DIGIT ADVANCE LOSS OF PROFIT INSURANCE (COMMERCIAL)
PROSPECTUS
UIN: IRDAN158CP0020V02202021

Go Digit General Insurance Ltd.

Go Digit General Insurance Ltd. ('Digit') is a new-age general insurance company that is backed by the Fairfax Group – one of the world's largest financial holding companies which is engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

Digit's singular mission is to make insurance simple for all. With that mission in mind, we are reimagining products and redesigning processes. Our products are designed keeping the consumer in mind, our processes are simple, fast and transparent & our documents are easy to understand. With the help of cutting-edge technology and people who bring in years of experience in both the insurance and technology domain, we want to be the new-age insurance company that's revolutionising the insurance industry. And by doing so, we want to be part of our consumers' lives by enabling them to live life, without worrying about an uncertain future.

Product Introduction

Huge Construction and Erection projects are expected to be completed and certain revenue is estimated to be generated upon the completion of such projects and subsequent period. These projects are exposed to various kinds of risks like fire, accidental damage, storm, flood etc. and due to damages from such perils, commencement of project is delayed, and the construction/erection is interrupted. These result in loss of gross profit due to reduction in turnover and increased cost of working. Digit Advance Loss of Profit will cover this financial loss, I.e. the loss of anticipated gross profit, due to perils covered under Erection All Risk or Contractor's All Risk – Material Damage policy.

Who Can buy this Product?

This Product can be bought by entities/firms/trusts/companies involved in the undertaking of construction or erection projects who anticipate a loss of gross profit due to a loss covered and admitted under Construction All Risk Policy or Erection All Risk Policy. The minimum Sum Insured requirement under this Policy is INR 5 Crores.

What are the Coverages available under the Policy?

In consideration of the Insured named herein paying to GO DIGIT GENERAL INSURANCE LIMITED (herein after called the Insurer/Company), the premium as stated in the Policy Schedule and realization thereof by the Insurer and in reliance upon the statements made by the Insured in the Proposal and Declaration, the Insurer hereby agrees to indemnify the Insured named as Principal in respect of loss of gross profit actually sustained due to the reduction in turnover and the increased cost of working as defined in this policy, if at any time during the Policy Period stated in the Policy Schedule any or all the Insured Items suffer loss or damage covered and admitted under the underlying Erection All Risk or Contractor's All Risk - Material Damage Section of the Policy Number mentioned in the Policy Schedule, unless specifically excluded, thereby causing an interference in the erection and/or construction work and/or testing schedule resulting in a delay of commencement of and/or interference with the insured business, hereinafter referred to as "the delay".

The amount payable as indemnity hereunder shall be:

- In respect of loss of gross profit: the sum obtained by applying the rate of gross profit to the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay not occurred;

- In respect of increased cost of working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have taken place during the indemnity period, but not exceeding the sum obtained by applying the rate of gross profit to the amount of the reduction in turnover thereby avoided.

Provided that if the Sum Insured be less than the sum produced by applying the Rate of Gross Profit to (where the Indemnity Period exceeds 12 months insert "times" as may be appropriate e.g. for 18 months insert one and a half times) the Annual Turnover, the amount payable shall be proportionately reduced.

What are the Exclusions applicable to this Policy?

The Insurers shall not be liable for:

1. loss of gross profit and/or increased cost of working due to any delay caused by or resulting from
   1.1. loss or damage covered under Material Damage Policy by way of endorsement, unless it has been specifically agreed in writing;
   1.2. earthquake, volcanic eruption, tsunami, unless it has been specifically agreed in writing;
   1.3. loss of or damage to surrounding property, construction machinery, plant and equipment;
   1.4. loss of or damage to operating media or feedstock, shortage, destruction, deterioration of or damage to any materials necessary for the insured business;
   1.5. any restrictions imposed by a public authority;
   1.6. non-availability of funds;
   1.7. alterations, additions, improvements, rectification of defects or faults or elimination of any deficiencies carried out after the occurrence
2. Loss of or damage to items taken over or taken into use by the insured or for which the cover under Erection All Risk or Contractor's All Risk – Material Damage Policy has ceased.
3. Any loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
4. loss of business due to causes such as suspension, lapse or cancellation of a lease, licence or order, etc. which occurs after the date of actual commencement of the business;
5. loss of or damage to erection and/or construction work of a prototype nature, unless specifically agreed by endorsement.
6. Terrorism Damage Exclusion Warranty
   This Policy 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 exclusion, an act of terrorism means an act or series of acts, 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 organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.
   This exclusion also includes loss, damage, cost or expense 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 the above.

