

LATENT DEFECT INSURANCE POLICY

POLICY WORDING

Preamble

Whereas the Insured named in the Schedule hereto by a proposal and declaration together with any statement, report and/or other document has applied to SBI General Insurance Company Limited ("Lead Insurer") and has paid the premium as consideration for insurance which has been realized by the Insurer, in respect of happening of an event upon which one or more benefits become payable under this policy during the period of Insurance stated in the Schedule.

1. Principal Operative Clause

On basis of the underwriting information submitted by the Insured, the Insurers hereby severally agree and accept the following proportion set against its name, to indemnify the Insured in the manner and to the extent hereinafter stated against Loss, provided that:

- 1.1. The amount payable by the Insurers to the Insured collectively shall not exceed the Sum Insured which shall not exceed the automatic adjustment percentage stated in the Schedule and any Limit of Indemnity set out in the Schedule and any Endorsement.
- 1.2. The Insured shall collectively bear, for its own account, the amount set out in the Schedule or any Endorsement as Deductible.

2. Co-insurance Schedule:

SN	Name of the Insurer	Share (%)
	(Lead Insurer)	
	(Co-insurer)	

3. Conditions forming part of this clause

It is hereby agreed and understood that:

- 3.1 The Insured in exercise of his option has after having understood the implications, selected the above named Lead Insurer and the named Co-insurers vide sr. Nos. of the co-Insurance schedule as in point no. 2 under the policy.
- 3.2 The duties of Insured would devolve upon the authorized intermediary licensed by IRDA (referred to as authorized representative here after) where the Insured appoints such authorized intermediary to transact on his behalf with the Insurer/s.
- 3.3 It shall be the responsibility of the Insured or his Authorized Representative licensed by IRDA to decide on the panel of co-insurers and decide on their respective shares of the risk herein as set out in co-insurance share under paragraph 2 above and communicate the same to all such participating co-insurers, prior to assumption of risk.
- 3.4 The Lead Insurer shall finalize the terms and conditions applicable to the risk in the form of an underwriting slip with a unique code to be handed over to the Insured/Authorized Representative.

3.5 It shall be the responsibility of the Insured or his Authorized Representative to ensure that all insurers listed in the co-insurance schedule under paragraph 2 above, are fully aware of the terms and conditions of this policy and shall secure their unqualified acceptance of such terms and conditions prior to issuance of cover and inclusion of names of insurers in this co-insurance arrangement.

3.6 During the period of the policy, if there are any Material Changes in Risk or any changes in the original terms and conditions such as variation in Sum Insured, changes in premium charged, extension of policy period, etc., the same shall be communicated by the Insured or his Authorized Representative giving sufficient advance notice of 7 days to the Lead Insurer as well as all other participating co-insurers listed in the co-insurance schedule under paragraph 2 above and procure confirmation thereon. The endorsement to this effect shall be executed by the Lead Insurer under advice to all other participating co-insurers.

3.7 The liability of the Insurers shall in no case exceed in respect of each item of the sum expressed in the set schedule to be Insured thereon or in all, the total sum insured hereby or sums as may be substituted thereof by endorsement.

In the event of any of the Coinsurers chosen by the Insured as per Paragraph 3.1 above and listed in coinsurance schedule, wishes to withdraw from participation in this policy at anytime during the policy period, may do so after giving written notice of 14 days (from the date of intimation of changes in risk by the Insured/ Authorized Representative) only in the event of following contingencies:

1. Increase in Sum Insured beyond the agreed and accepted amount including escalation in Sum Insured, as recorded in the underwriting slip
2. Change in Terms and conditions of cover as agreed and accepted in the Underwriting Slip.

In the event of withdrawal as above by any Insurer from coinsurance participation under the policy, the Insured shall arrange for an alternative Coinsurer to take care of the full share of risk vacated by the existing Insurer. In the event of the Insured failing to do so, the Insured shall be considered as his own Insurer for such share of risk or part thereof which is not taken up by such alternative co-Insurer."

- 3.8 In the event of a claim under this policy, the Insured shall give notice of its occurrence to the Lead Insurer with a copy to all the Insurers as listed in clause 2 above.
- 3.9 Upon receipt of such notification of claim, all claim related activities including appointment of surveyors, etc shall be done by the lead insurer who shall decide the admissibility as well as quantum of the claim and the co-insurers shall abide by the same.
- 3.10 In the event of any claim being value of more than 5 crores, the lead insurer can immediately demand and the following co-insurer shall pay the cash call of their proportionate share of loss.

3.11 In all other cases, where the Lead Insurer pays 100% of the assessed loss, the following co-insurer/s shall remit their share of the loss to the Lead Insurer within a maximum period of 21 days from the date on which the Lead Insurer makes the demand.

Lead Insurer's declaration that the Claim and the amount thereof was in accordance with terms and conditions of the Policy issued shall be considered sufficient by the co-insurers for the purpose of remitting their share of the loss to the Lead Insurer.

