



IFFCO-TOKIO GENERAL INSURANCE CO. LTD

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Trade Protector Insurance Policy-Laghu Udyam

UIN: IRDAN106CP0001V02202122

Prospectus

The Trade Protector Policy is a unique policy specially designed by "IFFCO-TOKIO" that seeks to provide protection to your business against different kind of risks and perils. By opting for this single Policy, the trader covers almost all risks his business is likely to encounter, while concentrating on his business activity.

This Policy is suitable for Shops, Retail Agencies, Dealers, Restaurants, Hair Dresser, Boutiques, Beauty parlours, Laundries, Video Games parlour, Hotels, Restaurants, Guest houses or any other business establishments.

The Policy is divided into 12 convenient Sections providing Comprehensive coverage to various aspects of a business.

SECTION 1: Fire and Allied Perils

The Insurance Cover

In this Prospectus, You will find information about the following insurance covers:

1. **Standard Cover:** We cover physical loss or damage, or destruction caused to the building and structures, plant and machinery, stock and other assets relating to Your business. These are the Insured Properties.

If any Insured Property is lost, damaged or destroyed, We provide 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 /replaced such property.	Reinstatement /Replacement Value (i.e amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation)

Stock is completely destroyed (Total Loss)		<p>a) For raw material: Landed Cost at Your Premises,</p> <p>b) For stock in process: Input Cost of the stock at the time of damage,</p> <p>c) For finished stock: the Manufacturing Cost of the finished stock or the Contract Price of goods sold but not delivered.</p>
Any Building, Plant Machinery, Furniture, Fixture and Fittings is completely destroyed (Total Loss)	a) You have not rebuilt the building or reinstated other property.	Market Value (Reinstatement Value less Depreciation)

- i. 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 12 months from the date of damage of destruction or within such time as We may allow.
- ii. In all cases, We will not pay more than the relevant Sum Insured.
- iii. 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.
- iv. 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 than what We would pay to reconstruct on the same site

2. **In-built Covers:** Under the Standard Cover, We also pay the following:

	In-built Cover	Details
1	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).
2	Temporary removal of stocks	Loss to stocks temporarily removed to other premises for fabrication, processing or finishing upto 10% of value.

3	Cover for Specific Contents	Cover for Money upto ₹50,000 (Fifty Thousand Rupees) 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 persons during the policy period.
4	Start-Up Expenses	Start-up cost incurred by You in respect of insured risk consequent upon a loss or damage due to insured events upto ₹ 5 Lakhs (Rupees Five Lakh).
5.	Professional fees	Reasonable fees of architects, surveyors and consulting engineers upto 5% of the claim amount.
6.	Costs for Removal of debris	Reasonable expenses for removal of debris upto 2 % of the claim amount.
7.	Costs compelled by Municipal Regulations	Additional cost of reconstruction of property incurred solely for complying with municipal regulations.

Which unexpected events are covered?

We pay for the physical loss, damage or destruction caused to Insured Property by the following unforeseen events occurring during Policy Period.
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
	We cover physical loss or damage, or destruction caused to the Insured Property by	We do not cover for loss or damage, or destruction caused to the Insured Property by
1.	Fire, including due to its own fermentation, or natural heating, or spontaneous combustion.	caused by a. its undergoing any heating or drying process, or b. burning of Insured Property by order of any Public Authority.

2.	Explosion or Implosion	<p>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</p> <p>b. caused by centrifugal forces.</p>
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	<p>caused by</p> <p>a. normal cracking, settlement or bedding down of new structures,</p> <p>b. the settlement or movement of made up ground,</p> <p>c. coastal or river erosion,</p> <p>d. defective design or workmanship or use of defective materials, or</p> <p>e. demolition, construction, structural alterations or repair of any property, or ground works or excavations</p>

	Column A	Column B
	We cover physical loss or damage, or destruction caused to the Insured Property by	We do not cover for loss or damage, or destruction caused to the Insured Property by
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.),	<p>a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds.</p> <p>b. caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in course of employment</p>
9.	Missile testing operations	-

10.	Riot, Strikes, Malicious Damages,	<p>caused by</p> <ul style="list-style-type: none"> a. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind, b. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or c. temporary or permanent dispossession of any Building by unlawful occupation by any person.
11.	Acts of terrorism (Coverage as per Terrorism attached)	Exclusions as per Terrorism Clause attached.
12.	Bursting or overflowing of water tanks, apparatus and pipes,	-
13.	Leakage from automatic sprinkler installations.	<ul style="list-style-type: none"> a. repairs or alterations in the Building in which Your Business is located, b. repairs, removal or extension of any sprinkler installation, or c. defects in the construction known to You.
14.	Theft within 7 days from the occurrence of, and approximately caused by, any of the above Insured Events	<p>if it is</p> <ul style="list-style-type: none"> a) of any article or thing outside Your Premises , or b) of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.