What are the Conditions applicable to this Policy?

1. The Policy and Policy Schedule 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 the Policy Schedule shall bear such specific meaning wherever it may appear.
2. The Insured shall present the Company with updated progress reports of implementation of the project at intervals stated in the Policy Schedule.
3. In the event of any material change in the original risk such as:
   - Changes of the envisaged progress programme, testing procedure, etc.
   - Alteration, modification or addition to any item of machinery or work, etc.
   - Departure from prescribed construction or operation conditions
   - Changes in the Insured's interest (such as discontinuation or liquidation of the business or its being placed in receivership) taking place,

   the Policy shall be void unless its continuance be agreed by memorandum signed by the Company.
4. In the event of any occurrence which might cause a delay and give rise to a claim under this policy:
   a. The Insured shall immediately notify the Company in writing thereof within forty-eight hours of the occurrence;
   b. The Insured shall 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 interference with the erection work and/or construction work and/or testing schedule so as to avoid or diminish any delay resulting therefrom.
   c. The Company and every person authorized by the Company shall, without prejudice to any party insured by this Policy, have access to the erection and/or construction site where such loss or damage has occurred for the purpose of direct negotiation with the responsible contractor or subcontractor in order to establish the possible cause and extent of the loss or damage, its effect on the insured items, to examine the possibilities for minimizing any delay to the scheduled date of commencement of the insured business, and if necessary to make any reasonable recommendations for the avoidance or minimization of such delay.
      This condition shall be evidence of the leave and license of the Insured to the Company so to do If the Insured or anyone acting on the Insured's behalf hinders or obstructs the Company during any of the abovementioned acts or does not comply with such recommendations of the Company, all benefits under this Section shall be forfeited.
5. In the event of a claim being made under this Policy, the Insured shall at the Insured's own expense deliver to the Company not later than thirty days after the delay or within such further periods as the Company may allow in writing a written statement setting forth particulars of his claim. Furthermore, the Insured shall at his own expense produce and furnish to the Company such books of account and other business books, e.g. invoices, balance sheets and other documents, proofs, information, explanations or 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.
6. The indemnity shall be payable one month after final determination of its amount.
   Notwithstanding the above, the Insured may, one month after the Company have been duly notified of the loss and have acknowledged their liability, claim as advance payment(s) the minimum amount(s) payable under the prevailing circumstances.
   The Company shall be entitled to postpone payment:
   a. If there are doubts as to the Insured's right to receive payment, until the necessary proof is furnished;
   b. If, as a result of any loss or damage or any delay to the anticipated date of commencement of the insured business, police or criminal investigations have been initiated against the Insured,

until the completion of such investigations the Company shall not be liable to pay interest on indemnity moneys withheld.

7. The Insurers shall have free access to inspect the books of accounts of the insured.
8. If at any time any event shall occur materially affecting the risks insured hereunder the Insured shall give notice in writing to the Insurers immediately,
9. Every letter, claim, summons and legal process pertaining to the coverage offered under this Policy and the insured items covered hereunder shall be notified or forwarded to the Insurers immediately. Notice shall also be given to the Insurers immediately after the Insured shall have knowledge of any impending prosecution, inquest or enquiry in connection with any such occurrence as aforesaid. In case of claim or generally, the Insurers may be contacted at the E-mail ID, Customer Care Number or address mentioned in the Policy Schedule.
10. The Insurers may after admission of liability pay to the Insured the maximum indemnity amount on receiving the documentary evidence and thereafter the Insurers shall not be under any further liability to the Insured in respect of such claim.
11. In the event of a claim, if there exists any other policy in favour of the Insured for the same subject matter of insurance, the Insurers shall not pay more than its rateable proportion of such claim.
12. The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996
13. The Insurers shall not be liable to make any payment under this Policy in respect of any claim if such claim shall be in any manner fraudulent or supported by any statement or device whether by the Insured or by any person on behalf of the Insured if the insurance have been continued in consequence of any material mis statement or non-disclosure of any material information by or on behalf of the Insured.
14. The Insurers shall be entitled in the name of the Insured to have absolute conduct and control of all or any proceedings that it considers necessary for the purpose of securing reimbursement in respect of insured items and the Insured shall at the Insurer's expense furnish all such assistance as may reasonably be required by the Insurers in connection with such proceedings. The Insurers shall be entitled to take over and conduct in the name of Insured the defense or settlement of any claim in the name of Insured for its own benefit in pursuance of any remedies to which the Insurers shall be or would become entitled or subrogated upon its indemnifying the Insured. The Insurers shall have full discretion in conduct of any proceedings and in settlement of any claim and the Insured shall give all such assistance and information as the Insurers may require.
15. The Insured understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the Insurer's decision to provide this insurance. The Insured further understands that the Insurer will, in its sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.