3.12 The co-insurers forming part of this agreement shall be entitled to demand and obtain from the lead insurer/ Intermediaries copies of all policies, endorsements or other claim related documents relevant to this co-insurance clause.

In witness, whereof, this policy has been signed by SBI General Insurance Company (Lead Insurer) for itself and as authorized agents for other participating insurers named herein

Subject otherwise to the terms, exceptions, conditions and limitations of this policy.

1. Definitions

For the purpose of this policy, the following definitions shall apply:

(a) Any One Loss

All claims directly related to a Loss attributable to a Latent Structural Defect in one or more Structural Components of identical nature.

(b) Certificate of Approval

The document issued by the Technical Inspection Service on completion of the Project advising the Insurers on compliance with any regulations and recognized technical standards in relation to the cover provided by this policy

(c) Construction Contract

The contract or contracts between the Owner of the Project and the contractor or contractors for the realization of the Project.

(d) Defects Liability Period

The period agreed in the Construction Contract, starting at the Date of Issue of the Taking-Over Certificate or Occupancy Certificate, for notifying any defect to be remedied or any outstanding work to be completed by the contractor.

(e) Dispute

Any dispute or difference of whatsoever nature arising out of or in connection with this policy, including any question regarding its existence, validity or termination.

(f) Estimated Value of the Insured Property

The value of the Insured Property at the Date of Issue of the Taking-Over Certificate or Occupancy Certificate including costs of construction, design, management and supervision of the Project as estimated at the Policy Signing Date.

(g) External Components

Components of the Insured Property other than Structural Components and Internal Components, Fittings, Installations and Contents, within the perimeter fencing of the Insured Property, including but not limited to:

(i) Pavements, crossovers, paved areas, access roads, pedestrian paths, retaining walls

(ii) Drains, sewers, pipes, cables, wires and other service facilities
(iii) Landscaping works

(h) Groundwater

Water beneath the ground surface.

(i) Latent Structural Defect

Any defect or deficiency in the Structural Components attributable to errors, faults or omissions in design, calculation, specification, workmanship, materials, geological investigation or the interpretation thereof or to otherwise adverse conditions of rock or soil supporting the Insured Property or to a combination thereof, provided such defect or deficiency existed and was undiscovered at the Date of Issue of the Taking-Over Certificate or Occupancy Certificate.

(j) Insured

The party or parties named in the Schedule as Owner of the Project or its Successor or Successors to the extent of their respective rights and interests in the Insured Property.

(k) Insured Property

The property, which at the Policy Signing Date is known as the Project, as defined in the Schedule, comprising:

(i) Structural Components

(ii) Internal Components, Fittings, Installations and Contents (if any)

(iii) External Components (if any)

(l) Internal Components, Fittings, Installations and Contents

Non-load bearing parts of the Insured Property, irrespective of whether incorporated in any item of Structural Components or not, including:

(i) Internal non load-bearing walls, internal partitions, internal windows, internal doors

(ii) Coverings, finishings and tiling of any surface

(iii) Mechanical and electrical equipment and facilities

(iv) Distribution nets of water, gas, heating, air conditioning, electricity

(v) Sewerage net

(vi) Incorporated furniture and kitchens, if any

(vii) Fixtures and fittings, if any

(viii) Any movable element of window, doors, skylights, if any

(ix) Not incorporated furniture and movable equipment, if any

(m) Loss

Means collapse of or physical damage to the Insured Property or any threat thereof caused by a Latent Structural Defect of such Insured Property as specified in Condition 2.1 of this policy.

(n) Material Change in Risk

Any change materially varying any of the facts or circumstances relating to the Insured Property, the policy or the degree of risk assumed hereunder by the Insurers which if known to the Insurers would have influenced either their acceptance of the risk or the terms of the policy, in particularly the premium charged under the policy.

(o) Policy Signing Date

The date of the latter of the parties signature of the Policy.

(p) Precipitation

Rain, snow and/or hail.

(q) Structural Components

All load-bearing parts of the Insured Property essential to the stability or strength of the Insured Property being foundations, pillars, bearing walls, beams, slabs, floors, staircases, external walls, external cladding and roofing, but excluding any item defined as Internal Components, Fittings, Installations and Contents or External Components.

(r) Successor

A successor in title or assignee to whom the Insured Property or any portion thereof is transferred by the Owner of the Project.

(s) Sum Insured

The Sum insured under the policy as mentioned in the Schedule shall be total estimated value of the construction along with the selected indexation factor.

(t) Taking-Over Certificate OR Occupancy Certificate

The document issued by the representative supervising officer of the relevant Municipal corporation or the officer designated by the Real Estate Regulatory Authority confirming completion of the Project as foreseen in the Construction Contract.

(u) Technical Inspection Service

The party appointed by the Insurer to examine the documentation related to the Project, including but not limited to design, plans and specifications, to inspect the Project works and to advise on compliance with any regulations and recognized technical standards in relation to the cover provided by this Policy.

