

## 8.0.1 ROLE OF IRDA IN PROMOTING HEALTH INS.

Health insurance addresses a major area of public concern. Although the market is rapidly growing, access to health insurance still remains limited. The complaints mainly attributable to the variable interpretations of key policy terms are increasing day by day.

In order to address the expectation of public more effectively, IRDA has brought timely guidelines and regulations related to

- Standalone Health insurer (SAHI)-there are 4 at present (*refer to 8.1.13*)
- TPA
- Policy holder protection
- Senior citizen
- Micro insurance
- Combi products
- Portability

The recent IRDA guidelines on health insurance (2013) has standardised the following

- **Standard Definition for 46 commonly used terms in health insurance policies:** Standard terms would reduce ambiguity, enable all stakeholders to provide better services and enable customers to interact more effectively with insurers, TPAs and providers. (*refer 8.1.19*)
- **Standard definition of critical illness, key definitions (11 definitions):** In view of resolving the differences in the definitions of terms on Critical Illnesses adopted by the different insurers which are creating confusion in the minds of consumers and the industry especially at the time when insurers and re-insurers have to arrive at a point where lump sum payment is made, 11 Critical Illness terms have been standardized to be adopted uniformly across industry. All Policies offering critical illness coverage should ensure that definitions of the stated 11 terms (*refer 8.1.20*)

### Did you know....

*The definition of Pre existing disease was given by General Insurance Council*

- **Standard claim form, cashless pre-authorisation approval form:** A common industry wide pre-authorization and claim form will significantly streamline processes at all stages. This will enhance the ability of providers to obtain a timely prior authorization. By implementing it in an optical character recognition (OCR) format, the ability to transfer data from a handwritten paper based form to IT systems has been enhanced thus reducing the data entry issues for TPAs and insurers. Every company shall attach set of claim forms to the customer along with policy terms and conditions Common excluded items Hospitalization indemnity products are the commonest products in the Indian market and account for most of the health insurance sold in the country. The standard listing of 203 excluded items, an area which has otherwise been fairly variable in its interpretation and implementation, has been finalized.

- **Provider empanelment**
- **Data Standards:** The existing File and Use (F&U form used by the non-life insurers) is designed keeping in view largely the characteristics of Non Life products other than Health. With this, the essential information like the sum insured, the minimum and maximum age, term of the product etc that gets captured in the F&U form is very minimal. In order to capture the relevant product design information, the modified File and Use Application form along with the Database sheet and Customer information sheet.
- **Customer Awareness and communication**
- **Standard agreement between TPA and Insurer and also Insurer and Provider:** The insurers enter into agreements with the TPAs health services under health insurance contracts and with the Providers (Hospitals) for health care services under health insurance contracts

**Note :** *Please read the IRDA Health Insurance Standardisation guidelines (2013) for more details*

### **Constitution of the Health Forum**

IRDA has approved the constitution of the Health Insurance Forum on 13.9.11. It comprises of CEOs of 3 General Ins Companies, 3 Life Insurance Cos, 1 Standalone Health Ins (SAHI), 2 TPAs etc. The functions are

- 1 To aid, advise, assist IRDA for Health Insurance regulations
2. To facilitate collection of data and maintain statistics
3. To adopt /create standard processes and definitions in health insurance.

### **Constitution of the Insurance Information Bureau(IIB)**

Formed in 2009, IIB helps in collection of Insurance industry Statistics and standardization of data

## 8.1.0 HEALTH INSURANCE

Generally speaking, Health Policies are those which provide monetary protection against expenses in hospitalization following illness or accidents. There is a large number of Health Policies offered by most of the General Insurance Company. Each Policy has its own advantages and disadvantages, suitability, coverage, target clientele and of course premium structure.

Health Insurance can be categorized into the following groups-

- 1) Social Health Insurance
  - ESIS (All workers earning wages upto Rs 10,000 are covered)
  - CGHS (nominal contribution from employees is taken per month)
- 2) Community based health Insurance schemes to provide protection to poor and marginalized sections of society. Important ones are -
  - 2003 —Yeshaswini scheme- Karnataka
  - 2006 —National Rural Health Mission ( NHRM )

### Did you know....

*There are a few health 'benefit' policies which are strictly not monetary indemnification(eg. Critical Illness*

- 2008 —RSBY —Provides health insurance cover of Rs 30,000/- per annum to a family of 5 members. Only hospitalization benefit (**cashless**) available at public and pvt. empanelled hospitals only
- 3) General Health Insurance policies commonly marketed general/life insurance companies

## 8.1.1 TYPES OF GENERAL HEALTH POLICIES

Health policies can be classified on the basis of type of cover , customer segmentation.

### **Classification on the basis of cover**

1. **Indemnity type-** Here the insured gets paid (either cashless or reimbursement) for the actual medical cost incurred by him during hospitalization
2. **Benefit type-** These policies assure the payment of a fixed sum insured after the occurrence of a named disease, which pre-determined and mentioned in the policy , irrespective of the fact whether the insured is hospitalized or not.
3. **Fixed Benefit-** These policies pay a fixed sum per day during the days the insured is hospitalized. This is also known as 'Hospital cash " policies.

### **Classification on the basis of customer segment**

1. **Individual** - These policies are designed for the retail market, issued to individual insured and/or his family members.
2. **Group** - These policies are designed mainly for Corporate clients, defined groups, banks etc mostly for their employees/account holders and may/may not include their

dependants.\*\*

3. **Mass-** These policies are designed for Government Departments for covering a large section of people enmass. Usually the underprivileged, BPL/low income group people are covered under these policies.

**\*\* Group policies can be classified in to standard and tailor made group policies depending on the benefits they cover. (Refer 8.1.14)**

The various policies commonly offered by different Insurers, in the Indian health insurance market are :

- Individual Mediciam ( Indemnity/Individual)
- Group Mediciam ( Indemnity/Group)
- Jan Arogya ( Indemnity/Individual, group)
- Universal Health Insurance Scheme-(Indemnity + Fixed benefit,/Individual, group)
- Overseas Mediciam Policy
- Critical Illness ( Benefit/Individual, group)

These Policies or their variants are available in different names. Moreover, evolution is also underway and new schemes and packages are also being offered at regular interval by various companies.

While the Indemnity Policies are pure reimbursement for medical expense; some are 'package' Policies offering other associated benefits also. For example, Overseas Mediciam Policy has many sections and the coverage, in addition to illness/accident includes Loss of Passport, Personal Liability even Delay of receiving Checked in Baggage. Another example is UHIS which covers Personal Accident also.

The 'price' of one's good health to oneself cannot be quantified in terms of money. Nor it is possible to anticipate the limit expense one may require to incur in future to meet medical expense due to unforeseen illness or accident. Therefore Sum Insured of most of the Health Policies have been kept variable and left to proposer's choice and affordability. Individual Mediciam Policies offer various slabs of Sum Insured generally varying between a range of 50,000 to 5,00,000 from which proposer has to choose. Some Policies, however, have fixed Sum Insured also. In all Policies, the Sum Insured gets reduced by the claim-paid amount till expiry of the Policy.