Is there any Provisions applicable under this policy?

Yes, the below are the applicable provisions under this policy:

Memo 1 – Extension of period

Any extension of the Policy Period under Material Damage Policy shall not automatically lead to an extension of the Policy Period stated in the Policy Schedule to this policy.

Any extension of the Policy Period under this Policy shall be requested in writing as early as possible by the Insured, stating the circumstances leading to the need for extension, and shall have effect for this Policy only if specifically agreed upon in writing.

Any alteration of the scheduled date of commencement of the insured business shall be reported and shall have effect for this policy only if specifically agreed upon in writing.

Memo 2 – Basis of loss settlement

In calculating the rate of gross profit and annual turnover, the following points shall in particular be taken into consideration:

a) the results of the insured business for the 12-month period after commencement,
b) variations and special circumstances which would have affected the insured business had the delay not occurred,
c) variations and special circumstances affecting the insured business after commencement,

So that the final figures represent as closely as may be reasonably practicable the results which the insured business would have obtained after the scheduled date of commencement had the delay not occurred.

Memo 3 – Return of premium

If the Insured declares (certified by the Insured's auditors) that the gross profit earned during the accounting period of twelve months following the commencement of the insured business or the date on which but for the delay the business would have commenced was less than the sum insured thereon, a pro rata return of premium not exceeding one third of the premium paid shall be made in respect of the difference.

If any loss or damage has occurred giving rise to a claim under this Policy, such return shall be made in respect only of so much of said difference as is not due to such damage.

What is the maximum period of cover available under this Policy?

The maximum Policy Period will be equivalent to Policy Period of corresponding project policy- Erection All Risk Policy or Contractor's All Risk Policy.

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.

Is there any provision to cancel the policy?

Cancellation by Insured: This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate mentioned in the table below for the time the policy has been in force, subject to 'No Claim' under the Policy during the period of insurance.

Policy In Force	Premium Retention
For a period not exceeding 15 days	10% of the Annual Rate
For a period not exceeding 1 month	15% of the Annual Rate
For a period not exceeding 2 months	30% of the Annual Rate
For a period not exceeding 3 months	40% of the Annual Rate
For a period not exceeding 4 months	50% of the Annual Rate
For a period not exceeding 5 months	60% of the Annual Rate
For a period not exceeding 6 months	70% of the Annual Rate
For a period not exceeding 7 months	75% of the Annual Rate
For a period not exceeding 8 months	80% of the Annual Rate
For a period not exceeding 9 months	85% of the Annual Rate
For a period exceeding 9 months	Full Annual Rate

Cancellation by Insurer: This insurance may also at any time be terminated at the option of the Company, on 15 days' notice to that effect being given to the Insured on ground of mis-representation, fraud, non-disclosure of material facts and non-co-operation by the insured 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.

What do I do in case of any grievance?

We hope that We never leave You dissatisfied. However, if You ever wish to lodge a complaint, please feel free to call our Toll-free number 1-800-258-5956 or email the customer service desk at hello@godigit.com.

Senior citizens can now contact us on 1-800-258-5956 or write to us at seniors@godigit.com.
Email: grievance@godigit.com
For further information, please refer the below link,
https://www.godigit.com/claim/grievance-redressal-procedure
The policyholder or the claimant also has the option to register the complaint on-line at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/

For updated details of Ombudsman details, request to please check Council of Insurance Ombudsmen website available on https://www.cioins.co.in/Ombudsman

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.