Examples

1. **Your insured building catches fire. All its doors are opened for fighting the fire. A person takes advantage of the situation and carries away Insured electronic equipment. Since this theft follows a fire within 7 days of the occurrence of the fire, We will pay for Your loss upto the limits of the applicable Sum Insured for that equipment.**

2. **During riots, a rioter breaks a window of Your shop and takes away articles of value ₹ 95,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riots, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 95,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more than the Sum Insured.**

Standard Add-on covers

You can purchase standard Add-on covers under **Trade Protector Insurance Policy – Sookshma Udyam**. You must apply for these covers, and pay additional premium.

1. Declaration policy for Stocks

You can opt for Declaration Policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Clause and understand these conditions.

Which property can be covered under this policy?

This policy covers the following properties in Your premises, that is, the place You carry on Your business. The properties must be located in Your premises, except some properties that You declare, and the Policy covers in special situations. The **Trade Protector Insurance Policy – Laghu Udyam** covers the following properties.

1. Any building or structure in Your premises where You carry on Your business. It may be a shed, flat, house, unit of a building. It may be made of any material. It includes:

- i. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc.
- ii. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule:
 - a garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences and gates, internal roads,
 - b lifts, hoists,
 - c solar panels, wind turbines and air conditioning systems, central heating systems, security systems and cameras, electrical installations, fire alarm, fire sprinkler systems, power lines, power installations, or
 - d water, gas and sewage pipeline within the premises
- iii. any other structure shown in the Policy Schedule.

2. Plant and Machinery, that is, all equipment, machinery, pipes and cables, spares, computers, servers and preloaded licensed system software, located within any structure or in the open area of Your premises. It includes

- i. machines under repair,
- ii. machines taken on hire or lease, or any system of purchase of goods,
- iii. foundation, bedding or setting of the machines, or
- iv. accessories of machines.

3. Stock of goods or merchandise. It may be:

- i. finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,

- ii. raw materials, packing materials,
- iii. stock accepted for job work for which You are responsible,
- iv. stock held in trust for which You are responsible,
- v. stock in Open in the Insured Premises.

4. All other assets, that is, all other tangible property located in Your premises and used for Your business. It includes

- i. furniture and fixtures, office equipment, telephone equipment, electronic equipment, computers etc,
- ii. canteen and kitchen equipment, gym and permanent sports equipment etc.

Who can purchase this Policy?

1. You can purchase the Trade Protector Insurance Policy – Laghu Udyam for the building or structure if

- i. You own it, or occupy under a lease,
- ii. You occupy it as purchaser under an agreement of sale or lease,
- iii. You are an occupier authorised under any law,
- iv. Your property is occupied by a tenant, a licensee or Your employee, or
- v. You are a tenant under an agreement in writing and are liable to repair it.

2. You can purchase the Trade Protector Insurance Policy – Laghu Udyam for plant and machinery, stock or other property if

- i. You own it, or use it under a lease in writing,
- ii. You hold it in trust or on commission or are responsible for it,
- iii. You have taken plant and machinery or other contents on hire or lease, or any other system of purchase,
- iv. You have accepted stock for job work for which You are responsible.

3. You are eligible to purchase the Trade Protector Insurance Policy – Laghu Udyam

- i. If You carry on any business of manufacturing or production of goods, or of providing or rendering services, and
- ii. if You own or are legally responsible for Your business, and
- iii. if the value of all Your insurable assets at one location is more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹ 50 Crore (Rupees Fifty Crore) at the policy Commencement Date. These include buildings, plant and machinery, stock, and all other assets, even if You have not taken insurance cover for all of them. Insurable Assets include all assets which You own, or hold as tenant or occupant, or hold in trust or on commission, or are legally responsible for.

4. If the value of all Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the policy period, this policy shall, on expiry, be replaced by the applicable policy.