(v) Transfer of Ownership

Sale, assignment or disposal in any form whatsoever of the Insured Property or any portion thereof from the Insured to a Successor.

(w) Wind

Wind, storm, windstorm, tempest, hurricane, typhoon and/or tornado

2. Latent Structural Defects Insurance

2.1 Insuring Clause

The Insurers hereby agree subject to the terms and conditions and exclusions contained herein or endorsed hereon that the Insurers shall indemnify the Insured for collapse of or physical damage to the Insured Property or any threat thereof caused by a Latent Structural Defect of such Insured Property, hereafter termed as Loss, provided Loss is notified by the Insured to Insurers during the period of insurance as specified in the Schedule. The Maximum Liability under the policy shall be the Sum Insured specified in the Schedule subject to deductible if any as mentioned in the policy Schedule.

2.2 Demolishing and Removal of Debris

Subject to the Loss, the Insurers shall also indemnify the Insured, up to the Sum Insured specified in the Schedule, for

costs and expenses necessarily and reasonably incurred in demolition and disposal of debris of the Insured Property in connection with Loss.

2.3 Professional Fees

Subject to the Loss, the Insurers shall also indemnify the Insured, up to the Sum Insured specified in the Schedule, for professional fees, including but not limited to technical consultants' and legal fees, necessarily and reasonably incurred in connection with Loss. This indemnification does not include fees incurred in preparing any claim under this Policy.

2.4 Additional Costs

Subject to Loss, the Insurers shall also indemnify the Insured, for additional costs of repair or replacing and/or strengthening which arise out of alterations incurred solely and specifically in compliance with or consequent upon any building or other regulations under or pursuant to any statutory obligation. This indemnification does not include costs of complying with such requirements if notice thereof has been served before Loss has been discovered or costs which relate to parts of the Insured Property which are not directly affected by Loss.

2.5 Special Exclusions

Insurers shall not be liable for Loss arising to the Insured Property from or consequent upon the following regardless of any other cause contributing concurrently or in any other sequence to the Loss:

- (a) Latent Structural Defects of material, workmanship, design, plan or specification of:
 - (i) Internal Components, Fittings, Installations and Contents;
 - (ii) External Components;
- (b) Use of the Insured Property for any purpose other than that for which it was intended and/or as stated in the Schedule including but not limited to loading by any weight greater than that for which the structure of the Insured Property was designed for;
- (c) Inadequate maintenance;
- (d) Fire, lightning, explosion;
- (e) Flood, inundation, storm surge, earthquake, tsunami, volcanic eruption, frost, drought;
- (f) Wind, Precipitation, Groundwater and/or water of any origin, unless the primary cause is collapse of the Insured Property caused by a Latent Structural Defect;
- (g) Subsidence, ground heave, landslip, unless the primary cause is an Latent Structural Defect; Pressure waves caused by aircraft or other aerial devices travelling at subsonic or supersonic speed;
- (h) Corrosion, oxidation, the foregoing being caused either due to attack of contaminants or unsuitable materials making up Structural Works or due to inappropriate protection to the Structural works. Such contaminants are not limited to chlorides, sulphates, marine salts, spray or vapour, high humidity, polluted atmosphere or aggressive soil. (i) Wear & tear, deterioration, ageing, change in colour or texture, discolouration and/or staining;
- (j) Ingress of water (unless specifically covered);
- (k) Insect, animal or vermin damage;

- (l) Alterations of geological conditions, including but not limited to changes of the Groundwater level or flow, whether due to a natural event or man-made, suffered after the Date of Issue of the Taking-Over Certificate or Occupancy Certificate;
- Any additions to or alterations or modifications to the structure of the Insured Property made after the Date of Issue of the Taking-Over Certificate or Occupancy Certificate ; unless with the prior approval of the Insurers;
- (m) Any consequential or economic loss or damage of any kind, including but not limited to loss of use, loss of rent, penalties;
- (n) Any defect or deficiency referred to as a reservation in the Certificate of Approval, unless such defect or deficiency has been subsequently rectified and the approval of such rectification has been confirmed to the Insurers in writing by the Technical Inspection Service;
- (o) Any outstanding work or known defect of which the Insured is aware at the Policy Coverage Inception Date, including but not limited to any such work or defect recorded in the Taking-Over Certificate or Occupancy Certificate, unless such work has been completed and/or such defect has been remedied and the Insurers have been advised thereof in writing by the Insured;
- (p) The failure or omission of the Insured to substantially undertake the repair, replacement or strengthening of those parts of the Insured Property for which indemnity is provided under this Policy within a reasonable period of time or such other period of time as may be agreed in writing by the Insurers;
- (q) Any loss of or damage to ground or property other than what is specified in the Schedule as Insured Property;
- (r) The use of any unproven and/or non-standard and/or innovative material or product, unless:
 1. It has been certified by a recognized national or international organisation, and
 2. Such certification has been made available to the Technical Inspection Service and the Insurers, and
 3. The Insurers have confirmed in writing their approval of such use;
- (s) Any defect notified by the Insured within the Defects Liability Period, unless the contractor's business be wound up or carried on by a liquidator or receiver or be permanently discontinued.
- (t) Fungi:
 - a) Any Cost of expense incurred to clean up, remove or remediate any fungi; or
 - b) Any cost or expense incurred to test for, monitor or assess the existence concentration of effects of any fungi.

