Digit Boiler and Pressure Plant Insurance (Commercial)
PROSPECTUS
UIN: IRDAN158CP0088V01202021

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

A Boiler and Pressure Plant insurance covers physical loss or damage to boilers and/or another pressure plant, surrounding property, third party legal liability arising out of explosion and collapse of the boiler/pressure plant during its normal course of working. Digit has designed the Digit Boiler and pressure plant Insurance, which would indemnify the customer in case of loss arising from such perils.

To whom can this Product be sold?

This Product can be bought by entities/firms/trusts/companies who may suffer financial loss due to any Explosion or Collapse of the Boiler/Pressure Plant they own with a policy sum insured of 5 crores or more.

What are the detailed coverages, specific conditions and provisions under the Digit Boiler and Pressure Plant Insurance (Commercial)?

That subject to the term's exceptions, exclusions, provisions, definitions, warranties, and conditions contained herein or endorsed hereon, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against –

1) Damage (other than by fire) to the Boilers and/or other Pressure Plant described in the Schedule;
2) Damage (other than by fire) to surrounding property of the Insured described in the Schedule or to property held by the Insured in trust or on commission or for which he is responsible;
3) Liability of the Insured at law on account of -
    a) death of or bodily injury to any person (other than a person under a contract of service or apprenticeship with the Insured sustaining death or bodily injury which arises out of and in the course of employment with the Insured);
    b) damage to property not belonging to the Insured nor held in trust or on commission nor for which he is responsible;

caused by and solely due to Explosion or Collapse as hereinafter defined of the Boiler/s and/or other Pressure Plant described in the Schedule occurring in the course of ordinary working.

Provided that the liability of the Company for any one item of the insured property and third party liability shall not exceed in the aggregate in any one period of insurance the Sum Insured set against such item in the attached Schedule(s) unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period.

What are the Warranties under the Digit Boiler and Pressure Plant Insurance (Commercial)?

It is hereby warranted that during the Policy Period;

I. The Boiler and Pressure Plants described in the Schedule are annually inspected by Inspectors appointed by the appropriate Government except where there is no statutory requirement for Government inspection; the inspections are to be carried out by an independent competent person;

II. The Boilers and Pressure Plants described in the Schedule shall only be operated by Attendants holding a valid certificate of competency issued under the appropriate Boiler Act;

III. The Insured shall be in possession of the unqualified permission in writing of the competent Inspecting Authority to operate the said Boilers and Pressure Plants. If the maximum pressure or load upon safety valve immediately prior to any explosion or collapse was in excess of that stipulated by the said Authority the Insured shall not be entitled to any compensation or indemnity under this Policy in respect of such explosion or collapse.

What are the general conditions under the Digit Boiler and Pressure Plant Insurance (Commercial)?

Below general conditions are applicable to this Product:

1) This Policy and the attached Schedule(s) shall be read together as one contract and any words or expressions to which specific meanings have been attached in any part of this Policy or of the attached Schedules shall bear the same meanings wherever they may appear.

2) The pressure or load upon the safety valves of any items of plant shall at no time exceed the maximum pressure specified in the Schedule or the permissible working pressure therefore as set out in the report on the last examination whichever is the lowest.

3) If at any time after commencement of this insurance there is an alteration of fuel used other than for which the Boiler was designed, or which is used at the time of effecting the insurance, the Company shall be informed immediately of such alteration and this insurance will continue only on payment of additional premium if necessary to be fixed on the merits of each individual item.

4) If a claim is 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 anyone acting on his behalf to obtain any benefit under this policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or in case of Arbitration taking place as provided herein within three months after the Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.

5) No admission, offer promise, payment or indemnity shall be made or given by or on behalf of the insured without the written consent of the Company who shall be entitled if they so desire to take over and conduct in the name of the Insured the defence or settlement of any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

6) The due observance and fulfilment of the terms, provisions and conditions of and endorsements on 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 answers in the said proposals shall be conditions precedent to any liability of the Company to make any payment under this Policy.

7) **Sum Insured**

If the Boiler and Pressure Plant covered under Item No. 1 of the Schedule shall at the time of any loss be of greater value than the Sum Insured then the Insured shall be considered as being the own Insurer for the difference and shall bear a rateable share of the loss accordingly.

The term value shall mean the new replacement value of the Plant inclusive of freight dues and custom duties, if any and erection costs. Every item if more than one of this Policy shall be separately subject to this condition.