Sum Insured

1. The maximum claim amount: The maximum amount We pay under this Policy is the total Sum Insured. The maximum amount We pay under this Policy for any cover, or any item, or category or group of items, is the Sum Insured for that cover or item, category or group. The Sum Insured for each cover is as per Policy Schedule.

2. Basis of sum insured:

- 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 and more precisely defined below.
 - d. **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.

3. Restoration of Sum Insured:

If We have paid any loss on Your claim, it reduces the Sum Insured. When We pay You the full Sum Insured for any cover or any item covered, the Policy ends to that extent. If You pay proportionate premium for the unexpired policy period, We will restore the policy to the full original amount of Sum Insured during the Policy Period. This ensures full cover during the period of the policy. However, in case You, immediately on occurrence of loss, exercise Your option not to restore the Sum Insured, the Sum Insured shall stand reduced by the amount of loss.

Example

1. *If You repair Your air-conditioning tower insured for ₹ 45 lakhs that is damaged in a fire, and We pay Your claim of ₹ 25 lakhs You can pay proportionate premium for ₹ 25 lakhs for unexpired period in order to take benefit of full cover.*
2. *If the tower is destroyed, and We pay Your claim of ₹ 45 lakhs, the new tower that You install will not be covered under this Policy unless the premium is paid to Us for it.*
3. *If Your building insured for ₹ 20 Crore is severely damaged and We pay You ₹ 20 Crore under the Trade Protector Insurance Policy – Laghu Udyam for its repair and reinstatement, You will not be covered under this Policy for the new building that You construct, unless the premium is paid to Us for it.*

Underinsurance

Underinsurance waiver upto 15%: This is a special feature of the **Trade Protector Insurance Policy – Laghu Udyam**, where We waive underinsurance up to 15%.

The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date of loss. If the Reinstatement/Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, except to the extent waived i.e 15%, it amounts to underinsurance and will reduce proportionate to the difference, the amount that We will pay for Your claim. Every item of Insured Property is subject to this condition separately.

If at the time of the damage the Sum Insured applying to the relevant Buildings, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents is less than 85% of the value of Insurable Assets You will be responsible for the difference and the You will bear a proportionate share of the loss.

Examples (These examples only demonstrate the effect of underinsurance. Final claim payable may vary due to application of Excess and other policy terms)

1. **You have taken insurance for a Sum Insured of ₹ 50 Crore which was the value at risk at the insurance commencement date. The value at risk of insurable items at the time of loss is found as ₹ 57Crore. There is a loss of ₹ 10 Crore. Underinsurance works out to 12.28% . Since it is less than 15%, We will consider the full claim of ₹ 10 Crore for payment.**

2. **Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 25 Crore. This includes some stock that is older than 6 months. Your Trade Protector Insurance Policy – Laghu Udyam covers stock of finished goods for ₹ 30 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 32.5 Crore. The stock of finished goods with manufacturing cost ₹ 10 Crore is burnt in fire. Since underinsurance works out to less than 15% , We will consider the full claim of ₹ 10 Crore for payment.**

3. **Your shop has Trade Protector Insurance Policy – Laghu Udyam. You have insured the structure for ₹ 30 Crore and stock for ₹ 10 Crore. The actual value of structure is ₹ 32 Crore and of stock is ₹ 16 Crore. Stock of ₹ 50 Lakh is burnt in a fire. The stock has underinsurance of 37.5%and hence, we could consider your claim for payment of ₹ 31.25 lakh only (62.5% of ₹ 50 lakh) by applying underinsurance.**

Exclusions, that is, what We do not pay

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1.
 - i. Excess of 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand). This means that We will deduct 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand) for each and every loss suffered by You under the terms of this policy.
 - ii For terrorism risk the Excess shall be as per the Clause attached with this policy.
2. Your deliberate, wilful or intentional act or omission, or of anyone on Your behalf, or with Your connivance.
3. 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. However, any ensuing loss or damage to other insured property due to operation of an insured peril is covered.

4. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
5. Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the Insured Event.
6. Your Premises or any Insured Building remaining continuously unoccupied for a period of more than 30 days unless You have obtained prior written approval from Us and and such approval is recorded as an endorsement on the Policy.
7. War, invasion, act of foreign enemy hostilities or war-like operations (whether war is declared or not), civil war, mutiny, civil commotion amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
8. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component that is part of it.
9. Pollution or contamination, unless
 - i. the pollution or contamination itself has resulted from an Insured Event, in which case only physical damage to the Insured Property is covered, or
 - ii. an Insured Event itself results from pollution or contamination.
10. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
11. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
12. Loss or damage to any Insured Property removed from Your Premises to any other place, except
 - i. Machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days,
 - ii. Stock covered under in-built Cover 'Temporary removal of stocks'.
13. Any reduction in market value of any Insured Property after its repair or reinstatement.
14. Loss or damage to any Insured Property or any claim which is covered by a marine policy in force at the time of loss or damage, except in excess of the limits of that policy.
15. Any consequential or indirect loss or damage of any description, i.e. losses or extra costs (financial or non-financial) that follow or are a consequence of an Insured Event, like, loss by delay, loss of income or wages or earnings, or of market, or of time, medical expenses, or any costs not covered by this Policy.
16. Costs, fees or expenses for preparing any claim.

Premium

The premium is the amount You pay Us for this insurance. The Policy Schedule shows the amount of premium for the Policy Period and all other taxes and levies. Your policy will commence on payment of premium in full.

Client Name	XYZ Ltd.		
Occupation	Automobiles Industries		
Location	Chennai		
Risk Premium			
Rate Table			
Risk	Premium rate per mille		
FLEXA (Automobile Manufacturing)	0.53		
STFI (Industrial)	0.25		
EQ - Zone IV	0.05		
Terrorism - Industrial	0.23		
Total Rate	1.06		
Sum Insured Breakup in ₹		Rate Per Mille	Premium in ₹
Building including plinth, Basement and additional structures	3,00,00,000	1.06	31,800
Plant & Machinery	1,50,00,000	1.06	15,900
Furniture & Fixtures, Fittings and other equipments	75,00,000	1.06	7,950
Stocks	3,75,00,000	1.06	39,750
Base Cover Total	9,00,00,000		95,400
Standard Add-ons Sum Insured Breakup in ₹		Rate Per Mille	Premium in ₹
Floater Cover for Stocks	3,75,00,000	5% of 1.06	1,988
Declaration Policy for Stocks	2,00,000	0.00	0.00
Add-ons Total			1,988
Premium Summary			
Description	Sum Insured in ₹	Premium in ₹	
Basic Cover	9,00,00,000	95,400	
Standard Add-ons		1,988	
Total Premium		97,388	

Changes and Cancellation

1. Changes during Policy Period.

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.

2. You can cancel the Policy.

Cancellation at any time: You can cancel the policy at any time during the policy period by giving notice to Us in writing. If You cancel the Policy, We will refund premium as follows

Time for which Policy in force	Refund of premium
15 days	90%
1 months	85%
2 months	70%
3 months	60%
4 months	50%
5 months	40%
6 months	30%
7 months	25%
8 months	20%
9 months	15%
Exceeding 9 months	No refund

Short Period Table

Time Period	% Short-period premium
15 days	10
1 months	15
2 months	20
3 months	25
4 months	30
5 months	40
6 months	50
7 months	60
8 months	70
9 months	85
Exceeding 9 months	90

3. We can cancel the policy.

We will not cancel the Policy during the policy period except on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation of the insured.

4. Policy ends automatically:

- i. If insured property is lost, destroyed or stolen, or its cost of repair is more than the Sum Insured, and We have paid You the entire Sum

Insured for that property and You have decided not to restore the Sum Insured.

- ii. Change of ownership of insured property
- iii. Sale of Insured Property

Making a claim

1. If You suffer a loss **because** of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
 - i. give notice to Us immediately along with details of the event and Your loss,
 - ii. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
 - iii. take all reasonable steps to prevent further damage to Insured Property,
 - iv. You must not sell, give away or dispose of any damaged items of any property,
 - v. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
 - vi. preserve and collect evidence, take and preserve photographs,
 - vii. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
 - viii. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage,
 - ix. prove that the Insured Event has happened, and the extent of Your loss.

SECTION 2: Burglary and other perils

Property Insured

Same as Part A (Contents) and Part B (Building) under Section 1 (Fire and Allied Perils).

Insured Perils

Theft or attempted theft following violent and forcible entry into or exit from the premises, robbery or Dacoity, Impact damage by falling trees, breakage, collapse and/or falling of television or radio aerials, satellite dishes, damage by civic authorities in prevention of fire.

Exclusions

Exclusions include damage to livestock, money, securities, stamps, bullion, bonds, bills of exchange, uncut precious stones, Damage to property by theft, attempted theft by any member of family, directors or partners.

