

LAGHU BUSINESS PACKAGE INSURANCE POLICY

PROSPECTUS

Introduction

This prospectus gives basic information about the Laghu Business Package Insurance Policy that You can purchase from Us, i.e. the SBI General Insurance Company. The **Laghu Business Package Insurance Policy** provides insurance cover for physical loss or damage to or destruction of Insured Property relating to Your business.

This policy is for enterprises where the total value at risk across all insurable asset classes at one location exceeds ₹ 5 Crore (Rupees Five Crore) but does not exceed ₹ 50 Crore (Rupees Fifty Crore) at the policy commencement date.

Important Dos and Don'ts

1.	When You fill up the Proposal Form	<ul style="list-style-type: none"> Read the instructions in the proposal form carefully before filling up the details. Understand the basis for arriving at the Sum Insured for Building, Plant and Machinery, Furniture, Fixtures, Fittings, Stocks and other Contents before filling up the details. This is given below in this Prospectus under the heading 'Sum Insured'. It is also explained in the Proposal Form. Make sure You have opted for the correct policy based on the total Sum Insured. Fill up the proposal form completely and answer all the questions truthfully.
2.	During the Policy Period	<ul style="list-style-type: none"> Make full disclosure in the proposal and related documents about Yourself and all the Insurable Assets. Remember, the information You give Us is the basis of Our contract with You. You must inform Us of any changes in the business premises or if it remains unoccupied for more than 30 days. Do not allow unauthorised persons to occupy Your premises. Ensure that all security procedures are in force.
3.	When You have a Claim	<ul style="list-style-type: none"> Give notice of loss to Us, as required. Inform the respective authorities, as required. Make true and full disclosures in Your claim form. Give all documents supporting the claim. Give full cooperation for inspection and investigation of claim.

The Insurance Cover

In this Prospectus, You will find information about the following insurance covers:

Section I : Standard Fire and Special Perils(As per SBI General Bharat Laghu Udyam Suraksha)

1. Standard Cover: We cover physical loss or damage, or destruction caused to the building and structures, plant and machinery, stock and other assets relating to Your business. These are the Insured Properties.

If any Insured Property is lost, damaged or destroyed, We provide cover as follows-

Your loss	Condition	We pay, but not more than the Sum Insured
Any Insured Property is damaged. (Partial Loss)	You have repaired such property.	Cost of repairs
If any Insured Stock is damaged. (Partial Loss)		Extent of the loss of such Partial Loss
Any Building or Plant and Machinery or Furniture, Fixture, Fittings is completely destroyed. (Total Loss)	You have rebuilt the building or reinstated /replaced such property.	Reinstatement /Replacement Value (i.e amount at which the Insured Property can be reinstated or replaced by a similar property, without deducting depreciation)
Stock is completely destroyed (Total Loss)		a) For raw material: Landed Cost at Your Premises, b) For stock in process: Input Cost of the stock at the time of damage,

Your loss	Condition	We pay, but not more than the Sum Insured
		For finished stock: the Manufacturing Cost of the finished stock or the Contract Price of goods sold but not delivered.
Any Building, Plant and Machinery, Furniture, Fixture and Fittings is completely destroyed (Total Loss)	You have not rebuilt the building or reinstated other property.	Market Value (Reinstatement Value less Depreciation)

- You must commence the repairs, reinstatement or reconstruction within a reasonable time after the date of damage or destruction. You must complete the repairs or reinstatement within 12 months from the date of damage or destruction or within such time as We may allow.
- In all cases, We will not pay more than the relevant Sum Insured.
- We will pay only to the extent required to bring the Property to a condition substantially the same as, but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.
- You can reconstruct the new building on the same site, or another site. If You reconstruct the new building on another site, We will not pay You more than what We would pay to reconstruct on the same site.

