

## **STANDARD FIRE AND SPECIAL PERILS POLICY**

### **PROSPECTUS**

#### **Go Digit General Insurance Ltd.**

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

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

#### **Product Introduction**

At Digit, we understand that some things are beyond just Assets, they are a part of our daily lives, both personal and professional. Our offering of Standard Fire and Special Perils Policy aimed at providing cover for most of them.

#### **Who Can buy this Product?**

This Product can be bought by Commercial Entities including but not limited to Co-operative Housing Societies, Shops, Shopping Malls, LPG dealers, Clinics and Laboratories, Hospitals, Hotels & Restaurants, Club Houses, Sports, Clubs, Health Clubs, Gymnasiums, Resorts, Cinemas, Night Clubs, Amusement Theme Parks, Manufacturing Units, Industrial Units & Storage Risk where minimum Policy Sum Insured is 5 Crores.

#### **What are the Coverages available under the Standard Fire and Special Perils Policy?**

Standard Fire and Special Perils Policy offered by Digit, provides protection to the Your Property, if the same is accidentally and physically, damaged or destroyed by any of the perils specified below:

- Fire
- Lightning
- Explosion/Implosion
- Aircraft Damage
- Riot, Strike and Malicious Damage
- Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation
- Impact Damage
- Subsidence and Landslide including Rock slide
- Bursting and/or overflowing of Water Tanks, Apparatus and Pipes
- Missile testing operations
- Leakage from Automatic Sprinkler Installations
- Bush Fire

#### **What all can be covered under this Product?**

Under this Product, We provide protection for:

- Building
- Plant and Machinery
- Contents i.e. Furniture, Fixtures, Fittings & other Equipment's

- Stocks and Stock in Process/Trade

**In addition to the above-mentioned Covers, are there any endorsements/clauses offered under this Product?**

Yes, We have below mentioned endorsements/clauses under this Product to enhance the coverage which can be opted on payment of additional premium (where ever applicable):

- Architects, Surveyors and Consulting Engineers Fees (in excess of 3% of the claim amount)
- Removal of Debris (in excess of 1% of the claim amount)
- Deterioration of Stocks in Cold Storage premises due to accidental power failure consequent to damage at the premises of Power Station due to an insured peril
- Deterioration of stocks in cold storage premises due to change in temperature arising out of loss or damage to the cold storage machinery(ies) in the Insured's premises due to operation of insured peril
- Forest Fire
- Impact Damage due to Insured's own Rail/Road Vehicles, Fork lifts, Cranes, Stackers and the like and articles dropped therefrom
- Spontaneous Combustion
- Omission to Insure additions, alterations or extensions
- Earth quake (Fire and Shock)
- Spoilage Material Damage Cover
- Leakage and Contamination Cover
  - Where Leakage and Contamination Cover is Granted
  - Where Leakage Cover alone is Granted
- Temporary Removal of Stocks Clause
- Loss of Rent Clause
- Insurance of Additional Expenses of Rent for an Alternative Accommodation
- Start-up Expenses
- Agreed Bank Clause
- Contract Price Insurance Clause
- Designation of Property Clause
- Reinstatement Value Policies
- Local Authorities Clause
- Escalation Clause
- Architects, Surveyors and Consulting Engineer's Fees
- Removal of Debris Clause
- Floater Clause
- Declaration Clause
- Voluntary Deductible Clause
- Floater Declaration Clause
- Terrorism Damage Cover Endorsement (Material Damage Only)
- Molten Material Spillage
- Decontamination and Cost of Clean Up Expense
- Expediting Costs
- Protection and Preservation of Property
- Contract Works
- Sprinkler Up-Grading Costs
- Expenses for Loss Minimization
- Claim Preparation Costs
- Cost of Re-Writing Records
- Brands and Trademarks

- Obsolete Parts
- Deliberate Damage
- Sue And Labour Clause
- Accidental Damage Cover
- New Location Cover
- Property Under Care Custody and Control
- Immediate Repairs
- Pair and Set/Consequential Reduction in Value
- Fire Extinguishing / Fighting Expenses
- Civil Authority
- Involuntary Betterment
- Damage to Building (Occasioned by Theft)
- Errors & Omissions
- Minor Works
- Undamaged Foundations
- Capital Additions
- New Acquisitions
- Undamaged Stock and Loss on Re Sale
- Smoke Damage Extension
- Accidental Discharge of Gas Flooding Systems
- Contamination and Co-mingling of stocks
- Leakage and Overflowing of Storage Tanks (Other than water storage tanks)
- Seasonal Enhancement of Stocks Cover
- Goods and Stocks undergoing any heating or drying process
- Outbuilding Clause
- Damages to Underground Services
- Landscaping Cost
- Duty Liability
- Accounts Receivable
- Property of Employees and Visitors/Personal Effects
- Property Outside/Away From the Premises
- Tenants Improvement
- Shutdown Expenses
- Waiver of Subrogation
- Trace and Access
- Waiver of Underinsurance
- Deferred Payments
- Archives
- Catalyst and Consumable (including lining and refractory) interest in process
- Plans, Documents and Computer Systems Records
- Exhibition, Exposition, Fair or Trade Show
- Lawns, Plants, Shrubs or Trees
- Tenant's Liability
- Unrepaired Damage
- Burglary, Housebreaking & Robbery Cover
- Theft & Larceny Cover
- Seventy-Two Hours Clause
- Additional Insureds (to be named in The Schedule)
- Multiple Insured Clause

