Digit Marine Delay In Start-Up Policy (Commercial)
Prospectus
UIN: IRDAN158CP0002V01201920

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

Project Cargo is quite simply much bigger, heavier, and more challenging to carry than the traditional goods that make up cargo in transit throughout the world:
A Project Cargo Critical Item shall display one or more of the following characteristics:

1. All equipment, plant and materials on the critical path and which in the event of loss during transit /storage, cannot be repaired, remanufactured, replaced, reshipped, installed, tested and commissioned within sufficient time to arrive at the Project site in the time to facilitate the Scheduled Commercial Operation Date.
2. Furthermore, it is likely to have one or more of the following characteristics:
    - Where the unit price of an item of the Project cargo is valued in excess of INR 25 crore (or equivalent in other currency) and shall be shipped in break-bulk, unless otherwise agreed by the Insurer in writing.
    - Any item which including packing has dimensions in excess of 12 M length and/or 2.5 M wide and/or 2.5 M high and hence cannot fit inside a standard 40' container or equivalent road trailer.
    - Any item including packaging with a weight in excess of 50 MT, unless otherwise agreed by the Insurer in writing.
    - Tug and/or Barge Shipments
    - Any item which requires special handling due to its characteristics and/or any item having special requirements for loading, unloading, lashing and securing.
    - Passenger Boarding Bridges (PBB)
    - Where Single Item has Centre of gravity off balance
    - On-deck shipments (where non containerized)

Project Cargo is exposed to many of the risks associated with the movement of goods, including the perils of the sea, loading and unloading to and from a variety of conveyances and, on land, all the perils that are usually found in transit by road or rail. The risk of theft is much less with Project Cargo but, to counter this, there are greater risks associated with its handling and general movement.

This type of cargo usually requires specially adapted vehicles and ships for its carriage. The bigger risk, in terms of the stability of a typical load of Project Cargo, is that of the road carrier. This is because the load to be carried represents a great proportion of the weight of the carrying vehicle than such a load bears to the total weight of a ship.

Project Cargo is not necessarily always restricted to cargo that is large and difficult to handle. Smaller pieces of equipment, such as computers and similar electronic equipment, will usually form an integral part of the project, and may be critical to its whole operation. As severe weather episodes demonstrate, it doesn't take much to knock out a relatively small-sized piece of equipment, as seen in the example of heavy rain and flooding, which recently brought a whole airport complex to a grinding halt. So the lesson

to be learned here is, large or small, the criticality of any one item for a project is a significant factor that the Project Cargo underwriter must bear in mind when assessing the risk.

Project Cargo also covers the costs involved in a delayed start to the project. This is known as Delay In Start-Up (DSU) insurance. It provides indemnity for:

A. Loss of Gross Profit following delay in Scheduled Commercial Operation Date, or
   Fixed Costs and/or Debt Service following delay in Scheduled Commercial Operation Date.
B. Increased Cost of Working in conjunction with (A) above.

Who Can Buy this Product?

This Product is a Commercial Product and can be offered to Entities involved in various Projects.The minimum Policy Sum Insured under this Policy should be Rs. 5 Crores.

What are the detailed Coverages, Exclusions and Conditions under this Policy?

This Policy has below two Section:
Section I: Digit Marine Cargo Policy No: _____
Section II: Digit Marine Delay In Start-Up Policy No: _____

Coverage:

This Policy will indemnify the Insured for actual loss sustained to the Insured's business generated at the Project Site if at any time during the Policy Period an indemnifiable event occurs which causes a delay to the Scheduled Commercial Operation Date consequent upon:

1.1. loss of and/or damage to and/or delay in arrival of the Project Cargo which results from an event giving rise to an indemnifiable claim under Section I – Digit Marine Cargo Policy, or which would have been the subject of indemnity without the application of the Section I – Digit Marine Cargo Policy, Deductible as stated in its Policy Schedule.