## 8.1.2 COVERAGE

General Individual Mediciam Policies (i.e. except named disease Policies like Cancer Policy etc) provide coverage against expenses for Hospitalization (or in some cases, domiciliary hospitalization) **within India** for illness suffered or injury sustained during the Policy Period. The indemnifiable expenses are :

- Hospital/Nursing Home charge
- Fees of Surgeon, Anesthetist, Physicians, Consulting Specialist etc.
- Nursing Expenses
- Charges of Blood, Oxygen, Operation Theatre, Medicines, Pathological Expenses,

Dialysis, X-Ray, ECG and other tests etc.

- Cost of Pacemaker, Artificial Limbs etc.
- Tests/Treatments during pre-define period of pre- and post-hospitalization. A typical example of this period is 30 and 60 days respectively, but it may vary from Policy to Policy.

*“Hospital” or “Nursing Home” means an Institution established for indoor care and treatment of sickness and injury. It must be either :*

- *Registered as a Hospital or Nursing Home with the local Authority and under supervision of a registered and qualified Medical Practitioner OR*
- *Should have 15 in-patients beds(10 in C-Class towns), fully equipped Operation Theatre and qualified nursing staff on its roll round the clock.*
- Hospital/Nursing Home charge
- Diseases like Asthma, Bronchitis, Chronic Nephritis, Diarrhea, Dysenteries, Diabetes Mellitus, Epilepsy, Hypertension, Influenza, Cough, Cold, Tonsillitis, Upper Respiratory Track Disorder, Arthritis, Gout and Rheumatism, AIDS and related diseases etc.
- All psychiatric and psychosomatic disorders,
- Pre-existing Diseases<sup>1</sup>
- Hospitalization due to illness within 30 days of inception of Policy.
- Cataract, Benign Prostate Hypertrophy, Hernia, Hydroceles, etc for pre-define initial period of one or two years.
- Dental Treatment and Surgery<sup>2</sup>
- Pregnancy and Childbirth related expenses<sup>3</sup>
- Hospitalization for less than 24 hours<sup>4</sup>
- Circumcision.
- Any purely cosmetic surgery.

### 8.1.3 EXCLUSIONS

#### **Did you know....**

*Naturopathy Treatments are excluded in Medclaim Policy.*

*1 Will be included after specified number of renewals without break*

*2 Will be covered for accidental injury*

*3 In some policies, the exclusion is deleted*

*4 Exempted for certain treatments like Chemotherapy, Radiotherapy, Eye Surgery, Lithotripsy etc.*

*“Medical Practitioner” must hold a degree/diploma from a recognised institution and registered under State Medical Council. “Qualified Nurse” must hold a certificate from a recognized Nursing Council and employed/deputed by attending Medical Practitioner.*

Different Policies have different age limits. Normally persons between the age of 5 to Lifetime may be covered. Entry Age is 18-65 years. However, different Insurers are coming up new policies and even senior citizens above the specified age limit may now take some of the Policies. But various Insurers insist on certain Health Check-Ups before accepting proposals from proposers above a certain age.

Children can be covered if one of its parent is also covered.

#### **8.1.4 AGE LIMIT**

A '**Family**', as considered in Medclaim Insurance, comprise

- Self
- Spouse
- Dependent Parents
- Dependent Children (including legally adopted children)

It is assumed that parents have **Insurable Interest** in health of their children and vice versa. Hence, Medclaim Policy can be taken by a parent for his kids or by a son/daughter for his parents. Standard Medclaim Policy allows 10 % discount in total premium if Policy for a Family is taken.

#### **8.1.5 FAMILY**

In Standard Individual Medclaim Policy the Sum Insured of an Insured increases automatically at the time of renewal by 5 % of expiring Sum Insured. This is called '**Cumulative Bonus**'. Such accumulated Bonus

#### **8.1.6 CUMULATIVE BONUS**

Can, at most, be 50 % of basic Sum Insured. However, in the even of a claim, such increased Bonus will be reduced by 5%. Basic Sum Insured remains unaffected by Cumulative Bonus. Some insurers are offering **Discount instead of Cumulative Bonus**.

#### **8.1.7 HEALTH CHECK-UP**

Standard Individual Medclaim Policy allows re-imbusement of cost of routine health check-ups once in every four continuous claim-free years. The maximum amount that can be reimbursed is generally 1% of average Sum Insured for four years. This benefit has to be taken before 45 days from the expiry of the fifth year policy

#### **8.1.8 TAX BENEFIT**

Standard Individual Medclaim Policy allows re-imbusement of cost of routine health check-ups once in every four continuous claim-free years. The maximum amount that can be reimbursed is generally 1% of average Sum Insured for four years. This benefit has to be taken before 45 days from the expiry of the fifth year policy

#### **Did you know....**

*No I. Tax benefit is available for 'benefit' portion of health policies*

### **8.1.9 SERVICE TAX**

As per service Tax rules, General Insurance Policies attract Service Tax at prevailing rate (12.36 % as of now). However, some health policies are designed to cater to the needs of economically weaker section of population (BPL population) and they come under Rural Business. Application of Service Tax is exempted from these policies (e.g. UHIS, RSBY).

### **8.1.10 RELAPSING/RECURRENCE OF ILLNESS**

If a person is Hospitalized for relapse of a disease within a specified period of 45 days after his discharge from Hospital/Nursing Home, both the diseases will be treated as a single illness.

### **8.1.11 SUB-LIMITS**

It is customary to put a limit (expressed in % or amount) of re-imburement in expenses incurred in different heads like Room/Bed Charge, Surgeon's Fees, Medicine etc. However, different companies have different practices in this respect.

Sub limits are not applicable if a insured takes treatment in PPN network hospital or for Homeopathy and ayurvedic treatment.

### **8.1.11 THIRD PARTY ADMINISTRATOR (TPA)**

- TPA was introduced by IRDA in 2002 to facilitate services to the customer of health insurance and provide a functional link between policy provider ( insurer) and care provider ( hospital)
- TPAs facilitate cashless treatment
- Some insurers have in-house TPA instead of external licensed TPA
- Other functions of TPA —member enrollment, Call centre services, Cashless authorization, claims processing, Healthcare provider empanelment, MIS/
- Analysis of claims

#### **Did you know....**

Change of TPA by the insurance co.has to be notified 30 days before such change to the insured as

### **8.1.12 PORTABILITY**

IRDA vide the circular has instructed all general insurance companies to accept health policies issued by other general insurance companies with **seamless migration benefits** .This means the health policy that is shifted from a different insurance company, should not treated as a fresh policy but as a continuous cover with

- waiting period for pre existing(4 yrs) AND 1/2/4 yr waiting period for various diseases as mentioned in Individual mediclaim policy are also waived off
- cumulative bonus as earned in the previous policy is carried forward to the renewed policy issued by the new insurer

- requirement of medical reports (over entry of 50 years) is waived

### **8.1.13 HEALTH INSURANCE COMPANIES**

There are 4 exclusive general insurance companies that issue only health policies. These are

1. Star Health
2. Apollo (Munich)
3. Max Bupa
4. Religare
5. Cigna TTK

### **8.1.14 GROUP POLICIES**

The Group mediclaim policy is available to any group /association /corporate body usually with a minimum no of 100 persons. The salient features of the standard group mediclaim policy are