2. In-built Covers: Under the Standard Cover, We also pay the following:

In-built Cover	Details
1. Additions, alterations or extensions	Property that You erect, acquire or add during the Policy Period is covered up to 15% of the Sum Insured for that item (excluding stocks).
2. Temporary removal of stocks	Loss to stocks temporarily removed to other premises for fabrication, processing or finishing up to 10% of value.
3. Cover for Specific Contents	Cover for Money up to ₹ 50,000 (Fifty Thousand Rupees) during the policy period, cover for documents such as deeds, manuscripts, business books, plans, drawings, securities etc. up to ₹ 50,000 (Rupees Fifty Thousand) during the policy period, cover for computer programmes, information and data up to ₹ 5 Lakh (Rupees Five Lakh) during the policy period and cover for personal effects of employees, Directors and visitors up to ₹ 15,000 (Rupees Fifteen Thousand) per person for a maximum of 20 persons during the policy period.
4. Start-Up Expenses	Start-up cost incurred by You in respect of insured risk consequent upon a loss or damage due to insured events up to ₹ 5 Lakhs (Rupees Five Lakh).
5. Professional fees	Reasonable fees of architects, surveyors and consulting engineers upto 5% of the claim amount.
6. Costs for Removal of debris	Reasonable expenses for removal of debris upto 2 % of the claim amount.
7. Costs compelled by Municipal Regulations	Additional cost of reconstruction of property incurred solely for complying with municipal regulations. The total amount recoverable under any item of the policy shall not exceed the sum insured thereby.

Section II: Business Interruption (Optional Section)

If any building or other property or any part thereof used by the Insured for the purpose of the business, be destroyed or damaged by the perils covered under Section I of this Policy (destruction or damage so caused being hereinafter termed 'damage') and the business carried on by the Insured at the business premises be in consequence thereof interrupted or interfered with, the Company will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference in accordance with the provisions contained in this Section:

Section III – Machinery Breakdown (Optional Section)

1. What is covered:

The Company will indemnify the Insured against unforeseen and sudden physical damage caused by and/or solely due to electrical and/or mechanical breakdown of electrical and mechanical appliances, apparatus or gadgets specified in the Schedule hereto whilst contained in or fixed in the Insured's business premises. Provided that the liability of the Company in respect of any one item in any one Policy period will not exceed the Sum Insured set against such item in the Schedule.

Section IV- Electronic equipments / appliances (Optional Section)

1. What is covered:

This Section covers loss, damage to :-

Section IV (A) : All Electronic equipments like Computers, Medical, Biomedical, Micro- processors; Audio/Visual equipments including the value of Systems Software. The term 'equipment' in this Section of the Policy shall include the entire computer system consisting of CPU, Keyboards, Monitors, Printers, Stabilizers, UPS, and System Software. Further portable Electronic Equipments like notebook, lap top computer, sonography are also included in this Section.

Dish Antenna is excluded from the scope of cover under this Section of the Policy.

Section IV (B) : External Data Media.

Section IV (C) : Increased Cost of Working.

Special Exclusion to Section – IV (A)

The Company shall not, however, be liable for –

- a) the Excess stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items;
- b) loss or damage caused by any faults or defects existing at the time of commencement of the present insurance within the knowledge of the Insured, or his representatives, whether such faults or defects were known to the Company or not;

Section V - Burglary Insurance (Optional Section)

1. What is covered

The Company will indemnify the Insured against

- I. Loss or damage to the property described in the Schedule under this section by Burglary or Housebreaking (theft following upon an actual forcible and violent entry of or exit from the premises by the person or persons committing such theft) or Hold-up;
- II. Any damage to the premises described in the Schedule hereto following upon or occasioned by an actual forcible and violent entry of or exit from the premises or any attempt thereat by the person or persons committing or attempting to commit such theft

Additional Benefits automatically provided by this Section of the Policy

- i. **Injury During Burglary or Housebreaking**
- ii. **Clothing and Personal Effects**
- iii. **Damage to Premises, or Safe or Strongroom**
- iv. **Money**

Section VI - Money Insurance (Optional Section):

1. What is covered

The Company will indemnify the Insured the amount of any loss of Money belonging to the Insured or for which the Insured is responsible as specified in the Schedule of the within Policy against–

- I. Theft; or
- II. Loss, destruction or damage caused by any accident, not otherwise excluded;

The liability of the Company in respect of any one loss shall not exceed the Limit of Liability stated in the Schedule under this section.

The Company will in addition but only if specifically noted in the Schedule under this section, indemnify the Insured in respect of loss of or damage to any Safe, strongroom or carrying case specifically designed for carrying Money.