1.2. loss of or damage to or mechanical breakdown of the hull or machinery and/or equipment of the vessel, craft or aircraft, on which any of the Project Cargo is being carried or is intended to be carried which would be covered under:
The Institute Voyage Clauses – Hulls 1/10/1983 (CL 285) and/or Institute War and Strikes Clauses Hulls – Voyage 1/10/1983 (CL 295)
or
An Aircraft All Risks policy, Section I clause AVN 16, including war, hi-jacking and allied perils as per LSW555D;

1.3. loss or mechanical breakdown of, any motor or rail vehicle or attachment thereto upon which any part of the Project Cargo is being transported or is intended to be transported;

1.4. The vessel, aircraft or other conveyance on which any of the Project Cargo is carried or is intended to be carried, being involved in a general average, salvage or lifesaving operation.

2. LIMIT OF INDEMNITY

Will indemnify the Insured up to a maximum of ---------- for a ---------- month Indemnity Period opted by You and mentioned in Your Policy Schedule.

3. MEASURE OF INDEMNITY

The indemnity under this insurance for actual loss sustained shall be as selected by the Insured and shown under Item 4 of the Project Overview mentioned in the Policy Schedule prior to inception and will be:

1) the loss of Gross Profit calculated as per 3.1 (a) below Or
2) making good the inability to proportionally pay Fixed Costs and Debt Servicing calculated as per 3.1(b) below due to the reduction in Turnover

And shall include any Increased Cost of Working expenses calculated as per 3.1 (c) below:

3.1.

a) In respect of loss of Gross Profit

The sum obtained by applying the Rate of Gross Profit to the difference between the Turnover which would have been achieved during the Indemnity Period and the actual Turnover during that period in consequence of one or more of the occurrences listed in 1.1, 1.2, 1.3 and 1.4 above.

b) In respect of Fixed Costs and Debt Servicing Costs:

The sum of expenses, based upon the Rate of Fixed Costs and Debt Servicing incurred by the Insured's project which are not affected by any change in the output of the insured project;

and

c) **In respect of Increased Cost of Working the measure of indemnity shall be:**
The additional expenditure necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or diminishing the reduction in Turnover.

3.2. From the amounts recoverable under 3.1 shall be deducted any sum saved during the Indemnity Period as may cease or be reduced in consequence of the occurrence. If the Sum Insured is less than the sum obtained by applying to the Turnover either the rate of Gross Profit, or the Rate of Fixed Costs and Debt Servicing, as applicable, the amount payable shall be reduced proportionately.

4. ATTACHMENT AND TERMINATION OF RISK

4.1. The indemnity afforded by paragraph 1.1 above shall operate, whilst the Project Cargo is in the normal course of transit, as per the attachment provision contained in Section I of this Policy, but no earlier than commencement of loading at suppliers' premises. **Irrespective of any termination provisions contained in Section I - Digit Marine Cargo Policy, attached and forming part of this Policy, coverage hereunder will cease in line with the termination provisions applicable under Section I of this Policy, or on completion of unloading at project laydown area, whichever is the sooner. Onsite or offsite storage shall be subject to prior agreement by Insurers**.

4.2. The indemnity afforded by paragraphs 1.2, 1.3 and 1.4 above in respect of vessels, craft or conveyances to be used for the transportation of the Project Cargo referred to in Section I of this Policy shall attach from the time that such vessels, craft or conveyances come alongside the berth or mooring point at which the Project Cargo described in the information provided to Insurers is to be loaded thereon (including any casualties or incidents arising during such berthing or mooring) and in respect of other conveyances (including aircraft) from the time that such conveyance arrives at the place where the Project Cargo described in the information provided to Insurers is to be loaded thereon.

5. DEDUCTIBLE

Number of Daye of indemnifiable delay Opted by You, in the aggregate, will be deducted from amounts recoverable under this Policy.

The deductible will be calculated by dividing the indemnity amount, including the Increased Cost of Working, agreed by insurers by the actual number of days of indemnifiable delay. The resulting daily amount will be multiplied by the number of days shown in item 6.2 of the Project Overview and the resulting amount will be deducted from the claim.

