

DIGIT CONTRACTOR'S PLANT AND MACHINERY INSURANCE POLICY (COMMERCIAL)
PROSPECTUS
(UIN: IRDAN158CP0103V01201819)

Go Digit General Insurance Ltd.

Go Digit General Insurance Ltd. ("Digit") is a new general insurance company being set up in India and is backed by Fairfax Financial Holdings Ltd. Fairfax is a large Canada based diversified financial services group engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

At Digit, our mission is to make Insurance products that are simple and transparent. For us, making Insurance simple translates into – Easy interface for customers to interact with us, Simple products, Simple and effective claims' process. Our goal is to offer products and services that customer really wants and back it by service, that we can be proud of. We have a team that brings in years of experience in Insurance and technology companies. We want to become a part of consumers' lives and enable them to live without worrying about uncertain future.

Product Introduction

At Digit, we understand that some things are just beyond one's control, such as any damage caused to a machinery on a construction site. We get that the machineries are generally used under rough conditions as they perform the toughest task on the project/construction site, and hence are more vulnerable to damage. Therefore, we are offering Digit Contractor's Plant and Machinery Insurance Policy (Commercial) which is aimed at providing a cover for unforeseen and sudden physical loss or damage to various plant and machinery used on project sites.

Who Can buy this Product?

This Product can be bought by Entities having insurable interest in construction plant and machinery with Aggregate Sum Insured above Rs. 5 Crore. We will also cover Banks and Financer's interest, if any involved by including it as a joint name.

What risk is covered under the Digit Contractor's Plant and Machinery Insurance Policy?

This Product shall cover any unforeseen and sudden physical damage to the plant and machinery by any cause not excluded.

Plant and machinery shall include mobile equipment's such as cranes, compressors, bulldozers, excavators, fork lift trucks, conveyors and the like.

The cover is operative while the plant and machinery is at work or at rest or being dismantled for the purpose of cleaning or overhauling, or during subsequent erection.

In addition, you also have an option to opt for below endorsements on payment of additional premium:

1. **Escalation Clause:** If you have opted for this endorsement, the Sum Insured, during the Policy Period will be increased each day by an amount representing 1/365th of the specified percentage increase per annum i.e. automatic regular increase in Sum Insured throughout the policy period.
2. **Owner's Surrounding Property:** If you have opted for this endorsement, the policy is extended to cover loss or damage to property located at or adjacent to the site and belongings to or held in care custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of the insured items while at rest or in views for construction or erection during policy period.
3. **Third Party Liability:** If you have opted for this endorsement, we will indemnify you:
 - a) Against legal liability for the accidental loss or damage caused to the property of other persons.
 - b) Against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the works/site/premises/ location

or employees of the other firms/connected with any other work site/ premises/ location or members of the family of the insured or any of the aforesaid.

4. **Express Freight:** If you have opted for this endorsement, this Policy shall be extended to cover extra charges for express freight (excluding air freight).
5. **Air Freight:** If you have opted for this endorsement, we will indemnify you towards Air Freight incurred by the You in connection with the indemnifiable loss under the Policy.
6. **Additional Customs Duty:** If you have opted for this endorsement, we will indemnify you towards the additional Customs Duty, which may be incurred by you over and above the Customs Duty amount taken into account in arriving at the Sum Insured of the affected item.

What are the Exclusions under this Policy?

We shall not be liable under this policy in respect of -

- a. The Excess to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items.
- b. Loss or damage due to electrical or Mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage will be indemnifiable.
- c. Loss of or damage to replaceable parts and attachment such as bits, drills, knives or other cutting edges, saw blades dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, joining and packing material regularly replaced.
- d. Loss or damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine.
- e. Loss of or damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction site.
- f. Loss of or damage to Hull and machinery of waterborne vessels or crafts, however this exclusion shall not apply to Contractor's Plant and Machinery mounted on water borne vessels or crafts for the purpose of use for the contract work.
- g. Loss or damage due to total or partial immersion in tidal waters.
- h. Loss or damage whilst in transit, from one location to another location. (Public Liability will not be payable while Contractor's Plant & Machineries are on Public Roads).
- i. Loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions).
- j. loss or damage occurring whilst any insured item is under- going a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- k. Loss of or damage to plant and/or machinery working underground. (Note- This does not apply to Machineries used in Tunneling works).
- l. War, Invasion, act of foreign enemy, hostilities or war like operation (whether war be declared or not), Civil War, Rebellion Revolution Insurrection, Mutiny, 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.
- m. Loss or damage directly or indirectly caused by, or arising out of, or aggravated by nuclear reaction, nuclear radiation or radioactive contamination.
- n. loss or damage due to any faults or defects existing at the time of commencement of this policy within the knowledge of the insured or his representatives, whether such faults or defects were known to the Company or not.
- o. Loss or damage directly or indirectly caused by or arising out of or aggravated by the willful act or willful negligence of the insured or his representatives.

- p. Loss or damage for which the supplier or manufacturer is responsible either by law or under contract.
- q. Consequential loss or liability of any kind or description.
- r. Loss or damage discovered only at the time of taking an inventory or during routine servicing.
In any action, suit or other proceeding where the company allege that by reason of the provisions of exclusions (m) to (q) above any loss, destruction or damage is not covered by this policy, the onus of proving that such loss, destruction or damage is covered shall be upon the insured.
- s. Terrorism Damage Exclusion Warranty:
Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.
The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to action taken in respect of any act of terrorism.
If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the insured.
In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

How to calculate the Sum Insured for my Machinery?

To arrive at the Sum Insured You need to take into consideration the replacement cost of Your machinery by new machinery of the same kind and same capacity, including freight, dues and customs duties if any and erection costs.

How will be the claim settlement done under this Policy?

Claim settlement shall be as below:

For Partial Loss: We will pay the entire cost of replacement of parts plus repair charges cost of dismantling and re-erection. Depreciation is applied only for the parts with limited life. If the repair works are undertaken by You actual material and labour costs plus a reasonable quantum of overheads is payable. Salvage is deducted. If the Sum Insured is not adequate, under insurance will be applicable and policy will pay the claim proportionately.

For Total Loss: We will pay the actual market value of item immediately before the occurrence of loss less salvage and depreciation subject to adequacy of Sum Insured

In both cases freight and customs duty are also paid if they are included in Sum Insured. Policy excess will be deducted from the claim.

How do I get the premium amount for this Insurance Cover?

Based on filled proposal form and information furnished, we will provide you with the premium amount.

What is the renewal condition under this Policy?

We are not bound to accept any renewal premium or give notice that renewal is due. Under normal circumstances, renewal will not be refused except on the grounds of moral hazard, misrepresentation or fraud of the Insured.

The renewal premium shall be as per the rates approved by IRDAI on the date of renewal for this product.

Is there any provision to cancel the policy?

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium calculated at the customary short period rate for the time the policy has been in force.

The Company may cancel the policy on grounds of misrepresentation, fraud, non-disclosure or non-co-operation by the insured, giving 15 days' notice to the insured for the cancellation and there would be no refund of premium.

What do I do in case of a claim?

In case of a claim, we request you to register a claim by contacting our Customer Service No. 1800 258 5956: You can, alternatively, also register a claim by email on: hello@godigit.com

Please keep below details handy at the time of registering claims as this information will help us serve you faster: Policy Number, Location of Accident, Date and Time of Accident & Contact Number of the Insured/Caller.

IMPORTANT NOTE: Above is a summary of Coverage and Exclusions, please refer to detailed Policy Terms & Conditions and Policy Schedule for full description which shall prevail in the event of any claim/complaint/dispute.