Additional Benefits automatically provided by this Section of the Policy

- I. Bank Holiday Increase
- II. Reinstatement of Sum Insured
- III. Injury During Theft

Section VII – Plate Glass Insurance (Optional Section):

1. What is covered :

The Company will indemnify the Insured against

- I. any Accidental loss of or damage caused to Plate Glass at the Insured Premises occurring during the Policy Period, and

- II. the cost of erecting any temporary boarding necessitated by such loss or damage to Plate Glass, and
- III. any additional benefits provided within this Section of the Policy.

Additional benefit automatically provided by this Section of the Policy

in the event of Breakage of glasses, the Policy will indemnify up to an amount not exceeding Rs. 5000/- in respect of any one event and in aggregate of all occurrences during the Policy Period for each of the following:

- a) Replacing lettering, sign-writing or ornamentation affixed to the broken Glass.
- b) Replacing burglar alarm tape or wiring affixed to the broken Glass.
- c) Replacing shatter resistant or reflective film affixed to the broken Glass.
- d) Replacing damaged window frames, but with due allowance for wear and tear.

Section VIII Sign Board Insurance (Optional Section)

1. What is covered:

The Company hereby agrees to indemnify the Insured in respect of loss or damage to the Neon Sign/Glow Sign/Hoarding as specified in the Schedule under this section, due to any external accidental means.

Section IX Portable Electronic Equipment Insurance (Optional Section):

1. What is covered:

The Company hereby agrees to indemnify the Insured in respect of loss or damage to the Neon Sign/Glow Sign/Hoarding as specified in the Schedule under this section, due to any external accidental means.

Section X Portable Electronic Equipment Insurance (Optional Section):

1. What is covered

The Company hereby agrees with the Insured that if the property/properties or any part thereof entered in the Schedule under this section suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded necessitating repair or replacement anywhere within the territorial limits mentioned in the schedule of the policy, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by repair or replacement at Company's option or payment, up to an amount not exceeding in any one year of insurance in respect of each of the properties specified in the Schedule under this section the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule under this section as insured hereby.

Which unexpected events are covered?

We pay for the physical loss, damage or destruction caused to Insured Property by the following unforeseen events occurring during Policy Period.

The events covered are given in the Column A and those not covered in respect of these events are given in Column B.

Applicable to Section I:

Column A		Column B
We cover physical loss or damage, or destruction caused to the Insured Property by		We do not cover for loss or damage, or destruction caused to the Insured Property by
1.	Fire, including due to its own fermentation, or natural heating, or spontaneous combustion.	caused by a. its undergoing any heating or drying process, or b. burning of Insured Property by order of any Public Authority.
2.	Explosion or Implosion	a. caused to boilers, economizers or other vessels, machinery or apparatus in which steam is generated, or their contents, resulting from their own explosion or implosion, or b. caused by centrifugal forces.
3.	Lightning	-
4.	Earthquake, volcanic eruption, or other convulsions of nature	-
5.	Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Tsunami, Flood and Inundation	-

6.	Subsidence of the land on which Your Premises stand, Landslide, Rockslide	caused by a. normal cracking, settlement or bedding down of new structures, b. the settlement or movement of made up ground, c. coastal or river erosion, d. defective design or workmanship or use of defective materials, or e. demolition, construction, structural alterations or repair of any property, or ground works or excavations.
7.	Bush fire, Forest fire, Jungle fire	-
8.	Impact damage of any kind, i.e., damage caused by impact of, or collision caused by, any external physical object (e.g. vehicle, falling trees, aircraft, wall etc.),	a. caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds. b. caused by vehicle, animal or aircraft belonging to or owned by Insured or their employee while acting in course of employment
9.	Missile testing operations	-
10.	Riot, Strikes, Malicious Damages,	caused by a. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind, b. temporary or permanent dispossession, confiscation, commandeering, requisition or destruction by order of the government or any lawful authority, or c. temporary or permanent dispossession of any Building by unlawful occupation by any person.
11.	Acts of terrorism (Coverage as per Terrorism Clause attached)	Exclusions as per Terrorism Clause attached.
12.	Bursting or overflowing of water tanks, apparatus and pipes,	-
13.	Leakage from automatic sprinkler installations.	a) repairs or alterations in the Building in which Your Business is located, b) repairs, removal or extension of any sprinkler installation, or c) defects in the construction known to You.
14.	Theft within 7 days from the occurrence of, and proximately caused by, any of the above Insured Events	if it is a) of any article or thing outside Your Premises, or b) of any article or thing attached from the outside of the outer walls or the roof of Your Premises, unless securely mounted.