Where indemnity under this Policy is solely in respect of Increased Cost of Working, the amount of the deductible shall be in the same proportion as the number of days of deductible relate to the number of days of Indemnity that would have applied but for the Increased Cost of Working expenditure.

6. EXCLUSIONS

In no case shall there be indemnity under this Section of the policy for:

6.1. Loss of or damage to the Project Cargo as per the information provided to insurers of any expenses recoverable under Section I.

6.2. Delay as a consequence of fines, penalties, liquidated damages, punitive damages and/or damages for breach of contract, late or non-completion of orders, or any penalties of whatever nature, or any additional damages resulting from multiplication of compensatory damages, unless specifically included by insurers prior to inception.

6.3. Delay as a consequence of alterations, additions, improvements or elimination of any deficiencies in the Project Cargo insured under Section I of this Policy, carried out after the occurrence of damage.

6.4. Delay as a consequence of lapse or cancellation of a lease, import license and/or regulation or restriction unless resulting from a peril insured under Section II, paragraphs 1.1, 1.2, 1.3 or 1.4 or which would have been covered but for the application of the Section I deductible.
6.5. Delay as a consequence of commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority other than where covered under the Institute War & Strikes Clauses Hulls – Voyage 01/10/1983 (CL 295), and other than where specifically covered under Section I.
6.6. Delay as a consequence of Final Positioning at the project site.
6.7. Delay as a consequence of physical loss or damage to contractors and / or sub- contractors' materials, equipment and supplies other than Project Cargo procured by contractors or sub-contractors.
6.8. Delay as a consequence of any restrictions imposed by a public authority other than where covered under Section I.
6.9. Delay as a consequence of non-availability of funds.

7. CLAIMS

7.1. Any loss which the subject of indemnity under this Policy is shall be calculated in the manner described in Clause 3 above and item 7.2 below.
7.2. Subject to "Important Notice Clause" applicable under Section I of this Policy, the Insured shall produce all necessary and reasonable evidence as may be required by Insurers, for the purpose of investigating or verifying a claim under this Policy.

In calculating the amount of loss, the following points shall in particular be taken into consideration:
a) Variations and special circumstances which would have affected either the Scheduled Commercial Operation Date or the insured business had the delay not occurred.
b) Variations and special circumstances affecting the insured business after the Scheduled Commercial Operation Date.
c) Any liquidated damages payments received by the Insured.

In the event of loss or expense, which is the subject of indemnity under this Policy Insurers may make interim payments during the Indemnity Period.

In respect of Increased Cost of Working expenditure, Insurers will make interim payments as incurred.

7.3. If the Scheduled Commercial Operation Date of this project is revised at any stage as a result of delay or postponement by any cause, which is not the subject of indemnity under this Policy, the resulting new Scheduled Commercial Operation Date shall be the basis for the adjustment of any claim which may be recoverable under this Policy.
7.4. In the event that the Project Cargo described in the information provided to Insurers is lost or damaged or appears to be lost or damaged at any point during the transit, the Insurers of this Policy shall be notified as soon as practicable, whether they are the primary insurers of the cargo or not. Insurers, upon receipt of such advice, may agree such reasonable action as they consider necessary to minimize any such loss, damage or expense.
7.5. Where Increased Cost of Working expenses are incurred by the Insured such expenses shall be adjusted and approved by Insurers or their appointed representatives.
7.6. Nominated Adjuster(s)

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8. SPECIAL CONDITIONS

8.1. It is a condition precedent to the recovery of indemnity under this Section of the Policy that the Project Cargo described in the Project Overview is insured for Marine Cargo and War, and Strikes risks.
8.2. The overseas vessels carrying named Project Cargo Critical item must comply with the Institute Classification Clause (CL 354) dated 1/1/01 and/or a vessel acceptable under the terms and conditions of Section I.
8.3. In the event of any revision to Project Cargo Critical item scheduled shipping dates, Insurers shall have the right to review the rates of this policy.
8.4. Under Section I, Insured shall maintain the availability of Sum Insured (Cargo) and Sum Insured (Duty) at all times in the absence of which all benefits, in so far as they relate to Section I, shall

stand forfeited from the time the Sum Insured (Cargo) and Sum Insured (Duty) get exhausted by the declarations made as per the "Basis of Declaration" enshrined under SECTION I of the SCHEDULE. This shall not, however, affect any claim(s) in respect of Cargo and Duty where the Sum Insured (Cargo) and Sum Insured (Duty) are available on the date of commencement of transit, in respect of which the claim(s) is / are reported.