- Selections are not allowed ie insured has to cover all his members on all or none basis (eg all employees has to be covered by employer, only the sick/claim prone ones cannot be selected and covered)
- Unnamed policy cannot be issued
- Cost of health Checkup is not allowed
- Cumulative bonus/premium discount in lieu of CB is not allowed
- Maternity can be covered with additional premium up to a sum insured of Rs 50,000/- ,with waiting period of 9 months, for first 2 living children only
- Abortion(voluntary MTP) within first 3 months of pregnancy not covered
- Group discount is available in slabs (max 30%)
- Bonus/Malus clause is implemented
- IT benefit under sec 80D not available

### **8.1.14 TAILOR-MADE GROUP MEDICLAIM POLICY**

A tailormade group mediclaim policy is customized to suit the requirements of the corporate clients , wherein the basic structure is that of a standard group mediclaim policy and additional covers ( with extra premium) are given as below

- Floater cover- The same sum insured floats over the family
- Waiver of 9 month waiting period in maternity cover
- Coverage of new born baby from day 1
- Waiver of first 30 days
- Waiver of 1/2/4 year waiting period of the respective specified diseases
- No waiting period for pre existing diseases
- Corporate buffer —for payment incase the individual employee exhausts his sum



insured- this payment is done for certain specified diseases/accidents only.

- Co pay- Insured bears a certain portion of the claim and acts as self insured for that portion

### 8.1.15 OVERSEAS MEDICLAIM POLICY

Overseas Mediclaim policy provides indemnity in respect of expenses incurred towards medical treatment for illness, diseases, contracted or injury sustained during overseas travel and which is primarily in the nature of an emergency. The policy is not a general health insurance cover and is intended for use of the insured person in the event of a sudden and unexpected sickness or accident arising when the insurance outside India.

#### 1. Who can take the policy

Citizens of India, Nepal, Bhutan or Non Indian citizen, resident in India, Nepal, Bhutan who are undertaking bonafide trips outside India, Nepal, Bhutan for business and official purpose and holiday travel. Persons accompanying the insured person (going on ) official / business purpose can also be covered.

#### 2. The Insurance Cover

Purpose of travel\ countries	Worldwide excluding US & Canada	Worldwide including US & Canada
Business/professional /official/training/ Holiday tour	Plan A1-\$ 50,000 Plan A2- S 2,50,000	Plan B1 —\$ 100,000 Plan B2- \$ 2,50,000
Student & Employment	C - \$ 1,50,000	D - \$ 1,50,000
Corporate Frequent (CFT)	E-1	E-2

### 8.1.17 UNIVERSAL HEALTH INSURANCE POLICY

This policy is a combination of Mediclaim and Personal Accident. The benefits are as follows-

SECTION I : Hospitalization Benefit Rs.30,000 per family.(floater basis family includes self and /or spouse,3 children and/or parents

SECTION II : (A) Accident death of Earning Head of the family Rs.25,000/-

(B) Disability Benefit due to hospitalization of Earning Head of the family @ Rs.50/- per day from fourth day of the hospitalization subject to a maximum of 15 days per policy period.

UHS hospitalization has different sublimits different from the individual mediclaim

Hospitalization Benefits		Limits
A	i) Room, Boarding expenses as provided by the Hospital/ Nursing Home	Upto 0.5% of Sum Insured per day
	(ii) If admitted in IC Unit	Upto 1% of Sum Insured per day
B	Surgeon, Anesthetist, Medical Practitioner, Consultants, Specialists Fees, Nursing Expenses	Upto 15% of Sum Insured per illness/ Injury
C	Anesthesia, Blood, Oxygen, OT charges, Surgical appliances, Medicines, drugs, Diagnostic material & X-Ray, Dialysis, Chemotherapy, Radiotherapy, cost of pacemaker, artificial limbs.	Upto 15% of Sum Insured per illness/ Injury

(a) Total expenses incurred for any one illness is limited to Rs.15,000/-.

(b) Company's liability in respect of all claims admitted during the period of Insurance shall not exceed the Sum Insured of Rs.30000/- per person or family as mentioned in the Schedule.

SECTION II : Coverage for Earning Head of the family as declared in the Schedule- Death cover of Rs 25,000/-.

AGE LIMIT-This insurance is available to persons between the age of 3 months to 65 years Children between the age of 3 months and 5 years of age can be covered provided one or both parents are covered concurrently.

### 8.1.18 CRITICAL ILLNESS COVER

This is a benefit **policy. Diseases** covered under **Critical Illnesses** are as under:

- Coronary Artery Surgery
- Cancer
- Renal Failure i.e. Failure for both kidneys
- Stroke
- Multiple Sclerosis
- Major Organ Transplants like kidney, Lung, Pancreas or Bone marrow
- Paralysis and blindness at extra premium

In case a person suffers from any of the above illnesses, the full sum insured (irrespective of the fact that the person has undergone any hospitalization or not) as stated in the policy is paid to him subject to

1. A waiting period of 90 days from date of first inception of policy
2. The disease was not pre-existing
3. The person survives for 30 days from the date of diagnosis of the disease

### 8.1.19 STANDARDIZATION OF TERMS BY IRDA

IRDA has recently (February 2013) standardized large number of terms to reduce ambiguity. Some important terms and processes as standardized by IRDA are given below:

1. **Accident: An accident is a sudden, unforeseen and involuntary event caused by external and visible means. [Insurance companies can define the term accidental injury in the context of the term 'accident'].**
2. **Co-Payment: A co-payment is a cost-sharing requirement under a health insurance policy that provides that the policyholder/insured will bear a specified percentage of the admissible costs. A co-payment does not reduce the sum insured.**
3. **Day Care Treatment: Day care treatment refers to medical treatment, and/or surgical procedure which is:**
  - i. undertaken under General or Local Anesthesia in a *hospital/day care centre* in less than 24 hrs because of technological advancement, and
  - ii. which would have otherwise required a hospitalization of more than 24 hours. Treatment normally taken on an out-patient basis is not included in the scope of this definition. [Insurers may, in addition, restrict coverage to a specified list].
4. **Deductible: A deductible is a cost-sharing requirement under a health insurance policy that provides that the Insurer will not be**  
liable for a specified rupee amount of the covered expenses, which will apply before any benefits are payable by the insurer. A deductible does not reduce the sum insured. [Insurers to define whether the deductible is applicable per year, per life or whether per event and specific deductible limits would be applied].
5. **Dependent Child: A dependent child refers to a child (natural or legally adopted), who is financially dependent on the primary insured or proposer and does not have his / her independent sources of income. [Insurers can add additional criteria relating to age, marital status, education and disablement].**
6. **Domiciliary Hospitalization: Domiciliary hospitalization means medical treatment for an illness/disease/injury which in the normal course would require care and treatment at a *hospital* but is actually taken while confined at home under any of the following circumstances:**

