HDFC ERGO General Insurance Company Limited

Policy Wordings
Machinery Loss of Profit

Machinery Loss of Profit
UIN: IRDAN125RP0003V01200607

SPECIFICATION A - INSURANCE ON GROSS PROFIT ON OUTPUT BASIS

Item No.	Sum Insured
On Gross Profit	Rs. 45000000

The cover provided under this Policy shall be limited to loss of gross profit due to (a) reduction in output and (b) increase in cost of working and the amount payable as indemnity there under shall be

a. In respect of Reduction in output the sum produced by applying the rate of gross profit to the amount by which the output during the indemnity period shall in consequence of the damage fall short of the standard output.

b. In respect of Increase in Cost of Working; the additional expenditure(subject to provision of memos) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in output which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided.

Less any sum saved during the indemnity period in respect of such of the Insured standing charges as may cease or be reduced in consequence of the damage.

Provided that if the sum insured by this item be less than the sum produced by applying the date of gross profit to the annual output, the amount payable shall be proportionately reduced.

DEFINITIONS

1. GROSS PROFIT
   The sum produced by adding to the Net Profit the amount of the Insured standing charges or if there be no Net Profit, the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.
2. NET PROFIT
   The Net Trading Profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the Premises after due provision has been made for all Standing and Other Charges including depreciation but before the deduction of any taxation chargeable on profits.
3. OUTPUT
   The quantity of produced at the premises, measured in units of _____

I. INDEMNITY PERIOD AND TIME EXCESS
   The Period not exceeding the indemnity period limit stated in the list of machinery and plant insured commencing with the occurrence of the accident during which the results of the business are affected in consequence of such accident provided always that the insurers are not liable for the amount equivalent to the rate of gross profit applied to the standard output during the period of time excess (in terms of _days) stated in the policy.

II. RATE OF GROSS OUTPUT

a.	Rate of Gross Profit : Rate of Gross Profit per unit earned on the output during the financial year immediately before the date of damage	To which such adjustments shall be made as may be necessary to provide for the trend of business and for variations in or special business circumstances affecting the business either before or after the damage or which would have affected the business had damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable. The results which but for the damage would have been obtained during the relative period after the accident.
b.	Standard Output: Output during that period in 12 months immediately before the date of damage which correspond to indemnity period	
c.	Annual Output: Output during that period in 12 months immediately before the date of damage	

PROVISIONS

MEMO 1 - BENEFITS FROM OTHER PREMISES -

If during the indemnity period goods are sold or services are rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales or services shall be taken into account in arriving at the turnover during the indemnity period.

MEMO 2 - RELATIVE IMPORTANCE -

The term relative importance referred to in the list of machinery and plant insured shall be the percentage effect which a breakdown of a particular machine will have on the total gross profit, disregarding any loss minimizing measures.

If in the event of an accident affecting an insured item of machinery, the percentage of relative importance stated in the list of machinery and plant insured for this item is lower than the actual percentage of relative importance subsequently arrived at for the period of interruption, the Company shall only be liable to indemnify the proportion which the percentage of relative importance stated in the list of machinery and plant insured bears to the actual percentage.

MEMO 3 - RETURNS OF PREMIUM

If the Insured declares at the latest twelve months after the expiry of any Policy year that the gross profit earned during the accounting period of twelve months most nearly concurrent with any period of Insurance as certified by the Insured's auditors was less than the sum insured thereon, a pro -rata return of premium not exceeding one half of the premium paid on such sum insured for such period of Insurance shall be made in respect of the difference.

If any accident has occurred giving rise to a claim under this Policy, the amount of such claim shall be added to the revised Gross Profit as certified by the insured's auditors before calculating the proportion of return of premium.

MEMO 4 - OVERHAULS

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption.

MEMO 5 - REINSTATEMENT OF SUM INSURED

For the period following the occurrence of an accident up to the end of the Policy period, the sum insured shall be reinstated by payment of an additional premium on a pro -rata basis. Such additional premium shall be adjusted against the net claim amount payable and such premium shall be calculated for that part of the sum insured, which corresponds to the indemnity, paid. The agreed sum insured shall remain unaltered.

MACHINERY LOSS OF PROFIT INSURANCE(MLOP) POLICY (OUTPUT BASIS)

Whereas the Insured named in the Schedule hereto has made to the HDFC ERGO GENERAL INSURANCE COMPANY Ltd. (hereinafter called `the Company') a written proposal by completing a Proposal cum Questionnaire, which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein.