Examples

- Your insured building catches fire. All its doors are opened for fighting the fire. A person takes advantage of the situation and carries away Insured electronic equipment. Since this theft follows a fire within 7 days of the occurrence of the fire, We will pay for Your loss upto the limits of the applicable Sum Insured for that equipment.*
- During riots, a rioter breaks a window of Your shop and takes away articles of value ₹ 95,000. It costs ₹ 20,000 to repair the window. Here the loss is due to theft which occurred within 7 days of occurrence of the riots, which is an insured event. It arose at a time when You were not in a position to protect Your property. We will pay ₹ 95,000 for the loss of articles, and ₹ 20,000 for repairs of the window, but not more than the Sum Insured.*

Standard Add-on covers

You can purchase standard Add-on covers under Laghu Business Package Insurance Policy. You must apply for these covers, and pay additional premium.

1. Declaration policy for Stocks

You can opt for Declaration Policy to take care of frequent fluctuations in stocks/ stocks value subject to certain conditions. Read the Clause and understand these conditions.

2. Floater cover

You can opt for Floater cover under the Policy for physical loss or damage to Stocks at more than one location subject to certain conditions. Read the Clause and understand the conditions.

Note : The above add ons are applicable for Section I.

Which property can be covered under this policy?

This policy covers the following properties in Your premises, that is, the place You carry on Your business. The properties must be located in Your premises, except some properties that You declare, and the Policy covers in special situations. The Laghu Business Package Insurance policy covers the following properties.

1. **Any building or structure** in Your premises where You carry on Your business. It may be a shed, flat, house, unit of a building. It may be made of any material. It includes:
 - i. Basement (if any), all fixtures and fittings permanently attached to the floor, walls or roof like electrical wiring, antennas etc.
 - ii. The following 'additional structures' located on Your Premises and used for Your Business, that are shown in the Policy Schedule:
 - a) garage, out-houses, security sheds, towers, verandah or porch, tanks, compound walls, retaining walls, fences and gates, internal roads,
 - b) lifts, hoists,
 - c) solar panels, wind turbines and air conditioning systems, central heating systems, security systems and cameras, electrical installations, fire alarm, fire sprinkler systems, power lines, power installations, or
 - d) water, gas and sewage pipeline within the premises
 - iii. any other structure shown in the Policy Schedule.
2. **Plant and Machinery**, that is, all equipment, machinery, pipes and cables, spares, computers, servers and preloaded licensed system software, located within any structure or in the open area of Your premises. It includes
 - i. machines under repair,
 - ii. machines taken on hire or lease, or any system of purchase of goods,
 - iii. foundation, bedding or setting of the machines, or
 - iv. accessories of machines.
3. Stock of goods or merchandise. It may be:
 - i. finished goods, semi-finished goods, stock in process, stock invoiced and ready for dispatch,
 - ii. raw materials, packing materials,
 - iii. stock accepted for job work for which You are responsible,
 - iv. stock held in trust for which You are responsible,
 - v. stock in Open in the Insured Premises.
4. **All other assets**, that is, all other tangible property located in Your premises and used for Your business. It includes
 - i. furniture and fixtures, office equipment, telephone equipment, electronic equipment, computers etc,
 - ii. canteen and kitchen equipment, gym and permanent sports equipment etc.

Who can purchase this Policy?

1. You can purchase the Laghu Business Package Insurance Policy for the **building or structure** if
 - i. You own it, or occupy under a lease,
 - ii. You occupy it as purchaser under an agreement of sale or lease,
 - iii. You are an occupier authorised under any law,
 - iv. Your property is occupied by a tenant, a licensee or Your employee, or
 - v. You are a tenant under an agreement in writing and are liable to repair it.
2. You can purchase the Laghu Business Package Insurance Policy for **plant and machinery, stock or other property** if
 - i. You own it, or use it under a lease in writing,
 - ii. You hold it in trust or on commission or are responsible for it,