- the condition of the patient is such that he/she is not in a condition to be removed to a hospital, or
  - the patient takes treatment at home on account of non availability of room in a hospital.
7. **Emergency Care:** Emergency care means management for a severe illness or injury which results in symptoms which occur suddenly and unexpectedly, and requires immediate care by a *medical practitioner* to prevent death or serious long term impairment of the insured person's health.
8. **Grace Period:** **Grace period means the specified period of time immediately following the premium due date during which a payment can be made to renew or continue a policy in force without loss of continuity benefits such as waiting periods and coverage of *pre existing diseases*. Coverage is not available for the period for which no premium is received.**
9. **Hospital:** A hospital means any institution established for *in- patient care* and *day care treatment* of sickness and / or injuries and which has been registered as a hospital with the local authorities, wherever applicable, and is under the supervision of a registered and qualified *medical practitioner* AND must comply with all minimum criteria as under:
- has at least 10 inpatient beds, in those towns having a population of less than 10,00,000 and 15 inpatient beds in all other places;
  - has qualified nursing staff under its employment round the clock;
  - has qualified medical practitioner (s) in charge round the clock;
  - has a fully equipped operation theatre of its own where surgical procedures are carried out
  - maintains daily records of patients and will make these accessible to the Insurance company's authorized personnel.
10. **Intensive Care Unit:** **Intensive care unit means an identified section, ward or wing of a *hospital* which is under the constant supervision of a dedicated *medical practitioner(s)*, and which is specially equipped for the continuous monitoring and treatment of patients who are in a critical condition, or require life support facilities and where the level of care and supervision is considerably more sophisticated and intensive than in the ordinary and other wards.**
11. **Inpatient Care:** **Inpatient care means treatment for which the insured person has to stay in a *hospital* for more than 24 hours for a covered event.**
12. **Medical Practitioner:** A Medical practitioner is a person who holds a valid registration from the medical council of any state of India and is thereby entitled to practice medicine within its jurisdiction; and is acting within the scope and jurisdiction of his license. [Insurance companies can specify additional or restrictive criteria to the above, e.g. that the registered practitioner should not be the insured or close family members].
13. **Medically Necessary:** Medically necessary treatment is defined as any treatment, tests, medication, or stay in *hospital* or part of a stay in *hospital* which - is required for the medical management of the illness or injury suffered by the insured;
- must not exceed the level of care necessary to provide safe, adequate and

appropriate medical care in scope, duration, or intensity;

- must have been prescribed by a *medical practitioner*,
- must conform to the professional standards widely accepted in international medical practice or by the medical community in India.

14. **Network Provider:** “Network Provider” means hospitals or health care providers enlisted by an insurer or by a TPA and insurer together to provide medical services to an insured on payment by a cashless facility.
15. **Non- Network:** Any *hospital*, day care centre or other provider that is not part of the *network*.
16. **Pre-Existing Disease:** Any condition, ailment or injury or related condition(s) for which you had signs or symptoms, and / or were diagnosed, and / or received medical advice / treatment within 48 months to prior to the first policy issued by the insurer. [Life Insurers can define norms for applicability at reinstatement].
17. **Qualified Nurse:** Qualified nurse is a person who holds a valid registration from the Nursing Council of India or the Nursing Council of any state in India.
18. **Reasonable Charges:** Reasonable charges means the charges for services or supplies, which are the standard charges for the specific provider and consistent with the prevailing charges in the geographical area for identical or similar services, taking into account the nature of the illness / injury involved .
19. **Surgery:** Surgery or Surgical Procedure means manual and / or operative procedure (s) required for treatment of an illness or injury, correction of deformities and defects, diagnosis and cure of diseases, relief of suffering or prolongation of life, performed in a hospital or day care centre by a *medical practitioner*
20. **OPD treatment:** OPD treatment is one in which the Insured visits a clinic / hospital or associated facility like a consultation room for diagnosis and treatment based on the advice of a Medical Practitioner. The Insured is not admitted as a day care or in-patient.
21. **Hospitalisation:** Means admission in a Hospital for a minimum period of 24 In patient Care consecutive hours except for specified procedures/ treatments, where such admission could be for a period of less than 24consecutive hours.
22. **Illness:** Illness means a sickness or a disease or pathological condition leading to the impairment of normal physiological function which manifests itself during the Policy Period and requires medical treatment.
- 23a. **Acute condition:** Acute condition is a medical condition that can be cured by Treatment
- 23b. **Chronic condition:** A chronic condition is defined as a disease, illness, or injury that has one or more of the following characteristics:needs ongoing or long-term monitoring through consultations, examinations, check-ups, and / or testsneeds ongoing or long-term control or relief of symptoms–it requires your rehabilitation or for you to be specially trained to cope with itcontinues indefinitelycomes back or is likely to come back.
23. **Day care centre:** A day care centre means any institution established for day care treatment of sickness and / or injuries or a medical set-up within a hospital and which has been registered with the local authorities, wherever applicable, and is under the supervision of a registered and qualified medical practitioner AND must comply with

all minimum criteria as under:- has qualified nursing staff under its employment has qualified medical practitioner (s) in charge has a fully equipped operation theatre of its own where surgical procedures are carried out- maintains daily records of patients and will make these accessible to the Insurance company's authorized personnel.

24. **Injury:** Injury means accidental physical bodily harm excluding illness or disease solely and directly caused by external, violent and visible and evident means which is verified and certified by a Medical Practitioner.
25. **Medical Advice:** Any consultation or advice from a Medical Practitioner including the issue of any prescription or repeat prescription.
26. **Medical expenses:** Medical Expenses means those expenses that an Insured Person has necessarily and actually incurred for medical treatment on account of Illness or Accident on the advice of a Medical Practitioner, as long as these are no more than would have been payable if the Insured Person had not been insured and no more than other hospitals or doctors in the same locality would have charged for the same medical treatment.
27. **Pre-hospitalization Medical Expenses:** Medical Expenses incurred immediately before the Insured Person is Hospitalized, provided that:
  - i. Such Medical Expenses are incurred for the same condition for which the Insured Person's Hospitalization was required, and
  - ii. The In-patient Hospitalization claim for such Hospitalization is admissible by the Insurance Company.
28. **Post-hospitalization Medical Expenses:** Medical Expenses incurred immediately after the Insured Person is Hospitalized, provided that:
  - i. Such Medical Expenses are incurred for the same condition for which the Insured Person's Hospitalisation was required, and
  - ii. The In-patient Hospitalization claim for such Hospitalization is admissible by the Insurance Company.
29. **New Born Baby:** Newborn Baby means those babies born to insured and spouse during the Policy Period Aged between 1 day and 90 days.
30. **Cumulative Bonus:** Cumulative Bonus shall mean any increase in the sum assured / Mallus granted by the insurer without an associated increase in premium.
31. **Maternity expense:** Maternity expense / treatment shall include the following Medical treatment Expenses:
  - i. Medical Expenses for a delivery (including complicated deliveries and caesarean sections) incurred during Hospitalization;
  - ii. The lawful medical termination of pregnancy during the Policy Period limited to 2 deliveries or terminations or either during the lifetime of the Insured Person;
  - iii. Pre-natal and post-natal Medical Expenses for delivery or termination.
32. **Dental Treatment:** Dental treatment is treatment carried out by a dental practitioner including examinations, fillings (where appropriate), crowns, extractions and surgery

excluding any form of cosmetic surgery/implants.