Further this Policy shall forfeit any claim arising under Section II, which has resulted on account of the following:

8.4.1. a loss/damage to the Project Cargo which, but for the non-availability of Sum Insured, would have been covered under Section I of this policy.

8.4.2. loss of or damage to or mechanical breakdown of the hull or machinery and/or equipment of the vessel, craft or aircraft, on which any of the Project Cargo is being carried or is intended to be carried for, which, but for the non-availability of Sum Insured, would have been covered under Section I of this policy.

8.4.3. loss or mechanical breakdown of, any motor or rail vehicle or attachment thereto upon which any part of the Project Cargo is being transported or is intended to be transported, which, but for the non-availability of Sum Insured, would have been covered under Section I of this policy.

8.4.4. the vessel, aircraft or other conveyance on which any of the Project Cargo is carried or is intended to be carried, which, but for the non-availability of Sum Insured, would have been covered under Section I of this policy, being involved in a general average, salvage or lifesaving operation.

8.4.5. failure to pay the premium installment, if applicable, on or before its due date, notwithstanding the availability of Sum Insured under Section I, to cover the Project Cargo.

9. DEFINITIONS

9.1. **Actual Loss Sustained**

The actual and proven financial loss to the Insured in accordance with the measure of indemnity.

9.2. **Annual Turnover**

The Turnover which would have been achieved, had the indemnifiable event not occurred during the 12 months reckoned from the midnight of the day of completion of the insured works including full operational testing. In case the completion of insured works and full operational testing are not on the same day, period of 12 months shall be reckoned from the midnight of the day of completion of full operational testing.

9.3. **Deductible**

The amount of the insured loss and/or insured costs retained by the Insured.

9.4. **Final Positioning**

The commencement of installation of the Project Cargo directly from the carrying conveyance at the Project Site.

9.5. **Fixed Costs and Debt Servicing**

Costs and expenses incurred by the insured project which are not affected by any changes in the output of the insured project.

9.6. **Gross Profit**

The amount by which the Annual Turnover exceeds the amount of specified working expenses. Specified working expenses are those costs which vary directly with Turnover such as costs for the acquisition of goods, raw materials, power and supplies.

9.7. **Increased Cost of Working**

The additional expenditure necessarily and reasonably incurred by the Insured 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 amount by which such expenditure reduced the loss of Gross Profit indemnified under this Policy.

9.8. **Indemnity Period**

The period during which the production capability of the project is affected in consequence of the indemnifiable event.

The Indemnity Period begins with the date upon which, had the indemnifiable event not occurred, the insured works, including full operational testing, would have been completed.

The Indemnity Period ends with the actual date upon which the insured works are completed, including full operational testing, but not exceeding the period of delay to the Project that would

have been caused had such part of the property which has been lost or damaged been rebuilt, repaired or replaced to its condition immediately prior to the occurrence of the indemnifiable event with due diligence. In no case shall the Indemnity Period exceed that stated in the Clause 5.2 of the Project Overview and Clause 2 herein.

9.9. **Notice to Proceed**
The date contracts are signed relating to the final approval of the Project contract itself.

9.10. **Policy**
"Policy" means the policy, the Schedule and any applicable endorsements or memoranda and the proposal and declaration.

9.11. **Project Cargo**
The materials, equipment and supplies required for the construction of the Project described in item 1 of the Project Overview and which is the subject of this insurance.

9.12. **Project Cargo Critical Items**
A Project Cargo Critical Item shall be an item as defined within the General Policy Conditions Survey Warranty and/or listed in the Schedule of Named Project Cargo Critical Items.