- iii. You have taken plant and machinery or other contents on hire or lease, or any other system of purchase,
 - iv. You have accepted stock for job work for which You are responsible.
- 3. You are eligible to purchase the Laghu Business Package Insurance Policy**
- i. If You carry on any business of manufacturing or production of goods, or of providing or rendering services, and
 - ii. if You own or are legally responsible for Your business, and
 - iii. if the value of all Your insurable assets at one location is more than ₹ 5 Crore (Rupees Five Crore) but not more than ₹ 50 Crore (Rupees Fifty Crore) at the policy Commencement Date. These include buildings, plant and machinery, stock, and all other assets, even if You have not taken insurance cover for all of them. Insurable Assets include all assets which You own, or hold as tenant or occupant, or hold in trust or on commission, or are legally responsible for.
- 4.** If the value of all Insurable Assets either exceeds ₹ 50 Crore or reduces below ₹ 5 Crore during the policy period, this policy shall, on expiry, be replaced by the applicable policy.

Sum Insured

Applicable to Section I:

- 1. The maximum claim amount:** The maximum amount We pay under this Policy is the total Sum Insured. The maximum amount We pay under this Policy for any cover, or any item, or category or group of items, is the Sum Insured for that cover or item, category or group. The Sum Insured for each cover is as per Policy Schedule.
- 2. Basis of sum insured:**
 - i. For Building, Plant and Machinery, Furniture, Fixture and Fittings and any other contents: Reinstatement Value
 - ii. For Stocks:
 - a. For raw material: Landed Cost at Your Premises.
 - b. For stock in process: Input Cost of the stock at the time of damage,
 - c. For finished stock: the Manufacturing Cost of the Finished Stock or the **Contract Price** of goods sold but not delivered and more precisely defined below.
 - d. **Contract Price** is in respect only of goods sold but not delivered, for which You are responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of any damage insured under this Policy either wholly or to the extent of the damage. The Company's liability shall be based on the Contract Price. iii. Bullion or unset precious stones, any curios or works of art or obsolete machinery and the like are to be covered on Agreed Value basis subject to the valuation certificate being submitted and found acceptable by Us.
- 3. Restoration of Sum Insured:**

If We have paid any loss on Your claim, it reduces the Sum Insured. When We pay You the full Sum Insured for any cover or any item covered, the Policy ends to that extent. If You pay proportionate premium for the unexpired policy period, We will restore the policy to the full original amount of Sum Insured during the Policy Period. This ensures full cover during the period of the policy. However, in case You, immediately on occurrence of loss, exercise Your option not to restore the Sum Insured, the Sum Insured shall stand reduced by the amount of loss.

Example

1. If You repair Your air-conditioning tower insured for ₹ 45 lakhs that is damaged in a fire, and We pay Your claim of ₹ 25 lakhs You can pay proportionate premium for ₹ 25 lakhs for unexpired period in order to take benefit of full cover.
2. If the tower is destroyed, and We pay Your claim of ₹ 45 lakhs, the new tower that You install will not be covered under this Policy unless the premium is paid to Us for it.
3. If Your building insured for ₹ 20 Crore is severely damaged and We pay You ₹ 20 Crore under the SBI General Bharat Laghu Udyam Suraksha Policy for its repair and reinstatement, You will not be covered under this Policy for the new building that You construct, unless the premium is paid to Us for it.

Applicable to Section III:

Basis of indemnity :

- i. In cases where damage to an insured item can be repaired, the Company will pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop, customs duties, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced except those with limited life but the value of any salvage will be taken into account.

If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage the settlement shall be made on the basis provided for in II below.

- II. In cases where an insured item is destroyed, the Company will pay the actual value of the item immediately before the occurrence of the loss including costs for ordinary freight, erection and customs duties, if any, provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the dismantling of the machinery destroyed but the salvage will be taken into account.

Any extra charges incurred for over time, night-work, work on public holidays, express freight are covered by this insurance only if especially agreed to in writing.

In the event of the Makers' drawings, patterns and core boxes necessary for the execution of a repair not being available the Company shall not be liable for cost of making any such drawing patterns or core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this Section of the Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The Company will make payments only after being satisfied, by production of the necessary bills and documents, that the repairs have been effected or replacements have taken place, as the case may be.

Applicable to Section IV A:

Basis of Indemnity –

- a) In cases where damage to an insured item can be repaired the Company will pay expenses necessarily incurred to restore the damaged electronic equipment to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop customs duties and dues if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the electronic equipment insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) below.