3. General Exclusions

3.1 War and Allied Perils

This policy does not cover Loss occasioned by or through or in consequence, directly or indirectly, of any of the following events, namely:

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war;

- (b) Mutiny, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege, nationalisation, confiscation, requisition, seizure or loss of or damage to property by order of the government or by any public authority;
- (c) Strike, riot, civil commotion and popular rising.

In any action, suit or other proceedings where the Insurers allege that, by reasons of the provisions of this Exclusion, any Loss is not covered by this policy, the burden of proving that such Loss is covered shall be upon the Insured.

3.2 Extended Nuclear Risks

This policy does not cover any Loss occasioned by or through or in consequence, directly or indirectly, of any of the following events, namely:

- a) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c) Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d) The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, but the exclusion in this subclause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- e) Any nuclear reaction, nuclear radiation or radioactive contamination regardless of any other cause contributing concurrently or in any other sequence to any loss, damage or liability;
- f) Any chemical, biological, bio-chemical or electromagnetic weapon.

3.3 Willful Acts and Gross Negligence

This policy does not cover Loss directly or indirectly caused by or arising from or aggravated by any wilful act or omission or gross negligence of the Insured or its management.

3.4 Terrorism

This policy does not cover Loss directly or indirectly caused by, resulting from, happening through, arising out of or in connection with any act of terrorism, regardless of any other cause contributing concurrently or in any other sequence to the Loss.

For the purpose of this exclusion, terrorism means an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention or effect of influencing any government or of putting the public or any section of the public in fear.

In any action suit or other proceedings where the Insurers allege that by reason of this definition a Loss is not covered by this Policy, the burden of proving that such Loss is covered shall be upon the Insured.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4. Policy Conditions

4.1 Policy Coverage Inception

This Policy shall come into force provided that:

- (a) The Taking-Over Certificate or Occupancy Certificate has been issued and a copy of such certificate has been received by the Insurers, and
- (b) The Certificate of Approval has been issued and a copy of such certificate has been received by Insurers, and
- (c) The Date of Issue of the Taking-Over Certificate or Occupancy Certificate is no later than 6 calendar months after the estimated date of Issue of the Taking-Over Certificate or Occupancy Certificate shown in the Schedule, and
- (d) The Insured and Insurers have signed an Endorsement stating the Date of Issue of the Taking-Over Certificate or Occupancy Certificate and confirming such date as the date of Policy Coverage Inception.

Should the Date of Issue of the Taking-Over Certificate or Occupancy Certificate be more than 6 calendar months after the estimated date of Issue of the Taking-Over Certificate or Occupancy Certificate shown in the Schedule, the policy coverage will only incept on express written confirmation by the Insurers and on the terms and conditions agreed upon by the Insurers.

4.2 Transfer of Ownership of the Insured Property

In case of Transfer of Ownership of the Insured Property during the period of Insurance, the Insured shall inform the Successor in writing of the existence and the conditions of this policy and notify the Insurers as soon as practicable the identity of the Successor and the date of such transfer of the Insured Property to the Successor.

As from the date of such transfer of the Insured Property, the Successor shall become the Insured under the Policy and shall be bound to all the obligations and would be entitled to all interests and rights of the original Insured. All obligations, interests and rights of the original Insured shall terminate as from such date.

However, if no notice is given by the Insured or no evidence is provided by the Successor of the Transfer of Ownership of the Insured property within 3 months after the date of such transfer, the policy shall automatically terminate at the date of such transfer.

Should only a portion of the Insured Property be transferred, this condition shall apply only to that portion and not to any other portion of the Insured Property.

4.3 Actual Value deviating from the Estimated Value Where at anytime

- (i) before the Date of Policy Coverage Inception or
- (ii) within the time allowed for declaration of the actual value of the Insured Property as stated in Condition 4.4 it is apparent, or should be reasonably apparent, to the Insured that the actual value of the Insured Property at the Date of Policy Coverage Inception deviates from the Estimated Value of the Insured Property by more than the automatic adjustment percentage stated in the Schedule, the Insured shall inform the Insurers with immediately providing full documents on such actual value and the reasons for its increase or decrease. However, the actual value of the Insured Property should not exceed the automatic

adjustment percentage stated in the Schedule. In such case the coverage will, as applicable, only incept or continue on express written confirmation and on terms and conditions agreed by Insurers.

4.4 Sum Insured of the Insured Property

At the Date of Policy Coverage Inception, the Sum Insured of the Insured Property shall correspond to the Estimated Value of the Insured Property at that date including costs of construction, design, management and supervision but exclude the value of land.