8) Basis of Indemnity

a) In case where damage to an item can be repaired, the Company shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop, and customs duties, if any but for the Boiler and Pressure Vessel listed in the Schedule, only to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Company shall pay the cost of materials and wages incurred for the purpose of the repairs plus the reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into the account if the cost of repairs as detailed herein above equals or exceeds the actual value of the item immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

b) In case where an insured item is destroyed the Company shall pay the actual value of the item immediately before the occurrence of the loss, including changes for ordinary freight cost of erection and customs duties if any but for the Boiler and Pressure Vessels listed in the Schedule, only provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company shall also pay any normal charges for the dismantling of the item destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime night work, work on public holiday and excess freight shall be covered by this Policy only if especially agreed in writing.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipment's for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

9) Obligations of the Insured

a) The Insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The Insured shall fully observe the manufacturer's instructions for operating, inspection and overhaul, as well as Government, statutory, municipal and all other binding regulations including the rules under the Indian Boilers Act in force concerning the operation and maintenance of the insured Boilers and Pressure Plants.

b) The Company's officials shall at all reasonable times have the right to inspect and examine any Boiler and Pressure Plant or any property insured hereunder and the Insured shall provide the officials of the Company with all details and information necessary for the assessment of the risk. The Company shall provide the Insured with a copy of the Inspecting official's report, which shall however be treated as strictly confidential both by the Insured and the Company. Whenever arrangements have been made for a 'Thorough Inspection' of Boiler or Pressure Plant the Insured shall cause the Boiler or Pressure Plant to be stopped, emptied and properly cleaned inside and outside, rendered accessible in every part, so far as its construction will allow.

c) In the event of any -

i. Material change in the original risk.
ii. Alteration, modification, or addition to an insured item.
iii. Departure from prescribed operating conditions whereby the risk of loss or damage increases.
iv. Changes in the Insured's interest (such as discontinuation or liquidation of the business or being placed in receivership)

taking place, the Policy shall be void unless its continuance be agreed by endorsement signed by the Company.

10) Duties Following an Accident

In the event of any occurrence which might give rise to a claim under this Policy the Insured shall-

a) immediately notify the Company by telephone as well as writing giving an indication as to the nature and extent of loss or damage
b) take all reasonable steps within his power to minimize the extent of the loss or damage or liability;
c) preserve the damage or defective parts and make them available for inspection by an official or surveyor of the Company;
d) furnish all such information and documentary evidence as the Company may require.

The Company shall not be liable for any loss or damage of which notice and completed form have not been received by the Company within Fourteen days of, its occurrence.

Upon notification of a claim being given to the Company the Insured may proceed with the repair of any minor damage not exceeding Rs. 2,500/- provided that the carrying out of such repair is without prejudice to any question of liability of the Company and any damaged part requiring replacement is kept for inspection by the Company but in all other cases a representative of the Company shall have the opportunity of inspecting the damage before any alterations, repair or replacements are effected. Nothing contained herein shall prevent the Insured from taking such steps as are absolutely necessary to maintain the operation of the Plant.

The liability of the Company under the Policy in respect of any item of property sustaining damages, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to the satisfaction of the Company.

11) Other Insurance

If at the time any claim arises under this Policy there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss, damage or liability.

12) Position After A Claim

a) The Insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not.
b) As from the day of the loss the Sum Insured for the remainder of the period of insurance is reduced by the amount of the compensation. To prevent under insurance during the remainder or the current period of insurance the amount insured must be reinstated. The premium will be calculated pro rata from the day repaired item is again put to work. For subsequent periods of insurance, the original indemnity and premium are again in force unless circumstances justify an alteration.

13) Transfer of Interest

The insurance granted by this Policy shall cease to attach to any items described in the Schedule the interest in which shall pass from the Insured otherwise

than by will or operation of law unless the consent of the Company for the continuance of the insurance shall be obtained and signified by endorsement hereon.

14) Termination of Insurance

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.

15) Recourse

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 required by the Company for enforcing any rights

or remedies or for obtaining relief or indemnity from parties (other than those Insured under this policy) to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.

16) Arbitration

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

What are the general exclusions applicable under Digit Boiler and Pressure Plant Insurance (Commercial)?

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by -

1) Loss, damage and/or liability caused by or arising from or in consequences, directly or indirectly, of Fire (arising from explosion or collapse or any other cause whatsoever) including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lightning, theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne, waterborne, or airborne craft or other aerial devices and/or articles dropped therefrom.
2)
   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, Lock out 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 dejure or defacto or by any Public, Municipal or Local Authority.
   b) Nuclear reaction, nuclear radiation, or radioactive contamination.
3) Accident, loss, damage and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
4) Gradually developing flaws, defects, cracks, or partial fractures in any part not necessitating immediate stoppage although at some future time repair or renewal of the parts affected may be necessary.
5) Defects due to the wearing away or the wasting of the materials of a Boiler or a Pressure Plant whether by leakage, corrosion or by the action of the fuel or otherwise, the grooving or the fracturing of any of the parts of a Boiler or Pressure Plant or for deterioration generally or for the development of cracks, blisters, lamination and other flaws or fractures, failures of joint within the range of steam or feed pipes, or for bulging and deformation due to overheating of tubes (unless such defects, fracture, failure or bulging result in explosion or collapse) or for the cracking of section of cast-iron heating boilers or other vessels constructed of cast iron.
6) The failure of individual tubes in Boilers of the water tube locomotive or other multitubular types, in Super heaters or in Economizers (unless such defects result in explosion or collapse).
7) Loss or damage to the insured plant or property and/or liability arising during and occasioned by the application of steam hydraulic or any other test of this plant as specified by Inspecting Authority or otherwise.
8) Loss or damage and/or liability caused by or arising out of the wilful act or wilful neglect or gross negligence of the Insured or his responsible representatives.
9) Liability assumed by the Insured by agreement unless such liability would have attached to the Insured notwithstanding such agreement.