9.13. **Rate of Gross Profit**
The amount, as a percentage, which would have been earned on the turnover during the Indemnity Period had the indemnifiable event not occurred.

9.14. **Rate of Fixed Costs and Debt Servicing**
The rate of fixed costs and debt servicing shall be the proportion of fixed costs and debt servicing expressed as a percentage of Annual Turnover.

9.15. **Scheduled Commercial Operation Date**
The provisional date(s) stated in the information provided to insurers, or any revised date either agreed by Insurers or which should have been notified to Insurers pursuant to Duty of Insured 10.6 upon which the business would have commenced had the delay in scheduled commercial operation date not occurred.

9.16. **Turnover**
The amount of money paid or payable to the Insured for goods, products or services sold or delivered in the course of the insured business conducted at the Project site.

10. DUTY OF INSURED

It is the duty of the Insured, their servants and agents that they shall:

10.1. Act with reasonable dispatch in all circumstances within their control.

10.2. Take all such measures as may be reasonable for the purpose of averting or minimizing loss.

10.3. Commit funds, equipment or facilities for the repair or replacement of destroyed, delayed or damaged items thereby mitigating potential claims.

10.4. Ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised, and the insurers will in addition to any loss recoverable hereunder, reimburse the Insured for any charges properly and reasonably incurred in pursuance of these duties.

10.5. Advise Insurers of any revisions to the Scheduled shipping dates of all Project Cargo Critical items as stated in the underwriting information provided by the Insured at the inception of the policy.

10.6. Give prompt notice to Insurers in the event of delays to programme, of extensions of time being granted and/or the Scheduled Commercial Operation Date of this Project being otherwise amended, and Insurers shall have the right to revise the rates, terms and conditions of this Policy following receipt of such notice, as stated in items 7.3 and 8.3 above.

10.7. To enable claims to be dealt with properly, submit to the Insurer and / or their Nominated Adjuster(s) Asset Register and/or Accounting records and/or Log Book and/or EPC / Supplier Agreements and/or Progress Report(s) and/or Construction and Erection Planning Schedule and/or Production Process Schedule and/or other available supporting documents.

All actions taken by Insured or Insurers with the objective of saving, protecting or recovering the Project Cargo shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11. LAW, PRACTICE AND JURISDICTION

This insurance is subject to Indian law and practice and the exclusive jurisdiction of the Courts of India except as may be expressly provided herein to the contrary.

12. GENERAL POLICY CONDITIONS (Applicable to Section I and Section II)

12.1. **OTHER INSURANCE**

Where the Insured is, irrespective of this Policy, entitled to be indemnified in whole or in part by any other insurance as a result of loss of damage or delay which would otherwise have been indemnifiable in whole or in part by the Insurers of this Policy, the claim recoverable shall not exceed

12.1.1. In respect of loss to Project Cargo insured hereunder, such proportion of loss as Sum Insured (Cargo) bears to the aggregate of Sums Insured (Cargo) under this Insurance and all other Insurances.

12.1.2. In respect of loss to Duty insured hereunder, such proportion of loss as Sum Insured (Duty) bears to the aggregate of Sums Insured (Duty) under this Insurance and all other Insurances.

12.1.3. In respect of loss of Gross Profit, such proportion of loss as Sum Insured (On Estimated Loss of Gross Profit) bears to the aggregate of Sums Insured (On Estimated Loss of Gross Profit) under this Insurance and all other Insurances. Or
In respect of loss of Fixed Costs and Debt Servicing insured hereunder, such proportion of loss as Sum Insured (On Estimated Loss of Fixed Costs and Debt Servicing) bears to the aggregate of Sums Insured (On Estimated Loss of Fixed Costs and Debt Servicing) under this Insurance and all other Insurances.

12.1.4. In respect of Increased Cost of Working insured hereunder, such proportion of loss as Sum Insured (On Estimated Increased Cost of Working) bears to the aggregate of Sums Insured (On Estimated Increased Cost of Working) under this Insurance and all other Insurances.