Extensions

On payment of additional premium this policy extends to cover temporary removal of stocks to other premises for fabrication, processing upto 10% of SI by insured perils of this Section.

Additional Benefit

This section of the policy gives free coverage for outstanding debts upto RS. 25000/- owed to you which is not recoverable following damage of business records by insured perils of Section 1 and 2, Coverage for exploratory and repair costs for locating the source of water damage and repairing it, Cost of replacing locks of external doors, safes, almirahs upto Rs. 5000/- (Rs. Five thousand only), temporary removal of machines to other premises for a period of 60 days, accidental damage to underground pipes/ cables/ services upto Rs. 10000/- (Ten Thousand) for repairing of the same. For these additional benefits, no extra premium is payable.

Claim Settlement

a. CLAIM SETTLEMENT

In the event of Damage to property insured, We will indemnify You by payment or at Our option by repair, replacement or reinstatement. In case of reinstatement or replacement, we shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner subject to limits of Sum Insured. If we so elect to replace or reinstate any property, You shall at Your own expense furnish Us with such plans, specifications, measurements, quantities and such other particulars as We may require and no acts done, or caused to be done by Us with a view to reinstatement or replacement shall be deemed as an election by Us to reinstate or replace.

If in any case, we shall be unable to reinstate or repair the property hereby insured because of any regulation(s) in force affecting the alignment of streets or the construction of buildings or otherwise, We shall in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

b. BASIS OF CLAIM SETTLEMENT

In the event of Damage to the property insured by insured perils during the currency of the Policy, We will:

PART A (CONTENTS)

Under Item 1 (Stock in Trade):

Pay the full cost of replacing stock at prices current at the time, when Damage occurs.

Under Item 2, 3, 4 (Business and Office Furniture, Interior Decoration and All Other Contents) :

Pay the full cost of repair or reinstatement to a condition equal to but not better or more extensive than its condition when new, provided that such cost has been incurred. However, if such cost has not been incurred and also in case of Item 4(All Other Contents) We will pay amount of Damage less due allowance for wear and tear and depreciation.

PART B (BUILDING)

Pay the full cost of repair or reinstatement on the same site or upon another site in any manner suitable to a condition equal to but not better or more extensive than its condition when new, provided that such cost has been incurred.

In case the reinstatement is not carried out or the cost has not been incurred, then We will pay the amount of Damage less due allowance for wear & tear and depreciation

Average Clause

The Sum Insured of each Item under this Section is separately subject to Average (Under-Insurance) as detailed below.

a) IN CASE OF REINSTATEMENT:

If at the time of replacement or re-instatement, the sum representing the total cost which would have been incurred in reinstatement if the whole property covered had been destroyed exceeds the Sum

Insured thereon at the commencement of Damage, You will be considered as Your own Insurer for the difference between the Sum Insured and the sum representing cost of reinstatement of the whole property i.e. Reinstatement Value of the property and shall bear a rateable proportion of the Damage accordingly. Each item, if more than one, shall be separately subject to this condition.

b) **IN CASE OF NON-REINSTATEMENT:**

If in respect of the property insured at the commencement of any Damage by an insured peril, the sum representing the Market Value of the property insured exceeds the Sum Insured thereon, then You shall be considered as being Your own Insurer for the difference and shall bear a rateable portion of the Damage accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

SECTION 3(A): MONEY

Loss by theft, accident or misfortune in following situation:

1. Loss of Money due to accident or misfortune whilst in transit from or to the premises.
2. Loss of Money due to accident or misfortune whilst in transit between any payment/collection centre and bank and vice versa.
3. Loss of Money due to Housebreaking, Robbery, Dacoity, Hold-up whilst at the premises outside Business hours.
4. Loss of Money due to Housebreaking, Robbery, Dacoity, Hold-up whilst at the premises outside Business hours.

NOTE: In Transit the money should be in personal usefully of your employees or your authorised personal representatives and outside business hours, at the premises it should be in safe, strong room, standard cash box, steel almirah under lock and key.

Exclusions

Shortage due to error or omission, Loss of money entrusted to any other person except for authorised representative, loss following use of keys of safe, storage room unless such key has been obtained by assault or violence.

Limit of Indemnity : As Opted by you.

Additional Benefits

Cover also includes Replacement and Repair of safe or strong rooms, Steel almirah, standard cash box, Case, bag, Waist coast when used for carriage of Money upto a limit of Rs.10,000/- (ten thousand only).