10) Loss or damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the Insured or his responsible representatives but not disclosed to the Company.
11) Loss of use of the Insured's plant or property or any other consequential loss incurred by the Insured.
12) Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or under contracts.

In any action, suit or other proceeding where the Company alleges that by reason of the exceptions or exclusions above any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

What are the various endorsements applicable under this Product?

Following tariff endorsements may be attached to the Policy by adjusting or providing additional Sum Insured where applicable.

1. Owner's surrounding property
2. Third party liability
3. Express freight
4. Air freight
5. Additional customs duty
6. Escalation clause

Detailed wordings of these endorsements/extensions are as mentioned in Annexure I of this document.

Is there any provision for mid-term increase or decrease in Sum Insured?

Yes, there is provision for mid-term increase and decrease in sum insured as mentioned below:
If the Sum Insured for Boiler and Pressure Plant Insurance is increased during the policy period.

a) Short period scale of rates shall apply to increased amounts.
b) If the policy is renewed thereafter for 12 months for an amount not less than the increased sum insured, the difference of premium between short period scale of rate and pro-rata rate may be refunded.

For mid-term decrease in sum insured during the policy period, Short period scale of rates shall apply on the reduced Sum Insured.

Do I need to pay anything from my pocket at the time of claim?

Yes, You will have to pay excess, as mentioned in your Policy Schedule, at the time of claim.

What is the maximum policy period that can be opted under this Product?

The policy period for this Product can be opted for maximum up to 1 year.

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.

How do I claim under this Policy?

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?

The Company is committed to extend the best possible services to its customers. However, if you are not satisfied with our services and wish to lodge a complaint, please feel free to call our 24X7 Toll free number 1800-258-5956 or you may email to the customer service desk at hello@godigit.com. After investigating the matter internally and subsequent closure, we will send our response.
Senior Citizens can now contact us on 1800-258-5956 or write to us at seniors@godigit.com.

If Insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at grievance@godigit.com

If you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme.
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/

If you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme.
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.

Annexure I – Endorsements/Clauses

1. OWNER'S SURROUNDING PROPERTY –

In consideration of insured having paid extra premium amount, it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within 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 items mentioned in the schedule while at rest or in views for construction or erection during period of policy.

The Company pays to the insured the value of the damaged property at the time of accident or reinstate or replace such damage property or any part thereof provided that –
The liability of the Company shall in no case exceed the amount as mentioned in the Policy Schedule for any one accident or series of accidents arising out of any one event and in the whole the total indemnity amount as mentioned in the Policy Schedule during the Policy period.

The insured shall bear the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping, tunnelling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

2. THIRD PARTY LIABILITY –

In consideration of the payment of the additional premium, it is hereby agreed and declared that notwithstanding anything to the contrary stated in this policy, the Company will indemnify the insured:

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.

EXCLUSIONS UNDER THE TPL EXTENSION –

The Company will not indemnify the insured, under this extension in respect of –

a) The first amount of policy excess of each claim for any one occurrence related to property damage.

b) Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under the policy.

c) Liability consequent upon –

I) bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/premises/ location or of any other firm/contractors connected with any other work at the works/site/premises/location.

ii) loss of or damage or property belonging to or held in trust by or under custody of the owner of the works/site/premises/location of any other firms/contractors or an employee/workmen/family member of any of the aforesaid.

iii) any accident cost by vehicles licensed for general road or by waterborne vessels or used aircraft.

iv) any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

CONDITIONS APPLYING TO TPL EXTENSION –

a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if any so desire, to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

3. EXPRESS FREIGHT –

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the demand item(s) is/are less than the amount(s) required to be insured, the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

4. AIR FREIGHT –

It is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

In consideration thereof an additional premium is charged hereby.

Limit of indemnity shall be amount as mentioned in the Policy Schedule during Policy Period.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

Subject otherwise to terms, conditions, and exceptions of the Policy.

5. ADDITIONAL CUSTOMS DUTY –

In consideration of the Insured having paid an additional premium it is hereby declared and agreed that the Insured shall also be indemnified during the policy period, towards the additional Customs Duty, amount, as mentioned in the Policy Schedule, which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured the affected item.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company. Subject otherwise to the terms, conditions, and exceptions of the Policy.

Note

i) For computation of indemnity under the Additional Customs Duty extension, exchange rate applicable on date of occurrence shall be considered.

ii) Under this only Sea Freight charge would be taken into account even though the replacement supplies had been air freighted and the policy has been endorsed for airfreight cover.

6. ESCALATION CLAUSE-

In consideration of the payment of an additional premium the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum as specified in policy schedule for each of the item .

Unless specifically agreed to the contrary the provisions of the Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers: -

i. the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance up to that renewal date, and

ii. the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

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