The Insured shall declare such actual value of the Insured Property not later than three calendar months after the Date of Policy Coverage Inception. If such value deviates from the Estimated Value of the Insured Property specified in the Schedule, or any other estimated value which has been agreed by Endorsement, the Sum Insured shall be adjusted so that it is equal to such actual value, subject to the increase or reduction not exceeding the automatic adjustment percentage stated in the Schedule, and such adjustment of the Sum Insured shall be formally stated by an Endorsement.

4.5 Indexation during the Period of Insurance

At any time during the period of insurance other than the Date of Policy Coverage Inception the Sum Insured shall correspond to the Sum Insured of the Insured Property at the Date of Policy Coverage Inception adjusted by application of the Indexation Factor as per CIDC (Construction Industry Development Council) stated in the Schedule as from the Date of Policy Coverage Inception.

If, at the date of settlement of a Loss, the indexation figure shows a variation of more than 10% in comparison with the index in force at the Policy Signing Date, the Deductible of the policy, endorsements and the Limit of

Indemnity, if any, shall be adjusted by application of the Indexation Factor as from the Policy Signing Date.

4.6 Full Insurance

If it is found, in the event of Loss, that the Sum Insured of the Insured Property is less than the Sum Insured which would correspond to the definition provided in Conditions 4.4 and 4.5 then the amount recoverable by the Insured shall be reduced in such proportion as the actual Sum Insured bears to the respective Sum Insured which would correspond to the definition.

Partial losses can be reinstated at pro rata premiums if the indexed loss ratio is less than 70% to ensure adequacy of the Sums Insured.

4.7 Premium

The Final Premium is equivalent to the premium rate stated in the Schedule applied to the Sum Insured of the Insured Property as provided for in Condition 4.4 and the Final Balance Premium shall be stated in an Endorsement together with the adjustment of Sum Insured as provided for in Condition 4.4 or any other Endorsement.

The deposit premium is due irrespective of whether the policy comes into force or not.

The Insured warrants that the Premium stated in the Schedule and any additional Premium as may be agreed by an Endorsement will be paid and received by the Insurers on or before midnight of the respective due date as stated in the Schedule. If this warranty is not complied with then this policy shall be void ab initio and the Premium paid shall be forfeited.

However, the Insurer shall have the right to revive the policy and reschedule the deposit dates if there are acceptable reasons from the Insured at revised rate and terms as decided by the Insurers.

4.8 Unity of Policy

The Schedule, the Definitions, all Conditions and Exclusions and any Endorsement are deemed to be integral parts of this Policy, and any word or expression to which a specific meaning has been attached in any part shall bear such meaning wherever it may appear.

4.9 Due Observance of Policy Terms

The due observance and fulfilment of the terms of this policy, conditions, warranties and endorsement of this policy insofar as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Insurers to make any payment under this policy.

4.10 Technical Inspection Service

During the course of construction, the Lead Insurer shall, within one month after the Policy Signing Date, appoint the Technical Inspection Service company and shall collect the fees from the Insured as specified in the schedule.

Should the Technical Inspection Service Company not deliver the full service expected by the Insurers, the Insurers may at any time require cancellation of the appointment of the Technical Inspection Service Company and the Insurer shall notify the Insured accordingly at the earliest possible date and the Insurers shall appoint another Technical Inspection Service Company within thirty days of such notification. Any additional costs arising out of such change shall be borne equally by the Insured and the Insurers.

4.11 Basis of Indemnity

In the event of Loss, the basis of indemnity shall be as follows:

- (a) In respect of collapse of or physical damage to the Insured Property: the costs of replacing, repairing and/or strengthening those parts of the Insured Property thereby directly affected to a condition substantially the same but not better than or more extensive than their condition when new except insofar as it is necessary to alter that part of the Insured Property causing the collapse or physical damage to prevent any further such collapse or physical damage from occurring within the Period of Insurance;
- (b) In respect of threat of collapse or physical damage to the Insured Property: the costs necessarily incurred by way of remedial measures to prevent an actual collapse of or physical damage to the Insured Property from occurring within the period of insurance, including but not limited to any temporary and/or provisional repair or strengthening works necessary to prevent any imminent collapse or physical damage.

Costs recoverable shall only be those actually incurred, which shall be confirmed by the providing settled invoices, accounts or other documents as may be required by the Insurers.

Partial losses can be reinstated at pro rata premiums to time and Sum Insured if the loss ratio is less than 70%. If the loss ratio is in excess of 70%, the reinstatement premiums to be mutually agreed.

4.12 Material Change in Risk

If at any time before or after the Date of Policy Coverage Inception any Material Change in Risk shall occur, the Insured or his Authorized Representative shall immediately give 7 days

advance notice in writing of such Material Change in Risk to the Insurers furnishing, as soon as possible thereafter, any further particulars as the Insurers may reasonably require.

In the event of a Material Change in Risk, the continuance of this policy shall be on terms and conditions to be agreed between the Insured and the Insurers and the Insurers shall advise the Insured if there is any additional premium payable by the Insured. However, in the event the Insurers and the Insured are unable to agree on new terms and conditions, any Loss shall be covered only to the extent it would have been covered had the Material Change in Risk not occurred.

