
 - Spontaneous Combustion
 - Forest Fire
 - Deterioration of Stock following FOES
 - Sprinkler Leakage
2. Theft & Burglary (other than Larceny)
 3. Transit Risk inside insured premises
 4. Boiler & Pressure plant insurance
 - Explosion/implosion due to its own working
 - Explosion due to Smelt water reaction for waste heat boiler
 - Flue Gas Explosion
 5. Machinery Insurance
 - Mechanical & Electrical Breakdown

B) Business interruption Section

1. Loss of profit following fire and allied perils
2. Loss of profit following claims under machinery insurance, boiler& pressure plant insurance or Electronic Equipment Insurance (Optional)

EXCLUSIONS

The intangible but more correct way of viewing such a policy is through its exclusions. In effect, save the few listed exclusions all accidental or damages are covered.

Material Damage Section

A) Excluded causes

- Faulty or defective design or workmanship
- Inherent vice, latent defect
- Gradual deterioration, wear and tear
- Interruption of water supply, gas, electricity or fuel systems
- Failure of effluent disposal systems
- Collapse or cracking of building
- Corrosion, rust, fungus, shrinkage, pollution

- Action of light, vermin, insects
- Larceny
- Acts of fraud and dishonesty
- Inventory losses
- Coastal and river erosion
- Wilful act or wilful negligence
- Cessation of work
- War, invasion, mutiny, civil commotion
- Permanent or temporary dispossession resulting from requisition by lawful authority
- Destruction by order of public authority
- Nuclear weapons material, ionising radiations

B) Excluded property

- Money, cheques and other valuable documents unless specifically mentioned in the policy.
- Goods held in trust or on commission unless specifically mentioned in the policy
- Vehicles licensed for road use
- Property in transit other than that within the insured
- Property in course of demolition, construction or erection
- Land (including top soil) back fill, drainage or culverts, roads, runways, railway lines, reservoir, canals, tunnels, bridges, piers unless specially covered
- Livestock, growing crops or trees
- Property damaged as a result of of its undergoing any process
- Property undergoing alteration, repair, testing, or servicing if damage thereto directly attributable to the operations of work performed thereon

However, if a damage ensue from any of these reason such ensuring damage is covered subject to policy conditions.

Interruption Insurance Section

The policy dose not cover loss resulting from interruption of or interference with the business directly or indirectly from-

- Any restriction or reconstruction or operation imposed by any public authority
- Lack of sufficient capital to ensure timely restriction of normalcy
- Suspension, lapse or cancellation of a lease license or order
- Damage to boilers, economisers, turbines or other vessels where pressure is used resulting from their explosion implosion
- Damage to electronic equipments, computers
- Mechanical breakdown or derangement of machinery

These exclusions are to be deleted in case MLOP cover is opted for.

FAVOURABLE FEATURES

1. Better coverage

- Transit risk cover with compound available
- Cover provided for equipments and machinery send for repairs outside the premises for a limit of 60 days
- No deduction on account of depreciation from claim amount for damage , whether total or partial
- 15% underinsurance has been allowed without affecting claim amount.
- LOP due to burglary and other accidental damage cover
- Standard time excess under MLOP reduced

III Administrative control

- The cover is in widest form
- Single policy document
- Risk located in various places can be covered under a single policy

STANDARD DEDUCTIBLES

Material Damage Claim

5% of the claim subject to a minimum of Rs.5 lacs ,Rs 10 lacs, Rs 25 lacs,Rs 50 lacs for Sum Insured(MD+BI) upto Rs 100 Cr,Above Rs 100 Cr to Rs 1500 Cr,Above Rs 1500 Cr to Rs 2500 Cr and above Rs 2500 Cr respectively per location.

Business Interruption Claims

FLOP:7 days of standard gross profit .

MLOP: 14 days of standard gross profit.

NB: Scheme for higher than standard Deductible available which fetches attractive discount in premium rate.

SUM INSURED

Material Damage Section

- Building, plant, machinery and other fixed assets - at Reinstatement value basis
- Stock and other Current assets - at Market Value

Business Interruption Section

- Turnover less variable Charges