33. **Any one illness:** Any one illness means continuous Period of illness and it includes relapse within 45 days from the date of last consultation with the Hospital/Nursing Home where treatment may have been taken.
34. **Congenital Anomaly:** Congenital Anomaly refers to a condition(s) which is present since birth, and which is abnormal with reference to form, structure or position.
- 34a. **Internal Congenital Anomaly:** which is not in the visible and accessible parts of the body is called Internal Congenital Anomaly
- 34b. **External Congenital Anomaly:** which is in the visible and accessible parts of the body is called External Congenital Anomaly.
35. **Unproven/Experimental treatment:** Unproven/Experimental treatment is treatment, including drug Experimental therapy, which is based on established medical practice in India, is treatment experimental or unproven.
36. **Condition Precedent:** Condition Precedent shall mean a policy term or condition upon which the Insurer's liability under the policy is conditional upon.
37. **Notification of Claim:** Notification of claim is the process of notifying a claim to the insurer or TPA by specifying the timelines as well as the address / telephone number to which it should be notified.
38. **Disclosure to information norm:** The Policy shall be void and all premium paid hereon shall be forfeited to the Company, in the event of misrepresentation, mis-description or non-disclosure of any material fact.
39. **Cashless facility:** "Cashless facility" means a facility extended by the insurer to the insured where the payments, of the costs of treatment undergone by the insured in accordance with the policy terms and conditions, are directly made to the network provider by the insurer to the extent pre-authorization approved.
40. **Subrogation:** Subrogation shall mean the right of the insurer to assume the rights of the insured person to recover expenses paid out under the policy that may be recovered from any other source.
41. **Contribution:** Contribution is essentially the right of an insurer to call upon other insurers, liable to the same insured, to share the cost of an indemnity claim on a ratable proportion.
42. **Renewal:** Renewal defines the terms on which the contract of insurance can be renewed on mutual consent with a provision of grace period for treating the renewal continuous for the purpose of all waiting periods.
43. **Portability:** Portability means the right accorded to an individual health insurance policy holder (including family cover) to transfer the credit gained by the insured for pre-existing conditions and time bound exclusions if the policyholder chooses to switch from one insurer to another insurer or from one plan to another plan of the same insurer, provided the previous policy has been maintained without any break.
44. **Room rent:** Room Rent shall mean the amount charged by a hospital for the deductibles occupying of a bed and associated medical expenses. Deductible is a cost

sharing requirement that provides that We will not be liable for the amount of covered Medical Expenses, as specifically mentioned in the Policy Schedule, which has to be borne by You for each and every Claim during the Policy Period, before it becomes payable by us under the Policy. This is to clarify that a deductible does not reduce the sum insured.

- 45. Alternative treatments:** Alternative treatments are forms of treatments other than treatment “Allopathic” or ”modern medicine” and includes Ayurveda, Unani, Sidha and Homeopathy in the Indian context

### **8.1.20 CRITICAL ILLNESS DISEASES**

IRDA HAS STANDARDIZED NOMENCLATURES AND PROCEDURES FOR CRITICAL ILLNESS

#### **1. CANCER OF SPECIFIED SEVERITY:**

I. A malignant tumour characterized by the uncontrolled growth & spread of malignant cells with invasion & destruction of normal tissues. This diagnosis must be supported by histological evidence of malignancy & confirmed by a pathologist. The term cancer includes leukemia, lymphoma and sarcoma.

#### **2. FIRST HEART ATTACK - OF SPECIFIED SEVERITY:**

I. The first occurrence of myocardial infarction which means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis for this will be evidenced by all of the following criteria:

- i. a history of typical clinical symptoms consistent with the diagnosis of Acute Myocardial Infarction (for e.g. typical chest pain)
- ii. New characteristic electrocardiogram changes
- iii. Elevation of infarction specific enzymes, Troponins or other specific biochemical markers.

#### **3. OPEN CHEST CABG**

I. The actual undergoing of open chest surgery for the correction of one or more coronary arteries, which is/are narrowed or blocked, by coronary artery bypass graft (CABG). The diagnosis must be supported by a coronary angiography and the realization of surgery has to be confirmed by a specialist medical practitioner.

#### **II. The following are excluded:**

- i. Angioplasty and/or any other intra-arterial procedures
- ii. any key-hole or laser surgery.



#### **4. OPEN HEART REPLACEMENT OR REPAIR OF HEART VALVES**

I. The actual undergoing of open-heart valve surgery is to replace or repair one or more heart valves, as a consequence of defects in, abnormalities of, or disease-affected cardiac valve(s). The diagnosis of the valve abnormality must be supported by an echocardiography and the realization of surgery has to be confirmed by a specialist medical practitioner. Catheter based techniques including but not limited to, balloon valvotomy/valvuloplasty are excluded.

#### **5. COMA OF SPECIFIED SEVERITY**

I. A state of unconsciousness with no reaction or response to external stimuli or internal needs. This diagnosis must be supported by evidence of all of the following:

- i. no response to external stimuli continuously for at least 96 hours;
- ii. life support measures are necessary to sustain life; and
- iii. permanent neurological deficit which must be assessed at least 30 days after the onset of the coma.

II. The condition has to be confirmed by a specialist medical practitioner. Coma resulting directly from alcohol or drug abuse is excluded.

#### **6. KIDNEY FAILURE REQUIRING REGULAR DIALYSIS**

I. End stage renal disease presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis (hemodialysis or peritoneal dialysis) is instituted or renal transplantation is carried out. Diagnosis has to be confirmed by a specialist medical practitioner.

#### **7. STROKE RESULTING IN PERMANENT SYMPTOMS**

I. Any cerebrovascular incident producing permanent neurological sequelae. This includes infarction of brain tissue, thrombosis in an intracranial vessel, hemorrhage and embolisation from an extra cranial source. Diagnosis has to be confirmed by a specialist medical practitioner and evidenced by typical clinical symptoms as well as typical findings in CT Scan or MRI of the brain. Evidence of permanent neurological deficit lasting for at least 3 months has to be produced.

#### **8. MAJOR ORGAN /BONE MARROW TRANSPLANT**

- I. The actual undergoing of a transplant of:
- i. One of the following human organs: heart, lung, liver, kidney, pancreas, that resulted from irreversible end-stage failure of the relevant organ, or
  - ii. Human bone marrow using hematopoietic stem cells. The undergoing of a transplant has to be confirmed by a specialist medical practitioner.

#### **9. PERMANENT PARALYSIS OF LIMBS**

I. Total and irreversible loss of use of two or more limbs as a result of injury or

disease of the brain or spinal cord. A specialist medical practitioner must be of the opinion that the paralysis will be permanent with no hope of recovery and must be present for more than 3 months.

## **10. MOTOR NEURONE DISEASE WITH PERMANENT SYMPTOMS**

**I.** Motor neurone disease diagnosed by a specialist medical practitioner as spinal muscular atrophy, progressive bulbar palsy, amyotrophic lateral sclerosis or primary lateral sclerosis. There must be progressive degeneration of corticospinal tracts and anterior horn cells or bulbar efferent neurons. There must be current significant and permanent functional neurological impairment with objective evidence of motor dysfunction that has persisted for a continuous period of at least 3 months.