- b) In cases where an insured item is destroyed, the Company will pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties if any, provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the dismantling of the electronic equipment destroyed, but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight, are covered by this Insurance only if especially agreed to in writing.

In the event of the Makers' drawings, patterns and core boxes necessary for the execution of a repair not being available the Company shall not be liable for the cost of making any such drawings, patterns and core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this Section of the Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs, and do not increase the total repair expenses.

- c) In cases where the Insured item is subjected to total loss and meanwhile it becomes obsolete, all costs necessary to replace the lost or damaged insured item with a follow-up model (similar type) of similar structure/ configuration (of similar quality) ie low, average or high capacity –will be reimbursed.

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

Applicable for Section IV B:

Basis of Indemnity –

The Company will indemnify any expenses that can be proved to have been incurred by the Insured within a period of 12 months as from the date of the occurrence strictly for the purpose of restoring the insured external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner.

If it is not necessary to reproduce lost data or information, or if such reproduction is not effected within 12 months after the occurrence, the Company shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an indemnifiable occurrence the Sum Insured shall be reduced for the remaining Policy period by the amount of indemnity paid, unless the Sum Insured is reinstated.

Applicable to Section IV C:

Loss Settlement –

The Company shall indemnify those costs and expenses, which can be proved to have been incurred during the indemnity period to maintain data processing operations to their previous extent, that are additional to those which would have been incurred during the same period if no insured event had occurred.

The total indemnity per event shall not exceed an amount equal to the agreed 'Indemnity limit per hour' or the 'Actual hourly rate payable for the use of substitute equipments,' whichever is less multiplied by the number of working hours stated as 'Indemnity Period' in the Schedule or by the actual number of working hours for which the substitute equipment is put into use, whichever shall be less.

However, if it is found, following an interruption, that the limit selected 'per hour' is less than the amount actually incurred per hour for use of substitute equipment, the Company shall be liable to indemnify the Insured in the same proportion as the limit selected 'per hour' bears to the amount actually incurred per hour.

Provided always that –

- i) the interruptions shorter than the Time Excess stated in the Schedule shall be excluded from the scope of this Section of the Policy and
- ii) in respect of interruptions longer than the Time Excess the Insured shall bear that proportion of each claim which corresponds to the Time Excess

Applicable to Section X:

Basis of Indemnity

- a) In cases where a property insured under this section is repaired, the Company will pay expenses necessarily incurred to restore the damaged property to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues if any, to the extent such expenses have been included in the sum insured under this section. If the repairs are executed at a workshop owned by the Insured, the Company will pay the actual cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, except those with limited life, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the property insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) below.
- b) In cases where a property insured under this section is destroyed, the Company will pay the actual value of the property immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties if any, provided such expenses have been included in the sum insured under this section. Such actual value to be calculated by deducting proper depreciation from the replacement value of the property. The Company will also pay any normal charges for the dismantling of the property destroyed, but the salvage will be taken into account. Extra charges incurred for overtime, night work, work on public holidays, express freight are covered by this insurance only if specifically agreed to in writing. Cost of any alterations, improvements or overhauls shall not be recoverable under this section. Cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs, and do not increase the total repair expenses.
- c) In cases where the property insured under this section is subject to total loss and has become obsolete, all costs necessary to replace lost or damaged insured property with a follow-up model (similar type) of similar structure/configuration (of similar quality) i.e. low, average or high capacity will be reimbursed. If the sum insured is less than the amount required to be insured as per provisions hereinabove, the Company will pay only in such proportion as the sum insured bears to the amount required to be insured. Every property if more than one shall be subject to this condition separately. The Company will make payments only after being satisfied, by productions of the necessary bills and documents, that the repairs have been effected or replacement has taken place, as the case may be. The Company will settle the claim in case of total loss where the Insured is unable to replace the damaged property for reasons beyond their control on indemnity basis.

Underinsurance

Applicable to Section I:

Underinsurance waiver upto 15%: This is a special feature of the **Laghu Business Package Insurance policy**, where We waive underinsurance up to 15%.

The Sum Insured for each item of Insured Property must be sufficient to pay for Reinstatement/Replacement of that Property on the date

of loss. If the Reinstatement / Replacement Value of the Insured Property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured, except to the extent waived i.e 15%, it amounts to underinsurance and will reduce proportionate to the difference, the amount that We will pay for Your claim. Every item of Insured Property is subject to this condition separately.