SECTION 2B: FIDELITY GUARANTEE.

Cover on floater basis is available against direct pecuniary losses caused by any act of fraud or dishonesty committed by any employee upto Limit of Indemnity.

Exclusions

Not more than one claim in respect of acts or defaults of anyone employee. No liability on us for any act or default done after discovery by you of any act of forgery, embezzlement, larceny or fraudulent conversion on part of such employee.

SECTION 4: FIXED GLASS AND SANITARY FITTINGS

Cover is available for accidental breakage of fixed glass and sanitary fittings in the premises.

Exclusions

Exclusions include Breakage during removal, alterations, repairs in the premises, dis-figuration or scratching of glass, consequential loss due to breakage of Glass etc.,

Additional Benefits

The cover extends to include Damage to frames, framework, alarmist, lettering, painting, embossing, silvery, provided details of such glasses and cost shave been included in the Sum Insured, Accidental Damage to goods incidental to business by breakage of Glass and fixed glasses and sanitary fittings upto a sum of Rs.5,000/- (five thousand only), Boarding up cost following breakage of Glass.

Average (Under insurance)

The Sum Insured of each item under this section is subject to Average.

SECTION 5: ELECTRONIC EQUIPMENT

Cover is provided for Repair or Replacement of Electronic Equipment such as Computer, including Data carrying material damaged by unforeseen sudden loss.

The cover also includes :

1. Cost of dismantling and Re-erection for purpose of repairs.
2. Ordinary freight to and from repair's shop.
3. Custom duties and other dues.

Basis of payment

Full cost of repair or replacement to restore the damaged item to its former state of serviceability (Repair Basis) or Actual Value of the Equipment if the cost of repair exceeds or equals the Actual Value of Item immediately before the damage (total loss basis); the Actual Value of item to be calculated by deducting proper depreciation from the Replacement Value of Item as New of same kind, capacity and type. In repair basis settlement, no deduction will be made for depreciation in respect of parts replaced except those with limited life but the value of salvage will be taken into account.

NOTE: We will make payments only after being satisfied with necessary bills and documents that repairs or replacements have been affected or taken place respectively. However in total loss claim, if the replacements cannot be carried out then the claims will be settled on Indemnity basis. Insured is allowed to carry out provisional repairs upto Rs. 2500/- (Two thousand five hundred only).

Sum Insured

It has to be replacement value of installation by new item of same kind and capacity.

Exclusion

Damage existing at the commencement of cover, wear & tear, cost incurred for elimination of functional failures, maintenance cost, Damage arising through repair, adjustment, improvement, overhaul.

Average

The Sum Insured under each item of this section is subject to Average clause.

Section 6 (Part A): T.V. and Video Equipment

Coverage is available for damage to T.V./ Video equipment in accordance with the coverage of Section 5 (Electronic Equipment) and also with same terms, conditions, warranties and exclusions of Section 5 (Electronic Equipment) subject to following additional exclusions.

Exclusions

An excess of Rs. 500 (rupees Five Hundred) or 5% of the claim amount which ever is higher; damage to external antenna, mast, dishes and mast fittings by theft, damage to picture tubes, tapes due to use in any manner contrary to instructions of manufacturers.

SECTION 6(Part B): PORTABLE COMPUTER, MOBILE PHONE & ELECTRONIC DIARY

Cover may be provided for damage to Portable Computer, Mobile Phone and Electronic Diary anywhere in the World on the same terms, conditions, warranties, perils and exclusions as that of Section 5 except that, the excess will be subject to a minimum of Rs. 250/- (Two Hundred and Fifty) in case of Mobile phones, electronic diary and Rs. 2500/- (Two thousand five hundred) in case of Portable computer.

SECTION 6(Part C): ALL RISK

Cover is on all-risk basis for items such as neon and illuminated signs, hoardings and other trade equipments specified in the Schedule.

Exclusions:

Damage due to any heating or drying process, connivance of Insured person, Moth, Vermin, Mildew, Wear & Tear, Electrical or Mechanical Breakdown, Theft from any unattended vehicle, securities and household goods, overrunning or mechanical derangement etc.

SECTION 7 A: BREAKDOWN OF ELECTRICAL/MECHANICAL APPLIANCES

Cover is provided for Electrical, Mechanical Appliances upto 7(seven) years of age whilst contained in your premises against electrical & mechanical breakdown. The cover also includes cost of dismantling and erection, custom duties and other dues, if insured.