## **11. MULTIPLE SCLEROSIS WITH PERSISTING SYMPTOMS**

### **8.1.21 CLAIM SETTLEMENT PROCEDURES**

**Claims will be settled by the Third Party Administrators (TPA).** They send the list of the network hospitals where cashless treatment is available (PPN network). Hospitalisations in Non network hospitals are paid through the reimbursement process

#### **Documents to be submitted for reimbursement claim**

1. Claim form
2. First consultation document
3. Copy of admission advice
4. Discharge Summary
5. Prescription with bills & receipts
6. Test Reports
7. Any other document required by TPA pertaining to the insurance contract/policy.

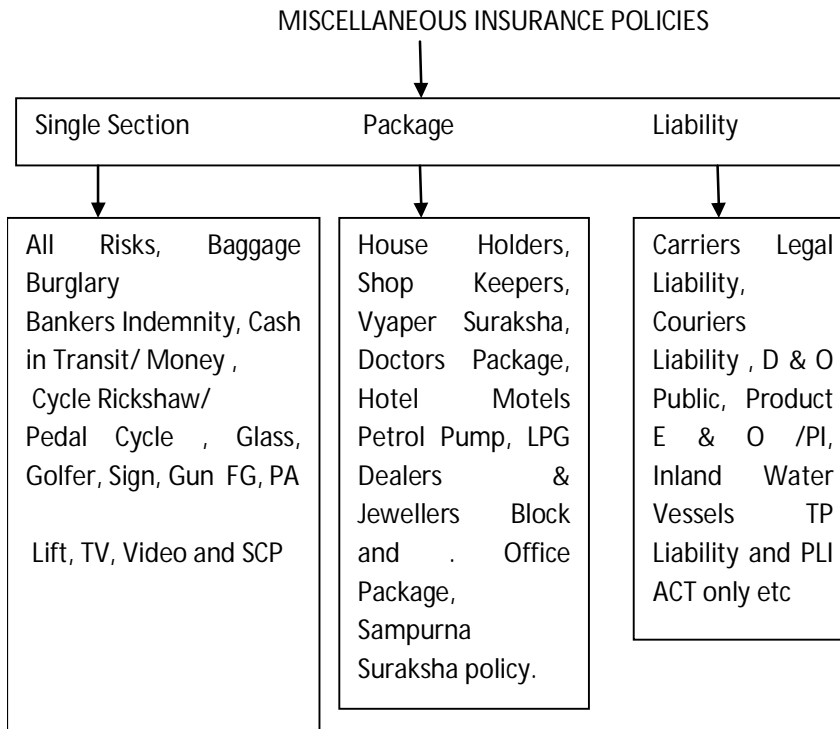
#### **Procedure for availing Cashless Access Services in Network Hospital / Nursing Home.**

Claims in respect of Cashless Access Services will be through the list of network Hospitals/Nursing Homes and is subject to pre-admission authorization. The TPA shall, upon getting the related medical information from the insured persons/ network provider, verify that the person is eligible to claim under the policy.

After satisfying itself TPA will issue a pre-authorisation letter/ guarantee of payment letter to the Hospital/Nursing Home mentioning the sum guaranteed as payable, also the ailment for which the person is seeking to be admitted as a patient.

## OTHER MISCELLANEOUS INSURANCE

The risks which cannot be covered under Fire & Marines fall under Miscellaneous (Accident) categories. This again sub categorise to Motor , Aviation, Health, PA, Liability , Rural & Social sector business & other Miscellaneous Businesses. For examination purpose health, PA, Liability, Rural & Social Sector business and Other Miscellaneous fall under Miscellaneous category. Motor is a separate Department and Aviation is with Marine. In this chapter we will discuss about PA, Liability and other classes of Miscellaneous. The policies Carriers Legal Liability(CLL) , Bankers Indemnity(BI), HH ( House Holders), Shop Keepers Policies are designed by TAC ( Tariff Advisory Committee) . All the 4 PSUs followed tariff provisions to underwrite these risks along with WC (renamed as EC) & PLI ( Public Liability Act only). Some of the policies like Jewellers Block (JB), Public Liability ( Industrial & Non Industrial) , Product Liability & Professional Indemnity are common to all PSUs and followed the provision of Market Agreement. These policies are detariffed and each company follow their own guide rate for under writing the risks. Policies can be subdivided as under:



## **ALL RISKS INSURANCE**

**Cover:** Loss or damage to the property insured due to fire, theft or any other accident or misfortune . It covers loss or damage to the property by any means excluding the perils as stated in the policy as exclusions.

**Important Exclusions:**

- a. Terrorism
- b. Due to breakage or scratching of crockery, china glass, marble, earthenware, sculpture, curios, pictures, musical instruments, sports, gear and articles of a brittle or fragile nature unless caused by fire.
- c. Due to mechanical derangement of cameras, lenses, binoculars, typewriters or wireless sets and the like.
- d. Arising through delay, detention or confiscation by customs or other officials.
- e. Loss or damage to Money, securities, cash or notes, travel tickets or coupons, travellers cheques or letters of credit, bonds, securities or documents or documents of any kind.
- f. War and allied perils, terrorism damages & Nuclear risks.
- g. Applicable Excess.**

**Important Provisions:**

1. **Single Article Limit:** Unless specifically and separately stated , the Company's liability in respect of each article or pairs of articles shall not exceed 5% of the total sum insured under this policy.
2. **Articles in Pairs Or Sets:** where any item insured hereunder consists of articles in pair or set, the Company's liability in respect thereof shall not exceed the value of any particular part or parts which may be lost or damaged without reference to any special value which such article or articles may have as part of such pair or set nor more than a proportionate part of the insured value of the pair or set.

## **BAGGAGE INSURANCE**

**Cover:** indemnify the insured to the extent of intrinsic value of the accompanied personal baggage of the insured or member(s) of his family, so lost, destroyed or damaged by fire , Riot, Strike, theft or accident anytime, whilst the insured is travelling on tour and/or on holiday in all places and situations during the period of this insurance and within the limits/Sum Insured of the policy.

**Important Exclusions:**

- a. Terrorism
- b. Loss during routine travel.
- c. due to breakage or scratching of crockery, china glass, marble, earthenware, sculpture, curios, pictures, musical instruments, sports, gear and articles of a brittle or fragile

nature unless caused by fire or accident to the means of conveyance and breakage of dentures howsoever caused.

- d. Due to mechanical derangement of cameras, lenses, binoculars, typewriters or wireless sets and the like.
- e. Arising through delay, detention or confiscation by customs or other officials.
- f. Of cash or notes, travel tickets or coupons, travellers cheques or letters of credit, bonds, securities or documents or documents of any kind.
- g. Of gold and silver articles, watches, jewellery, trinkets, furs, field glasses, cameras and other similar articles will be limited to 5% of the total sum insured unless specifically mentioned.
- h. War and allied perils, terrorism damages & Nuclear risks.
- i. **Applicable Excess.**

**Important Provisions:**

- 1. **Single Article Limit:** Unless specifically and separately stated, the Company's liability in respect of each article or pairs of articles shall not exceed 5% of the total sum insured under this policy.
- 2. **Articles in Pairs Or Sets:** where any item insured hereunder consists of articles in pair or set, the Company's liability in respect thereof shall not exceed the value of any particular part or parts which may be lost or damaged without reference to any special value which such article or articles may have as part of such pair or set nor more than a proportionate part of the insured value of the pair or set.