Now this Policy witnesses that in consideration of the Insured having paid to the Company the premium mentioned in the Schedule and also subject to the Terms, Exclusions, Provisions, Definitions and Conditions contained herein or endorsed hereon.

The Company hereby agrees with the Insured that if at any time during the period of insurance stated in the Schedule, the business carried on by the Insured at the premises specified in the Schedule be interrupted or interfered with in consequence of an Accident which shall mean sudden and unforeseen physical damage, as defined in the Machinery Insurance/ Boiler and Pressure Plant Insurance Policy of any machinery specified in the schedule of machinery then the Company shall in respect of each item in the Schedule indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference.

PROVIDED THAT the liability of the Company during any one-year of Insurance shall in no case exceed in the whole the total Sum Insured hereby or such other sum or sums as may hereafter be substituted therefore by endorsement signed by or on behalf of the Company.

PROVIDED ALSO that at the time of happening of an Accident there shall be in force an insurance covering the machinery described in the Schedule from any accidental cause indemnifiable under the Standard Machinery Insurance Policy and or Boiler & Pressure Plant Insurance Policy and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.

PROVIDED ALWAYS that the due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answer(s) in the proposal shall be conditions precedent to any liability of the Company.

EXCLUSIONS

The Company shall not be liable for any loss resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes:

1. Willful act or willful neglect or gross negligence of the insured or his responsible representatives.
2. Loss or damage to machinery or other items which are not listed in the list of machinery insured even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
3. Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the insured or his responsible representatives whether such faults or defects were known to the Company or not.
4. Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi finished or

finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved.

5. Any restrictions on reconstruction or operation imposed by any public authority.
6. An extension of the normal repair period for more than 4 weeks on account of:
   a. the inability to secure or delays in securing replacement parts, machines or technical services.
   b. the inability to carry or delays in carrying out repairs.
   c. the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
   d. transport of parts to and from the Insured's premises.
7. Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.
8. Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of -
   a. War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organisation, requisition or destruction or damage by order of any government de jure or de facto or by any public. Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimise the consequences thereof.
   b. Nuclear reaction, nuclear radiation or radioactive contamination

CONDITIONS

1. This Policy and the Schedule(s) shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule(s) shall bear such meaning wherever it may appear.
2. This Policy shall be avoidable in the event of misrepresentation, mis-description or nondisclosure in material particular.
3. This Policy shall be avoided if,
   a. the business be wound up or carried on by a liquidator or receiver or permanently discontinued
   OR
   b. the insured's interest ceases otherwise than by death
   OR
   c. any alteration be made whereby the risk of an accident is increased
   OR
   d. the retention of standby or spare machinery or any other loss minimising factors in existence when this insurance was effected be reduced or discontinued unless its continuance is admitted by an endorsement signed by or on behalf of the Company
4. The insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers recommendations.

5. a. Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
   b. The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense, such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall if necessary be adjusted accordingly.
   c. Dismantling and reassembling in connection with any examinations shall be carried out by the Insured on such date or dates as the Company and the insured mutually agree upon for the making of such examinations.

   No material alteration shall be made or admitted by the insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Company.
6. The Insured shall be obliged to keep complete records. All records e.g. inventories, production and balance sheets for the three preceding years shall be held in safe keeping or as a precaution against their being simultaneously destroyed the insured shall keep separate sets of such records.
7. In the event of any occurrence, which gives rise to or is likely to give rise to a claim under this Policy the Insured shall -
   a. Forthwith give notice thereof to the Company
   b. do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom.
   c. as far as may be reasonably practicable without causing any increase in the period of interruption or interference take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim
   d. discontinue the use of any damaged machinery unless the Company authorize otherwise and the Company shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the insurers
   e. in the event of a claim being made under this Policy not later than thirty days after the expiry of the indemnity period or within such further time as the Company may allow in writing at his own expense deliver to the Company a written statement setting forth particulars of his claim together with details of all other policies covering the accident or any part of it or consequential loss of any kind resulting therefrom and the insured shall at his own expense also produce and furnish to the Company such books of accounts and other business books e.g. invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with if required - a statutory declaration of the truth of the claim and of any matters connected therewith.

      No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect any payment already made on account of the claims shall be repaid to the Company forthwith.
8. In the event of an accident to any insured machinery likely to give rise to a claim under this Policy, the Company shall have the right to take over and control all necessary repairs or replacements.

9. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss or damage under this Policy whether such acts and things are or become necessary or required before or after his indemnification by the Company.
10. If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under this policy or if the Accident be occasioned by the willful act or with the connivance of the insured or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection all benefit under this Policy shall be forfeited.
11. If at the time of any accident resulting in a loss under this Policy there be any other insurance covering the same loss or damage, the Company shall not be liable to pay more than its rateable proportion of the loss.

    Multiple policies involving Bank or other lending or financing entity –

    In case there is more than one insurance policy issued to the customer covering the same risk, the Company will not apply contribution clause. Underinsurance will be applied on an overall basis taking into consideration the sum insured under all policies and comparing it with value at risk.
12. The Insured can cancel the policy at any time during the policy term, by informing the Company.

    The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the Insured.

    The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.
13. Midterm increase in Sum Insured

    If the sum insured is increased during the currency of the policy -

    a. Short period scale of rate shall apply to the increased amount.
    b. If the policy is renewed thereafter for twelve months, for an amount not less than the increased total sum insured, the difference of premium between the short period scale of rates and pro-rata rate, may be refunded, or a new policy for the full increased sum insured, may be issued, at the tariff rate (annual or short period, as required) canceling the old insurance and allowing a pro-rata refund for the unexpired period of the cancelled policy.
14. Departmental Clause - Applicable when business has separate sections or departments, each earning a different rate of gross profit.)

    If the business be conducted in departments, the independent trading results of which are ascertainable, the provision of clauses (a) & (b) of item 1 of the specification shall apply separately to each department affected by the damage; provided that if the sum insured by the said item be less than the aggregate of the sum produced by applying the rate of gross profit provided for each department of the business (whether affected by the accident or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.
15. In no case whatever shall the Company be liable in respect of any claim under this Policy after the expiry of -

a. One year from the end of the indemnity period or if later
b. Three months from the date on which payment shall have been made or liability admitted by the Company covering the Accident giving rise to the said claim unless the claim is subject of pending action.

16. Every notice and other communication required by these conditions must be written or printed.

Contact Us

Claim Intimation:	**Claim document submission at address**
Contact Us - 022 6158 2020/ 022 6234 6234 **Email**: care@hdfcergo.com	The Manager Claims Department HDFC ERGO General Insurance Company Limited 6th Floor Leela Business Park Andheri Kurla Road, Andheri East Mumbai-400059 India

GRIEVANCE REDRESSAL PROCEDURE

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Call Centre - 022 6158 2020 / 022-6234 6234
- Emails – grievance@hdfcergo.com
- Designated Grievance Officer in each branch.
- Company Website – www.hdfcergo.com
- Courier - Any of our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Redressal Cell at any of our branches with the details of your grievance during our working hours from Monday to Friday.
If you are not satisfied with our redressal of your grievance through one of the above methods, you may contact our Head of Customer Service at:

The Complaint & Grievance Redressal Cell,
HDFC ERGO General Insurance Company Limited
D-301,3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West),
Mumbai – 400078, Maharashtra

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to the Chief Grievance Officer of the Company at the following address:

To the Chief Grievance Officer
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West),
Mumbai - 400078, Maharashtra

e-mail: cgo@hdfcergo.com

Grievance may also be lodged at IRDAI Integrated Grievance Management system - https://bimabharosa.irdai.gov.in

You may also approach the nearest Insurance Ombudsman for resolution, if your grievance is not redressed by the Company. The contact details of Ombudsman offices are below if your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of your insurance document

You may also refer Our website www.hdfcergo.com , https://www.hdfcergo.com/customer-voice/grievances for detailed grievance redressal procedure.

Grievance may also be lodged at IRDAI Integrated Grievance Management System https://igms.irda.gov.in

ANNEXURE A

Ombudsman Details

The contact details of the Insurance Ombudsman offices are as below-

Office Details	Jurisdiction of Office Union Territory, District)
AHMEDABAD **Office of the Insurance Ombudsman,** Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02 Email: oio.ahemdabad@cioins.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
BENGALURU **Office of the Insurance Ombudsman,** Jeevan Soudha Building, PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: oio.bengaluru@cioins.co.in	Karnataka.
BHOPAL **Office of the Insurance Ombudsman,** 1st floor,"Jeevan Shikha", 60-B, Hoshangabad Road, Opp. Gayatri Mandir, Arera Hills Bhopal – 462 011. Tel.: 0755 - 2769201 / 2769202 / 2769203 Email: oio.bhopal@cioins.co.in	Madhya Pradesh, Chhattisgarh.