*ANY PROPERTY COVERED UNDER THIS SECTION HAS TO BE NECESSARILY INSURED IN SECTION 1 (CONTENTS).

Basis of Payment

It will be same as described in Section 5 (Electronic Equipment).

Sum Insured

It has to be replacement value of property by new of same kind and capacity.

Exclusions

Exclusions include 1% (one per cent) of Sum Insured or Rs.250/- (two hundred and fifty only) whichever is higher, Damage under responsibility of Manufacturer or supplier, wear & tear, gradually developing flaws, normal freight charges to and from repair shop, Damage by negligence of any employee, partner, director of yours or you etc.

Average

The Sum Insured by each item under this section is subject to average.

SECTION 7 B: DETERIORATION OF REFRIGERATED STOCK

Cover is provided for damage to refrigerated goods by deterioration or putrefaction due to variation in temperature resulting from sudden electrical/mechanical breakdown and accidental escape of refrigerant gases provided that we have accepted the liability for claim under section 7A.

Exclusions

Rs.1000/- (one thousand only) or 5% (five per cent) of the claim amount, consequential loss, wilful neglect on part of you or your employees or any damage insurable under any other section of the policy.

Average

If value of goods at the time of damage exceeds Sum Insured, You will be considered as own insurer.

SECTION 8: PERSONAL ACCIDENT

This Section covers bodily Injury to Insured person solely caused by accidental means resulting in Death, Permanent Disability both total and partial, temporary total disablement. The disability benefits include certain unique features such as loss of speech, fracture of any bone above ankle with established non union, loss of 50% of all sound and natural teeth.

Additional Benefits

- a) Damage to clothing of Insured person up to a maximum of Rs.1000/-.
- b) Ambulance charges for carrying Insured person to Hospital up to a maximum of Rs.1000/- (one thousand)
- c) Transportation cost for carriage of dead body to Home including funeral charges - 2% of C.S.I subject to a maximum of Rs.2500/-(two thousand five hundred only)
- d) Compensation towards Education fund of dependent children for one child – 10% (ten per cent) of C.S.I. subject to a maximum of Rs.5000/- (five thousand only) and for two children 10% (ten per cent) of C.S.I. subject to a maximum of Rs. 15,000/- (fifteen thousand only) (upto age of 23 years).
- e) Loss of Employment as consequence of loss of both eyes or one eye, loss of two limbs or one limb, loss of one eye and one limb and permanent and total disablement upto Rs.15000/- (fifteen thousand only) or 10% per cent) of Capital Sum Insured whichever is lower.

- f) Rehabilitation programme cost or cost for modification of house or car upto a sum of Rs. 50000/- following injuries resulting in Permanent Disablement.

Exclusion

We are not liable for payment of compensation in respect of injury due to suicide or any attempt towards this, intoxicated under influence of liquor or drug, flying except as passenger, pregnancy, AIDS or any derivative of HIV, committing breach of law with criminal intent.

SECTION 8: BUSINESS INTERRUPTION

This section takes care of Profit loss on account of damage to property insured under section 1 (Fire and Allied perils). In the event of damage by Insured perils under Section 1 (Fire and Allied perils), the coverage will be for I) Loss of Trading Profit ii) Accountant's Charges.

1. **Loss of Trading Profit:**

The amount payable under this item shall be for reduction in Gross Profit and increased cost of working.

2. **Accountant's Charges:**

The reasonable charges payable by you to your professional Accountants, Auditors for producing and certifying and documents in connection with the claim.

The Amount Payable under this Section will take into account any sum saved during Indemnity period in respect of business charges, expenses payable out of Gross profit and also any gross profit earned from conducting the Business away from the premises.

Average Clause

If sum insured by this section be less than the sums produced by applying rate of Gross profit to Annual Turnover, the Amount Payable shall be proportionately reduced.

SECTION 10: BAGGAGE

Cover is provided for loss or damage to baggage due to accident or misfortune anywhere in the World.

Baggage will mean personal goods belonging to Insured person(s) or goods for which he/she/they are responsible and being carried on journey.

Limit of Indemnity

Aggregate limit to be opted by you which is also the maximum limit for Any one claim.

Exclusions

Excess of Rs. 500/- (five hundred only) damage not reported to Police, wear and tear, cracking, scratching, Theft from any unattended vehicle, damage by moth, mildew, vermin, cleaning, dying, loose articles, damage by leakage, spilling etc.