- Payments on Account
- Non-Vitiation Clause
- Nominated Loss Adjusters
- Non-Invalidation
- Primary and Non-Contributory
- Vehicle Load Clause
- Un-Occupancy Clause
- Leak search / finding cost Clause
- Obsolete equipment Clause
- Loss Payee Clause

#### What am I not Covered for?

1. This Policy does not cover (not applicable to policies covering dwellings)
  - a) The first 5% of each and every claim subject to a minimum of Rs. 10,000 in respect of each and every loss arising out of "Act of God perils" such as Lightning, STFI, Subsidence, Landslide and Rock slide covered under the policy.
  - b) The first Rs. 10,000 for each and every loss arising out of other perils in respect of which the Insured is indemnified by this policy.  
The Excess shall apply per event per insured.
2. Loss, destruction or damage caused by war, invasion, act of foreign enemy hostilities or war like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
3. Loss, destruction or damage directly or indirectly caused to the property insured by
  - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - b. the radioactive toxic, explosives or other hazardous properties of an explosive nuclear assembly or nuclear component thereof
4. Loss, destruction or damage caused to the insured property by pollution or contamination excluding
  - a. pollution or contamination which itself results from a peril hereby insured against.
  - b. Any peril hereby insured against which itself results from pollution or contamination.
5. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art for an amount exceeding Rs. 10000/-, goods held in trust or on commission, manuscripts, plans, drawings, securities, obligations or documents of any kind, stamps, coins or paper money, cheques, books of accounts or other business books, computer systems records, explosives unless otherwise expressly stated in the policy.
6. Loss, destruction or damage to the stocks in Cold Storage premises caused by change of temperature.  
Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included) provided that this exclusion shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixtures or fittings which may be destroyed or damaged by fire so set up.
7. Expenses necessarily incurred on (i) Architects, Surveyors and Consulting Engineer's Fees and (ii) Debris Removal by the Insured following a loss, destruction, or damage to the Property Insured by an insured peril in excess of 3% and 1% of the claim amount respectively.
8. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.

9. Loss, or damage by spoilage resulting from the retardation or interruption or cessation of any process or operation caused by operation of any of the perils covered.
10. Loss by theft during or after the occurrence of any insured peril except as provided under Riot, Strike and Malicious Damage cover.
11. Any Loss or damage occasioned by or through or in consequence directly or indirectly due to earthquake, Volcanic eruption or other convulsions of nature.
12. Loss or damage to property insured if removed to any building or place other than in which it is herein stated to be insured, except machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.
13. **Terrorism Damage Exclusion Warranty:**  
 Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.  
 For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.  
 The warranty also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to action taken in respect of any act of terrorism.  
 If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the insured.  
 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

#### What are the General Conditions applicable to this Policy?

Below are the General Conditions applicable to this Policy:

1. **Misrepresentation**  
 THIS POLICY shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.
2. **Fall or Displacement of Buildings**  
 All insurances under this policy shall cease on expiry of seven days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of buildings or of any structure of which such building forms part.  
 PROVIDED such a fall or displacement is not caused by insured perils, loss or damage which is covered by this policy or would be covered if such building, range of buildings or structure were insured under this policy.  
 Notwithstanding the above, the Company subject to an express notice being given as soon as possible but not later than seven days of any such fall or displacement may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.
3. **Alteration**  
 Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy by or on behalf of the Company: -
  - a. If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by Insured Perils.

- b. If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than 30 days. This condition will not be applicable for Policies covering "Dwellings".
- c. If the interest in the property passes from the insured otherwise than by will or operation of law.

#### **4. Marine Clause**

This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would, but for the existence of this policy, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

#### **5. Cancellation**

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 for the time the policy has been in force.

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, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation. It is however, further stated that such cancellation by the insurer should only be exercised on ground of mis-representation, fraud, non-disclosure of material facts and non-co-operation by the insured.

#### **6. Loss Notification**

- I. On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company
  - a. A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
  - b. Particulars of all other insurances, if any

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and the origin and cause of the loss and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

- II. In no case whatsoever shall the Company be liable for any loss or damage after the expiry of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

#### **7. Right of Entry**

On the happening of loss or damage to any of the property insured by this policy, the Company may

- a. Enter and take and keep possession of the building or premises where the loss or damage has happened.

