

INDUSTRIAL ALL RISK POLICY

UIN No. - IRDAN150CP0006V02201213

SALES LITERATURE AND MARKETING BROCHURE

Scope of Cover

The policy is structured on an 'All Risk' basis with specified exclusions and is not a 'named peril' policy. Hence there would not be a fixed set of contingencies covered. Broadly, it would indemnify the Insured against sudden and unforeseen physical loss of or damage to the property insured. The policy would cover all Accidental / Act of God perils unless specifically excluded. There is a separate Business Interruption section in the policy which also covers reduction in gross profit due to business interruption following fire and allied perils. The cover for Business interruption following a machinery breakdown is an optional cover.

Main Exclusions

The policy would have 'named excluded perils' which majorly include war, nuclear / radioactive radiations, willful acts, inventory losses, wear & tear, defective design / workmanship and other listed exclusions specified in the policy wordings under Material Damage section. In the Business interruption section loss of profit due to machinery breakdown is a major exclusion.

Sum Insured

The Sum Insured should represent the erected value of the plant as new as on date under Material Damage section without any deduction for depreciation. Under Business Interruption the Sum insured should represent the Annual Gross Profit of the plant under insurance.

Premium

The main risk factors that would determine the basic rate for this product would be nature of occupancy, geographical location, construction, types of fire protection appliances, nature of goods, past loss experience, deductibles and coverage. There would be other factors like surrounding exposure, age of the asset, housekeeping, maintenance, electrical fittings, value concentration (PML), proportion of stock value etc. which would be used for loading / discounting of the base rates. The business interruption rate would also depend on factors like indemnity period, availability of spares, availability of stand-by machines etc.

Main Extensions

We can further increase the scope of cover with the help of 'add on covers / clauses' by paying additional premium. Some of the important add on covers are listed below

- ✓ Machinery breakdown Loss of Profit Cover

- ✓ Escalation Clause
- ✓ Temporary removal of Stock
- ✓ Omission to insure additions / alterations