If at the time of the damage the Sum Insured applying to the relevant Buildings, Plant and Machinery, Furniture, Fixture, Fittings, Stocks and other Contents is less than 85% of the value of Insurable Assets You will be responsible for the difference and the You will bear a proportionate share of the loss.

Examples (These examples only demonstrate the effect of underinsurance. Final claim payable may vary due to application of Excess and other policy terms)

1. You have taken insurance for a Sum Insured of ₹ 50 Crore which was the value at risk at the insurance commencement date. The value at risk of insurable items at the time of loss is found as ₹ 57 Crore. There is a loss of ₹ 10 Crore. Underinsurance works out to 12.28%. Since it is less than 15%, We will consider the full claim of ₹ 10 Crore for payment.
2. Your factory has stored stock of finished goods. Its manufacturing cost is ₹ 25 Crore. This includes some stock that is older than 6 months. Your SBI General Bharat Laghu Udyam Suraksha policy covers stock of finished goods for ₹ 30 Crore. Due to change in raw material price, the manufacturing cost of same amount of stock on the date of loss is ₹ 32.5 Crore. The stock of finished goods with manufacturing cost ₹ 10 Crore is burnt in fire. Since underinsurance works out to less than 15%, We will consider the full claim of ₹ 10 Crore for payment.
3. Your shop has SBI General Bharat Laghu Udyam Suraksha Policy. You have insured the structure for ₹ 30 Crore and stock for ₹ 10 Crore. The actual value of structure is ₹ 32 Crore and of stock is ₹ 16 Crore. Stock of ₹ 50 Lakh is burnt in a fire. The stock has underinsurance of 37.5% and hence, we could consider Your claim for payment of ₹ 31.25 Lakh only (62.5% of ₹ 50 Lakh) by applying underinsurance.

Applicable to All section Except Section I:

1. If the property hereby insured shall at the commencement of any destruction of or damage to the property by any 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.

Exclusions, that is, what We do not pay

Specific Exclusions Applicable to section I

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1. Excess of 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand). This means that We will deduct 5 % of each claim, subject to a minimum of ₹ 10,000 (Rupees Ten Thousand) for each and every loss suffered by You under the terms of this policy.
 - ii. For terrorism risk the excess shall be as per the clause attached to this policy.
2. Loss, damage or destruction to any electrical/electronic machine, apparatus, fixture, or fitting by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included). This exclusion applies only to the particular machine so lost, damaged or destroyed. However, any ensuing loss or damage to other insured property due to operation of an insured peril is covered.
3. Loss, destruction or damage to the stocks in cold storage premises caused by change of temperature.
4. 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 Insured Events.
5. Your Premises or any Insured Building remaining continuously unoccupied for a period of more than 30 days, unless You have obtained prior written approval from Us and such approval is recorded as an endorsement on the Policy.
6. Loss, destruction or damage to bullion or unset precious stones, any curios or works of art unless such amount is declared separately and recorded in the Policy Schedule.
7. Loss of any Insured Property which is missing or has been mislaid, or its disappearance cannot be linked to any single identifiable Insured Event.
8. Loss or damage to any Insured Property removed from Your Premises to any other place, except
 - i. machinery and equipment temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days,
 - ii. Stock covered under Clause (C) (4.2) of this Policy.
9. Any reduction in market value of any Insured Property after its repair or reinstatement.
10. Loss or damage to any Insured Property or any claim which is covered by a marine policy in force at the time of loss or damage, except in excess of the limits of that policy.

Exclusions Applicable to all sections :

We do not cover losses or expenses, or any loss, damage to, or destruction of the Insured Property, directly or indirectly as a result of or if caused by or arising from events, stated below:

1. Your deliberate, wilful or intentional act or omission, or of anyone on Your behalf, or with Your connivance.
2. War, invasion, act of foreign enemy hostilities or war-like operations (whether war is declared or not), civil war, mutiny, civil commotion amounting to a popular rising, military rising, rebellion, revolution, insurrection or military or usurped power.
3. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel, or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component that is part of it.
4. Pollution or contamination, unless
 - i. the pollution or contamination itself has resulted from an Insured Event, in which case only physical damage to the Insured Property is covered, or
 - ii. an Insured Event itself results from pollution or contamination.
5. Any consequential or indirect loss or damage of any description, i.e. losses or extra costs (financial or non-financial) that follow or are a consequence of an Insured Event, like, loss by delay, loss of income or wages or earnings, or of market, or of time, medical expenses, or any costs not covered by this Policy.
6. Costs, fees or expenses for preparing any claim.