4.13 Reasonable Precautions

The Insured shall take all reasonable and proper steps at his own expense to safeguard and protect the Insured Property before and after the Date of Policy Coverage Inception to prevent Loss, including but not limited to compliance with:

- (a) All statutory obligations and regulations, and
- (b) The requirements of any government body, local authority or other public authority, and (c) Industry best practice in respect of construction and maintenance activities.

4.14 Documentation and Inspections

The Technical Inspection Service company shall be provided by the Insured with full documentation related to the Project, including but not limited to design, plans, reports and specifications and any other information or document it may reasonably request.

Before and after the Date of Policy Coverage Inception representatives of the Insurers and the Technical Inspection

Service company shall, at any reasonable time, have the right to inspect and examine all or any part of the Insured Property and such representatives shall be provided by the Insured with any further documents or other information pertaining to the Insured Property they may be reasonably requested for.

4.15 Claims

In the event of Loss, the Insured shall:

- (a) Immediately notify the Insurers by email or in writing or other modes via the address specified in the Schedule, giving an indication as to the nature and extent of the Loss and confirm such advice in writing as soon as possible;
- (b) Supply as soon as possible all such information and documentary evidence in relation to the Loss as the Insurers may at any stage require;
- (c) Preserve anything that might prove necessary or useful by way of evidence in connection with the Loss and make it available for inspection by a representative of the Insurers;
- (d) Take such immediate action, to do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or to avoid or diminish the Loss, and to prevent any repetition in that or any other part of the Insured Property;
- (e) Advise Insurers of any other insurance, which may cover the Loss, or any part thereof, which has been notified under this policy.

If a claim is made by the Insured and rejected by the Insurers, which means that liability under this policy is declined in writing by the Insurers, and no reference to Mediation under Condition 4.17 is commenced by the Insured within three months after dispatch of such rejection, then, for all purposes, the claim shall be taken as having been abandoned and shall not be recoverable under this policy.

4.16 Subrogation

The Insured shall, at the expense of the Insurers, do and concur in doing and permit to be done, all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated, upon their paying for or making good any Loss, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurers.

The Insured shall not waive or modify any rights in relation to the Insured Property against any party engaged directly or indirectly on the Project including but not limited to designers, consultants, suppliers, contractors, subcontractors or any occupier or tenant.

4.17 Mediation

Both parties agree to try in good faith to settle any Dispute by non-binding mediation prior to a reference to arbitration in accordance with Condition 4.18.

4.18 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."

- i. The seat of the arbitration shall be Mumbai
- ii. This condition remains valid, should the policy becomes void.

4.19 Contribution

This policy is not to be called upon in contribution and is only to be paid for any Loss or costs, expenses or professional fees if and so far as not recoverable under any other insurance policy.

4.20 Applicable Law and Jurisdiction

Subject to Conditions 4.17 and 4.18, the construction, validity, meaning, interpretation and performance of this policy shall be in all respects governed exclusively by and interpreted in accordance with the applicable Law and Jurisdiction specified in the Schedule.

4.21 Policy Cancellation Clause

The policy may be cancelled by the Insured without assigning any reason prior to the Policy Coverage Inception date and such an event the Insurers shall retain thirty percent of the hundred percent policy premiums.

The policy may be cancelled by the Insurer prior to the Policy Coverage Inception date by giving 15 days' notice in writing, to the Insured's last known address only in case of fraud, misrepresentation, mis-declaration and nondisclosure of material facts and non-cooperation. In such case, fifty percent of the hundred percent policy premiums shall be forfeited by the Insurers.

The policy may be cancelled by the Insured after the Policy Coverage Inception only on account of faulty title court award by giving 15 days notice in writing to the Insurer. In such a case, pro rata tempore refund shall be made to the Insured after deducting claims incurred until the date of cancellation of the policy.

4.22 Sanctions Clause (LMA3100)

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover,

payment of such claim or provision of such benefit would expose that (re)insurer or any member of the (re) insurer's group to any sanction, prohibition or restriction under any United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or to any Iran related sanction prohibition or restriction of the United States of America.

4.23 Limit of Indemnity

The Lead Insurer's total liability for Loss paid during the period of insurance shall not exceed the aggregate Limit of Indemnity Liability as set forth in the Schedule.

4.24 Fraud

Any person who, knowingly and with intent to defraud the Insurers or other person, files a Proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, will render the policy voidable at the Lead Insurer's sole discretion and result in a denial of insurance benefits.

If a claim is in any respect fraudulent, or if any false statutory declaration is made or used in support thereof, or if Loss is occasioned by or through the procurement or with the knowledge or connivance of the Insured then all benefits under this policy are forfeited.

4.25 Severability

If any provision of this policy is invalid, unenforceable or prohibited by law, this policy shall be considered divisible as to such provision and such provision shall be in operative and the remainder of this policy shall be valid, binding and of the like effect as though such provision was not included therein.