**Example-**

Claim lodged under baggage policy for loss of camera for Rs. 5000/- . The total SI under the policy is Rs. 20,000/- , payable claim ? a. Rs. 5000/- b Rs. 4000/- c Rs. 1000 & d nil

**BURGLARY (Private Premises) INSURANCE**

**SCOPE OF COVER:** This insurance policy provides cover against loss or damage by burglary or house breaking & theft in respect of contents of the premises with the following:-

- a) Total contents are to be insured for their full value.
- b) Jewellery & Valuables Sum Insured should not be more than 1/3<sup>rd</sup> of the total value.
- c) Jewellery and valuables single article value should not be more than 5% of total Sum Insured.
- d) Policy with set & pair clause

**General Exclusions-**

Deeds, bonds, bills of exchange, promissory notes, cheques, securities, money, stamps, documents of any kind, manuscript, medal and other similar articles.

## **BURGLARY (Business Premises) INSURANCE**

**SCOPE OF COVER:** This insurance policy provides cover against loss or damage by burglary or house breaking (ie theft following an actual forcible and violent entry of and/or exit from the premises) in respect of contents of offices, warehouses, shops etc and cash in safe or strong room and also damage caused to the premises with the following:-

- a) Any loss of or damage to property or any part thereof whilst contained in the premises described in the schedule hereto due to Burglary or House breaking (theft following upon an actual forcible and violent entry of and/or exit from the premises).
- b) Damage caused to the premises to be made good by the insured resulting from burglary and/or house breaking or any attempt threat any time during the period of insurance.

Provided always that the liability of the Company shall in no case exceeds the sum insured stated against each item of Total Sum Insured stated in the schedule.

### **Important Exclusions**

The policy does not cover loss or damage arising from –  
War and Warlike operation, Riot Strikes, Civil Commotion,  
Terrorist activities, Convulsions of nature and /or Consequential loss  
by use of the keys to safe unless obtained by force or threat caused by insured employees or members of the family.

However, on payment of additional premium cover can be extended to include Riot and Strike Risk and Terrorist Activities.

### **SPECIAL CONDITIONS**

#### **1. Reinstatement of Sum Insured:**

Immediately upon the happening of any loss or damage as described in the policy, the total sum insured and the sum insured upon the various descriptions of property which have been lost or damaged shall be reduced by the amount of loss or damage and such reduced sums insured shall be the limit of the Company's liability in respect of any further loss or damage occurring during the current period of insurance unless the company consents upon payment of additional premium to reinstate the full sum insured.

#### **2. Maintenance of Books & Keys:**

The insured shall keep a daily record of the amount of cash contained in the safe or strongroom and such record shall be deposited in a secure place other than the safe or strongroom and produced as documentary evidence in support of a claim under this policy. The keys of the safe or strongroom shall not be left on the premises out of business hours unless the premises are occupied by the insured or any other authorized employee of the insured in which case such keys if left on the premises shall be deposited in a secured place not in the vicinity of the safe or strongroom.

### **Type of Policies/coverages:-**

#### **a. Full value policy**

- i) **Non-Declaration-** full value indicated at inception
- ii) **Declaration-**Sum Insured fluctuates, provisional Sum Insured declared

- b. **First loss Policy-** Heavy goods/machinery and plants may be insured by this method. Instead of full value partial value is declared for insurance. **Important provision is application of Partial Average.**
  - c. **Floating Policy-** More than one location is covered under a single policy by one sum insured. Exact sum insured of a location may not be known.
  - d. **Valued Policy-** policy is issued mainly for valuables, paintings, pictures, curious and works of art.
  - e. **Inventory base policy-** value stated as per invoices and other documents is the sum insured under the policy.
- **Example-**
    1. Miscreant entered (after business hours) into the godown by breaking the door and taken away goods worth Rs. 15 lacs , cash from the counter Rs. 1 lacs and with the keys open the safe(taken from the drawer) valuable goods worth Rs. 5 lacs . Payable claim.
      - a. Rs. 15 lacs b. Rs. 16 lacs c. Rs. 21 lacs & d. Nil
    2. Burglary policy issued on 10% 1<sup>st</sup> loss SI basis for total SI of Rs. 100 Crs. The loss occurred and goods worth Rs. 8 Crs stolen. At the time of loss total SI was Rs. 120 Crs . Payable claim
      - a. Rs. 10 Crs , b. Rs. 8 Crs , c. 6.67 Crs & d. Nil

### **FIDELITY GUARANTEE INSURANCE**

Indemnify the insured against any direct pecuniary loss sustained by reason of any act of fraud/dishonesty committed on or after the date of commencement of this policy and during uninterrupted service with the insured and discovered during the continuance of this policy or within six months ( can be extended to twelve months) calendar months of the expiration thereof and in the case of death, dismissal or retirement of the employee within six ( can be extended to twelve) calendar months of such death, dismissal or retirement whichever of these event shall first happen.

**PROVIDED ALWAYS THAT**

- 1) The liability of the company shall not exceed-
  - a) In respect of any employee the sum insured stated against his name or as declared herein.
  - b) In respect of all claims under this policy the total sum insured.
- 2) if this policy shall be continued in force for more than period of indemnity or if the liability shall exist on the part of the company under this policy and also under any other policy in respect of fraud or dishonesty of the employees , the liability of the company during any number of periods of indemnity and for any number of acts of fraud or dishonesty committed by the employees shall not exceed the sum insured hereunder or the sum insured under any other such policy as aforesaid whichever is higher.

- 3) The company shall not be liable to pay more than one claim in respect of the acts of any one of the employees.

**EXCEPTIONS :**The company shall not be liable in respect of losses arising elsewhere than in India.

### **Important Definitions**

1. **Insured:** the term insured wherever appeared in this policy means any person, partnership firm or any body of persons whether incorporated or not with whom employee who is included in the schedule attached hereto has a contract of service.
2. **Employee:** The term employees wherever appeared in this policy means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purpose of the insured's trade or business) who has entered into a contract of employment with insured whether such contract of employment is expressed or implied oral or in writing.

Policies: Various type of coverage is granted which we called as bond and these are –

1. Commercial Fidelity Guarantee/ bond,
2. Court Bond &
3. Government Bonds.

Commercial Fidelity Guarantee /bond is the standard Insurance policy issued by insurer and these can be of –

- i. **Individual Policy**-only one individual is to be guaranteed.
- ii. **Collective Policy**-Entire staff and their name and amount guaranteed is stated
- iii. **Floating Policy or Floater policy**-a specified sum of guarantee is floated over the whole group.
- iv. **Position Policy**-instead of name, position of the employee is stated against the guaranteed amount.
- v. **Blanket Policy**- covers entire staff without showing name and designation, suitable for very big organisation.
- vi. **Excess Floating Policy**-this is combination of collective and floating policy.

### **Court Bond:-**

When a property is under dispute after the death of the owner , no will, court appoints administrators to winding up the affair. Administrators has to submit bond. Annual policy renewed every year.

Similarly when Liquidator ( in case of Insolvency) and or Receivers ( property under disputes) are appointed , they do have to submit bond

### **Government Bonds**

**Custom Bond-** to be submitted by importers in favour of the Controller of Imports and Exports. It is normally 12 months period .