12.2. **SURVEY WARRANTY**

The Named Surveyor(s) is /are

_____

_____

(and / or their nominated representative)

It is warranted that Named Surveyor attends and approves all loading, all stowage (Including protection for non-containerized Critical Items shipped on deck) and unloading to or from carrying conveyances of all named Project Cargo Critical Items (shown below).

All of the Named Surveyor(s) recommendations are to be complied with by the Insured.

All named Project Cargo Critical Items are to be shipped under deck other than where such critical items are shipped in totally enclosed steel containers per purpose built cellular container vessels, or which on deck stowage has been approved by the Named Surveyor.

Shipment requiring the use of local barges or lightering shall not be regarded as on deck.

However, where local barges or lightering is used the Named Surveyor will approve the tug, barge, fastening and towing operations in accordance with this Survey Warranty.

In respect of Project Cargo Critical Items, it is warranted that where items are not new and sourced directly from the original manufacturer, packaging is approved by the Named Surveyor.

All fees for the account of the Insured unless otherwise agreed. This Survey Warranty does not apply if:

1. Any critical items are shipped:
   a) In full and / or sole use fully enclosed containers door to door.
   b) By airfreight (other than heavy lift aircraft).
2. The proposed shipping methodologies and / or procedures of any critical items are deemed acceptable by the Named Surveyor for the proposed transportation and in their opinion survey attendance can be waived.
3. In the Named Surveyor's opinion any component or sub-assembly of any critical item does not necessitate a survey.
4. The Agreement Parties agree to waive survey requirements for any specific shipment of part of the entire transportation.

Failure to comply with this warranty shall not affect this insurance except as respects of the individual shipment(s) concerned. This insurance will continue in full force and effect for all other shipments which comply with the survey warranty.

In the event of a breach of the Survey Warranty the policy coverage will not cease but the insuring conditions under Section I of this policy shall be deemed to be no wider than

Institute Cargo Clauses (B) 1.1.2009 (CL383) with clause 1.3 deleted

Institute War Clauses (Cargo) 1.1.2009 (CL385)

Institute Strikes Clauses (Cargo) 1.1.2009 (CL386)

In respect of on deck shipments and / or local barges or lightering policy coverage will be deemed to be no wider than

Institute Cargo Clauses (C) 1.1.2009 (CL384) with clause 1.3 deleted

Institute War Clauses (Cargo) 1.1.2009 (CL385)

Institute Strikes Clauses (Cargo) 1.1.2009 (CL386)

In the event that the Insured subsequently complies with the conditions of the Survey Warranty, then from the date of compliance, as evidenced by the surveyor's inspection certificate, full policy coverage will be reinstated. Where a breach of Survey Warranty has occurred and cover is subsequently reinstated and a loss occurs the onus of proof that any such loss (es) would be recoverable under this policy rests with the Insured to prove to the satisfaction of the Insurers hereon.

It is further understood and agreed that where the Insured or Companies acting on their behalf have provided the Named Surveyor or their customary notification office with the shipment Estimated Time of Delivery and Estimated Time of Arrival at least 72 hours in advance of estimated load / discharge dates then failure of the Surveyors to actually attend shall be deemed not to be a breach of the above warranty.

Project Cargo Critical Items

A Project Cargo Critical Item shall display one or more of the following characteristics:

3. All equipment, plant and materials on the critical path and which in the event of loss during transit /storage, cannot be repaired, remanufactured, replaced, reshipped, installed, tested and commissioned within sufficient time to arrive at the Project site in the time to facilitate the Scheduled Commercial Operation Date.
4. Furthermore, it is likely to have one or more of the following characteristics:
    - Where the unit price of an item of the Project cargo is valued in excess of INR 25 crore (or equivalent in other currency) and shall be shipped in break-bulk, unless otherwise agreed by the Insurer in writing.
    - Any item which including packing has dimensions in excess of 12 M length and/or 2.5 M wide and/or 2.5 M high and hence cannot fit inside a standard 40' container or equivalent road trailer.
    - Any item including packaging with a weight in excess of 50 MT, unless otherwise agreed by the Insurer in writing.
    - Tug and/or Barge Shipments
    - Any item which requires special handling due to its characteristics and/or any item having special requirements for loading, unloading, lashing and securing.
    - Passenger Boarding Bridges (PBB)
    - Where Single Item has Centre of gravity off balance
    - On-deck shipments (where non containerized)

12.3. **INSPECTION OF RECORDS**

The Insurer and / or its Agents shall have the right, at any time during the business hours of the Insured to inspect the records of the Insured in respect of interest(s) covered under this policy.