The parties shall make all reasonable endeavours to agree as far as possible that invalid or illegal terms shall be amended or replaced by valid or legal terms as the case may be, with a similar effect in order to maintain the purpose and continuity of this policy.

4.26 Third parties
A person who is not a party to this policy shall have no right under the Contracts to enforce any of its terms.

Endorsements

- a. Ingress of water from building flat roofs; flat roofs being defined as roofs with slope less than 5 degrees.

Subject to the payment of additional premium by the Insured and realization of the same by the Insurers and subject to the other terms, conditions and exclusions contained in the policy, the policy is extended to cover ingress of water from flat roofs on the following basis:

- i) For the purpose of this Endorsement the Definition 1(b), Certificate of Approval is amended as follows:

The documentation issued by the Technical Inspection Service on the 1st Anniversary of the completion of the project advising the Insurers on the performance of the water proofing of the flat roof as per recognised technical standards in relation to the cover provided by this policy.

- ii) The cover is provided subject to the water proofing vendor, process and the materials used are approved by the Technical Inspection Service Company and any warranty offered by the water proofing vendor would inure to the benefit of the Insurers.

- iii) The basis of claim settlement in respect of a Latent Defect of water proofing elements shall be

- a) The cost of repairing or replacing that part of the water proofing of the flat roof of the Insured Property which is damaged by a Latent Structural Defect in such water proofing;
- b) Replacing those parts of the Insured Property included in the total Sum Insured and damaged as a result of Latent Structural Defects in the water proofing of the flat roof;
- iv) Such Latent Structural Defect is first discovered and notified to the Insurers during the period of water ingress insurance as stated herein below.

Special conditions applying to this endorsement:

This endorsement does not indemnify the Insured for damage caused by or due to:

- a) Inadequate Maintenance of the Insured Property;
- b) Abnormal use of the Insured Property;
- c) Imposition of a load greater than for which the Insured Property has been designed;
- d) Structural alterations, repairs, modifications, surface finishing operations which materially affect the water proofing quality of the Insured Property;

Period of water ingress Insurance: 4 years starting after the issue of the Certificate of Approval

Limit of indemnity: 1% of total Sum Insured any one compound period but not exceeding INR 3 Crores in the aggregate.

Deductible: 10% of the loss, minimum INR 50,000 per roof per calendar quarter

b. Ingress of water from basement; basement being defined as the structure of the building below the ground.

Subject to the payment of additional premium by the Insured and realization of the same by the Insurers and subject to the other terms, conditions and exclusions contained in the policy, the policy is extended to cover ingress of water from basement on the following basis:

- i) For the purpose of this Endorsement the Definition 1 (b) Certificate of Approval is amended as follows:

The documentation issued by the Technical Inspection Service on the 1st Anniversary of the completion of the Project advising the Insurers on performance of the water proofing of the basement as per recognised technical standards in relation to the cover provided by this policy;

- ii) The cover is provided subject to the water proofing vendor, process and the materials used are approved by the Technical Inspection Service Company and any warranty offered by the water proofing vendor would inure to the benefit of the Insurers.

The basis of claim settlement in respect of a Latent Structural Defect of waterproofing elements shall be:

- a) The cost of repairing or replacing that part of the water proofing of the basement of the Insured Property which is damaged as a result of Latent Structural Defect in the water proofing of the basement;
- b) Replacing those parts of the Insured Property included in the total Sum Insured and damaged as a result of Latent Structural Defects in the water proofing of the basement;
- iii) Such Latent Structural Defect is first discovered and notified to the Insurers during the period of water proofing insurance.

Special conditions applying to this endorsement:

This endorsement does not indemnify the Insured for damage caused by or due to:

- a) Inadequate Maintenance of the Insured Property;
- b) Abnormal use of the Insured property;
- c) Imposition of a load greater than for which the Insured Property has been designed;
- d) Structural alterations, repairs, modifications, surface finishing operations which materially affect the water proofing quality of the Insured Property;

Period of water proofing Insurance: 4 years starting after the issue of the Certificate of Approval.

Limit of indemnity: 1% of total Sum Insured any one compound period but not exceeding INR 3 Crores in the aggregate;

Deductible: Deductible: 10% of the loss, minimum INR 50,000 per calendar quarter

c. Ingress of water from the external façade; the external façade being described as the envelope to the building including external walls and external panels, if any (ONLY FOR COMMERCIAL BUILDINGS)

Subject to the payment of additional premium by the Insured and realization of the same by the Insurers and subject to the other terms, conditions and exclusions contained in the policy, the policy is extended to cover ingress of water from the external façade on the following basis:

- i) For the purpose of this Endorsement, the Definition 1(b) Certificate of Approval is amended as follows:

The documentation issued by the Technical Inspection Service on the 1st Anniversary of the completion the project advising the Insurers on performance of the water proofing of the facade as per recognised technical standards in relation to the cover provided by this policy;
- ii) The cover is provided subject to the water proofing vendor, process and the materials used are approved by the Technical Inspection Service Company and any warranty offered by the water proofing vendor would inure to the benefit of the Insurers.
- iii) The basis of claim settlement in respect of Latent Structural Defect of water proofing elements shall be:
 - a) The cost of repairing or replacing that part of the facade of the Insured Property which is damaged as a result of Latent Structural Defect in such water proofing of the façade of the Insured Property;
 - b) Replacing those parts of the Insured Property included in the Sum Insured and damaged as a result of Latent Structural Defects in the water proofing of the façade of the Insured Property.
- iv) Such Latent Structural Defect is first discovered and notified to the Insurers during the Period of water proofing insurance;

Special conditions applying to this endorsement:

This endorsement does not indemnify the Insured for damage caused by or due to

- a) Inadequate maintenance of the Insured Property;
- b) Abnormal use of the Insured property;
- c) Imposition of a load greater than for which the Insured Property has been designed;

d) Structural alterations, repairs, modifications, surface finishing operations which materially affect the water proofing quality of the Insured Property;

Period of water proofing Insurance: 4 years starting after the issue of the Certificate of Approval.

Limit of indemnity: 1% of total Sum Insured any one compound but not exceeding INR 3 Crores in aggregate

Deductible: 10% of the loss minimum, INR 400,000 per calendar quarter.

d. Floortiling in the apartment:

Subject to the payment of additional premium by the Insured and realization of the same by the Insurers and subject to the other terms, conditions and exclusions contained in the policy, the policy is endorsed to cover vitrified tiles used for the flooring in the apartment for

- i) Ballooning of the tiles.
- ii) Cracking or collapse of the tiles; Hereafter referred to as "failure".

Provided

- a) the process and the material of tile laying is pre-approved by the Insurers or their representatives;
- b) inspection by Technical Inspection Service Company is carried out during the laying of the tiles
- c) Insurers have received an unqualified Certificate of Approval from the Technical Inspection Services following such inspections;

The basis of claim settlement in respect of a Latent Structural Defect due to the failure shall be limited to the cost of repairing or replacing the affected tiles with a tile of similar color without any liability for continuity of original pattern or design.

Special conditions applying to this endorsement:

This endorsement does not indemnify the Insured for damage caused by or due to:

- a) Inadequate maintenance of the Insured Property;
- b) Abnormal use of the Insured property;
- c) Imposition of a load greater than for which the Insured premises has been designed;
- d) Structural alterations, repairs, modifications, surface finishing operations which materially affect the tile quality or any water tightness;

Period of tile Insurance: 2 years starting after the issue of the Certificate of Approval.

Limit of indemnity: 1% of total Sum Insured any one compound for the policy period but not exceeding INR 2 Crores mio in the aggregate

Deductible: 10% of the loss minimum INR 50,000 per apartment

e. Alternate Rentals:

In the event of a valid claim under the policy, should either the Municipal Authorities or the Technical Inspection Services company recommend the evacuation of the building, whether partial or complete to facilitate necessary repairs, the policy is hereby extended to indemnify the cost of rentals for similar type, quality and cost of the accommodation, subject to the payment of additional premium by the Insured and realization of the same by the Insurers and subject to the other terms, conditions and exclusions contained in the policy.

The policy will exclude any cost associated with the relocation of the tenants.

Limit of indemnity for alternate rentals: maximum three months rent per affected apartment but not exceeding INR 150,000 per apartment and INR 10,000,000 in the aggregate.

Deductible: 10% of the Alternate rentals

Grievance Redressal Mechanism

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

Stage 1: Bima Bharosa

You can register your grievances with the regulator using the following link: <https://bimabharosa.irdai.gov.in/Home/Home>

Stage 2: Head – Customer Care

Alternatively, if you wish to register your grievances directly with us, you may write to the Head – Customer Care. We aim to respond to all Grievances within 7 days. In our initial acknowledgement of receipt letter, we will provide the name and title of the person that is handling your Grievance. This individual will have the authority necessary to investigate and resolve the Grievance.

Email: head.customerCare@sbigeneral.in

Toll-Free Number: 1800 102 1111 (Available 24/7)

Stage 3: Grievance Redressal Officer (GRO)

In case, you are still not satisfied with the decision/resolution communicated by the above officer or have not received any response within 5 Business days, you may escalate the matter to the Grievance Redressal Officer (GRO) which will undergo a detailed case investigation, and we aim to resolve the issue within 7 days from the date of receipt of your Grievance at GRO Desk

Email: gro@sbigeneral.in

Designation: Grievance Redressal Officer

Phone: 022-45138021

Note: - The Company shall endeavour to maintain the regulatory TAT of 14 days in resolving your grievances.

Stage 4: Escalation to Insurance Ombudsman

If you feel that the response to your Grievance was unsatisfactory, or if you believe your concerns have not been adequately addressed by the company, you may escalate the matter to the Insurance Ombudsman.

Submit your Grievance online:

<https://www.cioins.co.in/Ombudsman>