Exclusions Applicable to all sections except Section I :

1. 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 of 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 expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 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 of any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect

Premium

The premium is the amount You pay Us for this insurance. The Policy Schedule shows the amount of premium for the Policy Period and all other taxes and levies. Your policy will commence on payment of premium in full.

The premium is arrived at basis the following steps:

1. The **starting base rate** would be arrived for each covered risk, from the rating schedule
2. Various risk factors would be analyzed in detail by the underwriters and the **risk adjusted rate** would be arrived after application of the risk factors adjustments on the **starting base rate**. The risk factors to be analysed are obtained from the standard proposal form for this product.
3. The **risk adjusted rate** so arrived would be applied on the sums insured of covered property to as arrive at the **Risk Adjusted premium**.
4. Additional premium in respect of Terrorism would be charged as per the guideline provided by the National Terrorism Pool Manager from time to time.
5. Additional premium in respect of Add-on covers would be charged for the selected **Add-on covers**.
6. The premium for the risk would be the sum total of **Risk Adjusted premium + Terrorism Premium+ Add-on cover premium**. This premium would be the gross premium which is subjected to commission/brokerage as per IRDA regulations from time to time.
7. If there is no acquisition cost (for example direct client) an additional reduction up to 10% may be considered on the total premium.
8. Goods & Service Tax (GST as applicable) would be levied on the premium.

Changes and Cancellation

1. Changes during Policy Period.

You can choose to make changes to the covers of this Policy, for example, take additional cover, or increase or **reduce** any Sum Insured. You must make a proposal or request for any change. It will be effective only after We have accepted Your proposal, and You have paid the additional premium where applicable.

2. You can cancel the Policy.

Cancellation at any time: You can cancel the policy at any time during the policy period by giving notice to Us in writing. If You cancel the Policy, We will refund premium as follows.

Time for which Policy in force	Refund of premium
Not exceeding 15 days	90%
Not exceeding 1 month	85%
Not exceeding 2 months	70%
Not exceeding 3 months	60%
Not exceeding 4 months	50%
Not exceeding 5 months	40%
Not exceeding 6 months	30%
Not exceeding 7 months	25%
Not exceeding 8 months	20%
Not exceeding 9 months	15%
Exceeding 9 months	NIL

3. We can cancel the policy.

We will not cancel the Policy during the policy period except on the grounds of misrepresentation, non-disclosure of material facts, fraud or non-co-operation of the insured.

4. Policy ends automatically:

- i. If insured property is lost, destroyed or stolen, or its cost of repair is more than the Sum Insured, and We have paid You the entire Sum Insured for that property and You have decided not to restore the Sum Insured.
- ii. Change of ownership of insured property
- iii. Sale of Insured Property

Making a claim

1. If You suffer a loss **because** of an Insured Event, You must make a claim for Your financial loss at Your cost.
2. When You suffer loss or damage to any Insured Property, You must
 - i. give notice to Us immediately along with details of the event and Your loss,
 - ii. report to police, fire authorities or other appropriate legal Authorities or as guided by Us,
 - iii. take all reasonable steps to prevent further damage to Insured Property,
 - iv. You must not sell, give away or dispose of any damaged items of any property,
 - v. You must not carry out repairs unless such repairs are urgent and You cannot contact Us,
 - vi. preserve and collect evidence, take and preserve photographs,
 - vii. assist Us and Our representatives in collecting evidence and details about Your loss, give Us all information, books of accounts, and other documents,
 - viii. submit claim form at the earliest opportunity but within 30 days from date You first notice the loss or damage
- ix. prove that the Insured Event has happened, and the extent of Your loss.

This Prospectus

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the Laghu Business package Insurance Policy document. You must read the policy document to know the insurance cover fully. You can get a copy of the Laghu Business Package Insurance Policy from Our branch or from Our website www.sbgeneral.in. For legal interpretation, the policy document will hold.

Grievance

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>

INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.