- b. Take possession of or require to be delivered to it any property of the Insured in the building or on the premises at the time of the loss or damage.
- c. Keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
- d. Sell any such property or dispose of the same for account of whom it may Concern.

The powers conferred by this condition shall be exercisable by the Company at any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim. If the insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

#### **8. Forfeiture**

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured, all benefits under this policy shall be forfeited.

#### **9. Option to Reinstate**

If the Company at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or join with any other Company or Insurer(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon. If the Company so elect to reinstate or replace any property the insured shall at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done, by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

#### **10. Condition of Average**

If the property hereby insured shall at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition.

#### **11. Contribution**

If at the time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

#### **12. Subrogation**

The Insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the



purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

### 13. 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.

### 14. Notice

Every notice and other communication to the Company required by these conditions must be written or printed.

### 15. Reinstatement of Sum Insured

At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which upon the settlement of any loss under this policy, pro-rata premium for the unexpired period from the date of such loss to the expiry of period of insurance for the amount of such loss shall be payable by the insured to the Company.

The additional premium referred above shall be deducted from the net claim amount payable under the policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which the company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to the insured subject only to the right of the company for deduction from the claim amount, when settled, of pro-rata premium to be calculated from the date of loss till expiry of the policy.

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case the insured immediately on occurrence of the loss exercises his option not to reinstate the sum insured as above.

### 16. Short Term Scale

Policies for a period of less than 12 months shall be issued at the rates set out hereunder:

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	The full Annual Rate
N.B.: Extension of Short Period Policy(ies) shall not be permitted.	

### 17. Renewal

The Company is 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.

### What are different basis on which Sum Insured can be opted?

Sum Insured can be opted on either of the following basis:

#### A. Market Value Basis



**Digit Simplification: This value considers depreciation due to age, usage and condition.**

Sum Insured on Market Value Basis shall represent the cost of construction on the first day of Policy Period of similar Property less depreciation for age, usage and condition. Cost of Land is not taken into consideration while arriving at Sum Insured on Indemnity Value Basis.

Sum Insured = #Present-day Construction Cost X (1- Depreciation applicable per annum X Age of the Property) X (1 + ##Escalation %)

**B. Reinstatement Value Basis****Digit Simplification: This value means the value of similar new property without considering depreciation due to age, usage and condition.**

Sum Insured on Reinstatement Value Basis shall not be less than the cost of reinstatement as if such property (excluding cost of land) were reinstated on the first day of Policy Period which shall mean the cost of replacement of the Insured Property by new Property in a condition equal to but not better or more extensive than its condition when new. No depreciation for age, usage and condition should be taken into consideration while arriving Sum Insured on Reinstatement Value Basis.

Sum Insured = #Present-day Construction Cost X (1 + ##Escalation %)

**NOTE:**

**#Present-day Construction Cost** = Built Up Area of the “Building/Structure” (Square Feet) As Per Registered Sale Agreement X Present Day Cost of Construction in Location where the Insured Property is situated as per the data available with Local Government Authority.

**##Escalation %** is as per the “Escalation Clause” Endorsement which can be Opted by you to take care of appreciation due to inflation.

**Note:** Sum Insured for Stocks and Stock in Trade shall be on Market Value Basis Only.

**What is Depreciation and how will it affect my claim?**

Depreciation is the reduction in the value of the Property with its age, usage and condition. Depreciation will be applicable as per the Surveyor’s decision at the time of claim, depending on the age and wear and tear of the Property. Depreciation will not be applicable where the Sum Insured is opted on Re-instatement Value Basis.

**Do I need to pay any amount from my pocket at the time of claim?**

Deductible is the part of the claim that is to be first paid by you and we are liable to pay the remaining part of the claim.

**Can I opt for Voluntary Deductible under this Policy?**

Yes, below are the Voluntary Deductible options available under this Policy. If you opt for this, You will get discount in premium as per the table below:

Deductible Amount		Discount (%)
Act of God Perils (5* % of the Claim Amount subject to a minimum of Rs in lakhs)	Other Perils (of Rs. In lakhs)	
10	5	2
20	10	4
30	15	6
60	30	8
100	50	10
500	100	12.5
1,000	500	15

2,000	1,000	20
> 2,000	> 1,000	25

Note :1) Voluntary Deductible once opted shall apply to the entire property insured and no selection shall be allowed.

\*2) Wherever additional excess of 2.5% is applicable the 5% indicated above shall read as 7.5%.

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

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

#### What is the renewal condition under this Policy?

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

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

#### Is there any provision to revise the Sum Insured during the policy?

Yes, Mid-term revision in sum insured shall be allowed as follows:

Increase in Sum Insured: On Pro-Rata Basis

Decrease in Sum Insured: On Short-Period scale

#### 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](mailto:hello@godigit.com)

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

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