12.4. **CLAIMS**

In the event of loss and / or damage which may give rise to a claim under this insurance, the Insured and / or the claimants shall observe and comply with the claims procedures as set out under this policy.

12.5. **CONDITION PRECEDENT**

The due observance and fulfillment of the terms and conditions of this contract in so far as these relate to anything to be done or complied with by the Insured shall be a condition precedent to the liability of the Company to make payments hereunder. If there shall, be any, misstatement in or omissions of a material fact from the information supplied by the Insured whether by the said proposal and declaration or otherwise, this policy shall be null and void and any premium paid thereon shall be forfeited. No transfer in the interest in the policy and no waiver of alterations to or change in the terms of this policy shall be valid, unless made in writing and signed by the Insurer.

12.6. **DEDUCTIBLE / FRANCHISE**

As mentioned in the Policy schedule.

12.7. **NOTICES AND ALTERATIONS TO POLICY**

Every notice and communication to the Company required by this Policy shall be in writing and be addressed to the nearest office of the Company and the acknowledgement of service shall be obtained from the Company. No receipt for renewal premium is valid except on the official form issued by the Company and no endorsement on this Policy or alteration in the terms thereof is valid unless countersigned by an authorized official of the Company or by an agent acting under Power of Attorney from the Company.

12.8. **DUTY OF DISCLOSURE**

This Policy shall be void and all premiums paid hereon shall be forfeited to the Company in the event of misrepresentation, misdescription or non-disclosure of any material fact in the proposal form, personal statement, declaration and connected documents, or any material information having been withheld.

12.9. **REASONABLE CARE**

The Insured shall take all ordinary and reasonable precautions for the safety of the property insured.

12.10. **SUBROGATION**

The Insured and any claimant under this policy shall at the expense of the Insurer do or concur in doing or permit to be done all such acts and things that may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies or obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon the Insurer 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 Insurer.

12.11. **FRAUD**

If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or device are used by the Insured or any one acting on the Insured's behalf to obtain any benefit under this policy, all benefits and rights under the Policy shall be forfeited.

12.12. **CLAIMS PROCEDURE**

SECTION I

It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised. In particular, the Assured or their Agents are required:

- To claim immediately on the Carriers, Port Authorities or other Bailees for any missing packages.
- In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.

- When delivery is made by Container, to ensure that the Container and its seals are examined immediately by their responsible official.
- If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
- To apply immediately for survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey.
- To give notice in writing to the Carriers or other Bailees within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery.
- To take examined delivery from the carriers of packages which are outwardly damaged or appear to have been tampered with and obtain a Damage and / or Shortage Certificate from them. If any package appears to be deficient in weight, to take weightment / examined delivery from the carriers and appropriate certificates.
- To issue notices of claims against carriers, bailees or third parties by Registered Post with Acknowledgement due card.

NOTE. - The Consignees or their Agents are recommended to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.

INSTRUCTIONS FOR SURVEY

In the event of loss or damage which may involve a claim under this Policy, immediate notice of such loss or damage should be given to the Company and a Survey Report obtained from the company's representative at port of discharge or destination or if there be no representative of the company the nearest Lloyds Agent.

DOCUMENTATION OF CLAIMS

To enable claims to be dealt with promptly, the Assured or their Agents are advised to submit all available supporting documents without delay, including when applicable: -

1. Original policy or Certificate of Insurance.
2. Original or copy shipping Invoices and Packing List and / or weightment notes.
3. Original Bill of Lading and/or other contract of carriage.
4. Survey report and other documentary evidence (Damage / Non-Delivery Certificate) to show the extent of the loss or damage.
5. Landing remarks and weightment notes at final destination.
6. Correspondence exchanged with the Carriers and other Parties regarding their liability for the loss or damage along with copies of Notice of claim on the Carriers / Third Parties and Receipted A/D Card / Postal Registration Receipt.