BHUBANESWAR **Office of the Insurance Ombudsman,** 62, Forest park, Bhubaneswar – 751 009. Tel.: 0674 - 2596461 /2596455/2596429/2596003 Email: oio.bhubaneswar@cioins.co.in	Odisha.
CHANDIGARH **Office Of The Insurance Ombudsman,** Jeevan Deep Building SCO 20-27, Ground Floor Sector- 17 A, Chandigarh – 160 017. Tel.: 0172-2706468 Email: oio.chandigarh@cioins.co.in	Punjab, Haryana (excluding Gurugram, Faridabad, Sonepat and Bahadurgarh), Himachal Pradesh, Union Territories of Jammu & Kashmir,Ladakh & Chandigarh.
CHENNAI **Office of the Insurance Ombudsman,** Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, Chennai – 600 018. Tel.: 044 - 24333668 / 24333678 Email: oio.chennai@cioins.co.in	Tamil Nadu, Puducherry Town and Karaikal (which are part of Puducherry).
DELHI **Office of the Insurance Ombudsman,** 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 46013992/23213504/23232481 Email: oio.delhi@cioins.co.in	Delhi & following Districts of Haryana - Gurugram, Faridabad, Sonepat & Bahadurgarh.
GUWAHATI **Office of the Insurance Ombudsman,** Jeevan Nivesh, 5th Floor, Near Pan Bazar , S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2632204 / 2602205 / 2631307 Email: oio.guwahati@cioins.co.in	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.
HYDERABAD **Office of the Insurance Ombudsman,** 6-2-46, 1st floor, "Moin Court", Lane Opp.Hyundai Showroom ,	Andhra Pradesh, Telangana, Yanam and part of Union Territory of Puducherry.

A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 / 23376991 / 23376599 / 23328709 / 23325325 Email: oio.hyderabad@cioins.co.in	
JAIPUR **Office of the Insurance Ombudsman,** Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141- 2740363 Email: oio.jaipur@cioins.co.in	Rajasthan.
KOCHI **Office of the Insurance Ombudsman,** 10th Floor, Jeevan Prakash, LIC Building, Opp to Maharaja's College Ground, M.G.Road, Kochi - 682 011. Tel.: 0484 - 2358759 Email: oio.ernakulam@cioins.co.in	Kerala, Lakshadweep, Mahe-a part of Union Territory of Puducherry.
KOLKATA **Office of the Insurance Ombudsman,** Hindustan Bldg. Annexe, 7th Floor, 4, C.R. Avenue, Kolkata - 700 072. Tel.: 033 - 22124339 / 22124341 Email: oio.kolkata@cioins.co.in	West Bengal, Sikkim, Andaman & Nicobar Islands.
LUCKNOW **Office of the Insurance Ombudsman,** 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 4002082 / 3500613 Email: oio.lucknow@cioins.co.in	Districts of Uttar Pradesh : Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhabdra, Fatehpur, Pratapgarh, Jaunpur,Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.
MUMBAI **Office of the Insurance Ombudsman,**	List of wards under Mumbai Metropolitan Region excluding wards in Mumbai –

3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 69038800/27/29/31/32/33 Email: oio.mumbai@cioins.co.in	i.e M/E, M/W, N, S and T covered under Office of Insurance Ombudsman Thane and areas of Navi Mumbai.
NOIDA **Office of the Insurance Ombudsman,** Bhagwan Sahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P-201301. Tel.: 0120-2514252 / 2514253 Email: oio.noida@cioins.co.in	State of Uttarakhand and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kannauj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautam Buddh nagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.
PATNA **Office of the Insurance Ombudsman,** 2nd Floor, Lalit Bhawan, Bailey Road, Patna 800 001. Tel.: 0612-2547068 Email: oio.patna@cioins.co.in	Bihar, Jharkhand.
PUNE **Office of the Insurance Ombudsman,** Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-24471175 Email: oio.pune@cioins.co.in	State of Goa and State of Maharashtra excluding areas of Navi Mumbai, Thane district, Palghar District, Raigad district & Mumbai Metropolitan Region
THANE **Office of the Insurance Ombudsman,** 2nd Floor,Jeevan Chintamani Building, Vasantrao Naik Mahamarg, Thane (West)- 400604 Tel.: 022-20812868/69 Email: oio.thane@cioins.co.in	Area of Navi Mumbai, Thane District, Raigad District, Palghar District and wards of Mumbai, M/East, M/West, N, S and T."