SECTION 11: LIABILITY SECTION

a) **Public Liability:**

Liability to Public for accidental bodily injury or property damage. The Policy includes liability for food poisoning and also upto 20% of overall limit of liability for liability arising out of accusation of shoplifting, theft, dishonesty or improper conduct resulting in the wrongful detention, false or malicious prosecution or false imprisonment.

b) **Workman's Compensation**

Liability at law to Workmen for injury including legal cost.

Exclusions

Professional liability, libel, slander, copy right to the property under your care and control. 0.25% (Decimal twenty five per cent) of limit of indemnity subject to minimum of Rs. 1000/- (one thousand only), damage resulting from alterations, additions, repairs, or decoration to the premises, damage resulting from animals, vehicles, aircrafts, shops, etc.

SECTION 12: GOODS IN TRANSIT

Cover is provided for damage to property insured by Fire, Lightning, Breakage of Bridges, Collision, Derailment, strike, lockout, theft and/or non-delivery of the entire package, robbery, dacoity within Geographical limits.

Exclusions

Delay, Inherent vice, wear & tear, fungus, frost, breakdown, leakage, spillage, theft or dishonesty on part of Insured person. Theft from any unattended vehicle, weather conditions. An excess of Rs.1000/- (one thousand only) or 5% (five per cent) of Claim Amount whichever is higher.

Conditions

Average: If the limit anyone sending is less than full value of property on any vehicle in respect of one transit/ several transits then Claim Amount will be proportionately reduced.

SPECIAL FEATURES OF THE POLICY

Explanation of Average

- a) **In case of reinstatement:** If at the time of replacement or re-instatement the Sum representing the total cost which would have been incurred in reinstatement if the whole of property covered had been destroyed exceeds the Sum Insured thereon at the commencement of damage, you will be considered as your own insurer for the difference between the Sum Insured and the Sum representing cost of reinstatement of the whole of property i.e. collective value of the total property and shall bear a rateable proportion of the damage accordingly. Each item if more than one shall be separately subject to this condition.
- b) **In case of non-reinstatement:**
If in respect of the property insured at the commencement of any Damage by an insured peril the sum representing the full Market Value of the property insured exceeds the Sum Insured thereon, then You shall be considered as being Your own Insurer for the difference and shall bear a rateable portion of

the Damage accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

Claim Requirement:

1. You should inform the Insurance Company immediately and fill-up and submit claim form alongwith all relevant documents such as Police Rep0rt, Fire Brigade Report, Medical Bills, Legal Notices, etc., to underwriting office.
2. In the event of Theft by forcible and violent means, Robbery and Dacoity, You should lodge complaint with the Police immediately.
3. You should take immediate action to minimise loss and avoid interruption or interference with the Business or Profession and to prevent further damage or injury.

OTHER HIGHLIGHTS

1. **SECTION 1 is Compulsory.**
2. **Minimum Section(s)** to be insured - **five**
3. **Section Discount**

A) For 6 to 7 Sections	10% discount on premium
B) For 8 to 9 Sections	15% discount on premium
C) For 10 to 12 Sections	20% discount on premium
4. **Renewal Discount:** If you renew the policy with our company, then discount on renewal would be available for same sections insured previously.

1st renewal	--	05% on premium
2nd renewal	--	10% on premium
3rd renewal	--	15% on premium

NOTE: All discounts i.e. Section Discount and Renewal Discount under this policy are available on all Sections except Section 4 (Electronic Equipment), Section 7 (Building).

YOU should fill up the proposal Form carefully and properly value the items to be insured as required in the Policy.

These are only salient features of the Policy. For further details, regarding scope of cover, exclusions, conditions, etc., may kindly contact the nearest IFFCO-TOKIO Office.

This Prospectus

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the **Trade Protector Insurance Policy – Laghu Udyam** document. You must read the policy document to know the insurance cover fully. You can get a copy of the **Trade Protector Insurance Policy – Laghu Udyam** from Our branch or from Our website www.iffcotokio.co.in. For legal interpretation, the policy document will hold.

Grievances

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with

1. Our Grievance Redressal Officer,
2. The Consumer Affairs Department of Insurance Regulatory and Development Authority of India (IRDAI) – You can lodge Your grievance in the Integrated Grievance Management System (IGMS).
3. The Insurance Ombudsman, depending on the nature of grievance and the financial implications, if any.
4. The Consumer Protection Forum or the Court.

About Our Company

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