SECTON II

As per item no. (7) Of Section II

12.13. **CLAIMS SETTLEMENT**

The Insurer will settle the claim under this policy within 30 days from the date of receipt of necessary documents required for assessing the claim. In the event that the Insurer decides to reject a claim made under this policy, the Insurer shall do so within a period of thirty days of the survey report or addition survey report, as the case may be, in accordance with the provisions of Protection of Policyholders' Interest Regulations 2002.

12.14. **INTEREST / PENALTY:**

No sum payable under this policy shall carry any interest or penalty.

12.15. **RENEWAL NOTICE:**

The Company shall not be bound to issue any renewal notice nor to accept renewal premium thereunder. Unless renewed as herein provided, this Policy shall terminate at the expiration of the period for which premium has been paid.

12.16. **PERIOD OF POLICY**

The policy shall remain in force for the period as set out in the Policy Schedule unless

cancelled previously by either side as per the terms of Cancellation (item no 12.15 as mentioned below).

12.17. **CANCELLATION**

This insurance is subject to 30 days' notice of cancellation by either party. Cancellation shall not affect any cover which has attached, before the date of cancellation and shall be subject to the following conditions:

1) If notice of cancellation is served at the option of the Insurer, the refund will be arrived as under:

1.1. Under Section I, the Insurer shall refund the premium, at the agreed rate, on the difference of total sum insured (including enhancements, if any) and aggregate of the actual sum(s) insured of all shipments commencing on or after the date of commencement of this insurance till the date immediately preceding the date of cancellation, both dates inclusive.

1.2. Under Section II, the Insurer shall make a pro-rata refund corresponding with the unexpired period, calculated from the actual date of cancellation till the original Scheduled Commercial Operation date provided at the time of proposal, notwithstanding any extension(s).

2) If notice of cancellation is served at the option of the Insured, the refund will be arrived as under:

2.1 Under Section I, the Insurer shall refund the premium, at the agreed rate, on the difference of total sum insured (including enhancements, if any) and aggregate of the actual sum(s) insured of all shipments commencing on or after the date of commencement of this insurance till the date immediately preceding the date of cancellation, both dates inclusive.

2.2 Under Section II, the Insurer shall retain premium at short period rates as under and shall refund the difference

Percentage of Total Sum insured, including enhancements, utilized under Section I, before the date of cancellation	Retention of Premium under Section II
Upto 10%	15% of the total premium, including enhancements, if any
10% ~ 20%	25% of the total premium, including enhancements, if any
20% ~ 30%	35% of the total premium, including enhancements, if any
30% ~ 40%	45% of the total premium, including enhancements, if any
40% ~ 50%	55% of the total premium, including enhancements, if any
50% ~ 60%	65% of the total premium, including enhancements, if any
60% ~ 70%	75% of the total premium, including enhancements, if any
70% ~ 80%	85% of the total premium, including enhancements, if any
Exceeding 80%	100% of the total premium, including enhancements, if any

In case of any indemnifiable claim under Section I of the policy on account of loss/damage to shipments that have commenced prior to the date of cancellation, subject to item no. 1.1 of the Insuring Agreement of this policy, any resultant loss on account of delay, under Section II, sustained to the Insured's business generated at the project site shall not be

affected but shall exclude the following:

a) Variations and special circumstances which would have affected the Scheduled Commercial Operation Date or the insured business, had the delay not occurred.
b) Variations and special circumstances affecting the insured business after Scheduled Commercial Operation Date.
c) Any liquidated damage payments received by the insured.
d) Loss/damage to any item that has commenced transit on or after the date of cancellation further affecting the Scheduled Commercial Operation Date.

12.18. **ARBITRATION**

If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

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

The coverage under this Policy can be opted for the entire project period.

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.

GRIEVANCES

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

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/

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.