**Excise Bonds-** Excise bonds are to be executed by manufacturers in the country in respect of finished products assembled or produced in the country, which is dutiable. It may also be a long term.

**Example:** Policy was taken against named employee Mr.Ramesh Yadav for Rs. 5 lacs.for the period 1-1-12 to 31-12-13. He appeared competitive exams and on resigning joined another company on 30-11-13. A claim reported and discovered on 8<sup>th</sup> August 14 for Rs. 4 lacs during the period of 12-13. Payable claim-

- a. Rs. 4 lacs , b. Rs. 4 lacs , Rs. 2 lacs & d Nil

### **MONEY INSURANCE**

Indemnify the insured against loss of money in transit by the insured or insured's authorized employees occasioned by Robbery, Theft or any other fortuitous cause. Further the company shall also indemnify loss of money by Burglary, Housebreaking, Robbery or Holdup whilst money is retained at insured's premises in safe(s) or strongroom, more particularly described in the schedule provided always that the limit of the company's liability for any one loss shall in no case exceed the amount specified against the respective section in the said schedule.

**DEFINITIONS**

**Money:** Money shall mean and include cash, Bank Drafts, Currency Notes, Treasury Notes, Cheques, Postal Orders and Current Postage Stamps.

**Bank:** Bank shall mean and include Bank of every description, Post Office, Government Treasury.

Specify the coverage required including Business premises:

**Business premises:**

SECTIONS	RISKS DESCRIPTIONS	LIMIT OF ANY ONE LOSS
<b>SECTION-1.A</b>	Money for payment of wages, salaries and other earnings or for petty cash in direct transit from the bank to the insured's premises from the time the cash is received at the bank by the insured or the authorized employee(s) of the insured until delivered at the premises or other place of disbursement and whilst there until paid out provided that out of business hours such cash shall be secured in locked safe or locked strongroom on the premises. Cheques drawn by the insured to provide for such cash are covered in transit from the premises to the bank	
<b>SECTION -1B</b>	Money other than described in A above in the personal custody of the insured or the authorized employee(s) of the insured whilst in direct transit between the premises and the bank or post office.	
<b>SECTION- 1C</b>	Money other than described in A and B above collected by and in the personal custody of the insured or the authorized employee(s) of the insured whilst in transit to the premises or bank within a period not exceeding 48 hours from the time of collection	
<b>SECTION-II</b>	Estimated total amount of money in Transit per	

	Annum	
<b>SECTION-III</b>	Cash(other than described in Section 1A above) whilst on the premises during business hours or whilst secured in locked safe or locked strongroom on the insured's premises out of business hours against the risk of burglary, housebreaking and holdup.	

**SPECIAL CONDITIONS:**

**OFFICIAL:**

1. **MAINTENANCE OF BOOKS AND KEYS:** the insured shall keep a daily record of the amount of cash contained in the safe or strongroom and such record shall be deposited in a secure place other than the said safe or strongroom and produced as documentary evidence in support of a claim under this policy. The keys of the safe or strongroom shall not be left on the premises out of business hours unless the premises are occupied by the insured or any authorized employee of the insured in which case such keys if left on the premises shall be deposited in a secure place not in the vicinity of the safe or strongroom.
2. **ADJUSTMENT OF PREMIUM:** The premium is so far as it relates to cash in transit is to be registered by the amount of such money in transit during such period of insurance and for this purpose a proper record shall be kept in the books of the insured which the insured shall at all reasonable times allow the company to inspect. Within one month from the expiry of each period of insurance the insured shall furnish the company with a correct account of the amount of such money in transit during the period and if the ascertained amount shall differ from the estimated amount on which premium has been paid, the difference in premium shall be met by a further proportionate payment to the company or by a refund to the insured as the case may be, but in no case shall the refund be more than 50% (fifty percent) of the premium stated in the schedule and retention of premium shall not be less than the minimum of Rs. 100/-
3. **RIGHTS OF RECOVERY:** the company shall be entitled in the name of the insured to have the absolute conduct and control of all or any proceedings that it considers necessary for the purpose of tracing and recovering money lost or of securing reimbursement in respect of the money lost, and the insured shall at the company's expenses furnish all such assistance as may reasonably be required by due to the event of any or the money being recovered, it shall be imperative upon the insured to refund to the company such a proportion of the sum allowed by way of compensation as the amount recovered bears to the total amount of money lost.

**EXCLUSIONS :** 1. Shortage due to errors or omissions. 2. Loss of money entrusted to any person other than the insured or an authorized employee of the insured. 3. Loss of money where the insured or his employee is involved as principal or accessory, except loss due to fraud or dishonesty of the cash carrying employee of the insured occurring whilst in transit and discovered within 48 hours. 4. Loss occurring on the premises after business hours unless the money is in locked safe or strong-

room.5.Loss occasioned by Riot, Strike and Terrorist Activity.6.Money carried under contract of affreightment and theft of money from unattended vehicle. 7. Loss of money from safe or strong-room following use of the key to the safe or strong-room or any duplicate thereof belonging to the insured, unless this has been obtained by threat or by violence.8.War & Terrorism and nuclear risks.

**Example-**

1. On collection of cash from various centres employess of ABC Company were returning to Head Qtr. They thought to take rest and have a cup of tea. The vehicle kept outside the shop and all went for taking tea. On returning found cash bag with Rs. 10 lacs missing. Payable claim-
  - a. Rs. 10 lacs b. Rs. 8 lacs & c Nil.
  
2. MONEY POLICY ISSUED WITH ESTIMATED ANNUAL TURN OVER RS 50 CRS ON COLLECTION OF RS. 25,000/- (EX S TAX). DUE TO RECESSION AT THE END OF THE YEAR ACTUAL T.O FOUND RS.20 CRS. PREMIUM TO BE REFUNDED.
  - a. Rs. 12,500/- b. Rs. 10000/- c. Rs. 15000/- d. Nil

## **PERSONAL ACCIDENT INSURANCE**

**Cover: the insured shall sustain any bodily injury resulting solely and directly from accident caused by external violent and visible means then the company shall pay to the insured or his legal personal representative(s) as the case may be the sum or sums hereinafter set forth that is to say-**

- (a) If such injury shall within twelve (12) calendar months of its occurrence be the sole and direct cause of the death of the insured, the capital sum insured stated in the schedule hereto.
  
- (b) If such injury shall within twelve(12) calendar months of its occurrence be the sole and/or direct cause of the total and irrecoverable loss of-
  - (i) Sight of both eyes or of the actual loss by physical separation of the two entire hands or two entire feet or one entire hand and one entire foot or of such loss of sight of one eye and such loss of one entire hand or one entire foot, the capital sum insured stated in the schedule hereto.
  
  - (ii) Use of two hands or two feet or of one hand and one foot or of such loss of sight of one eye and such loss of use of one hand or one foot, the capital sum insured stated in the schedule hereto.
  
- (c) If such injury shall within twelve(12) calendar months of its occurrence be the sole and direct cause of the total and irrecoverable loss of-
  - (i) The sight of one eye or of the actual loss by physical separation of one entire hand or one entire foot, fifty percent (50%) of the capital sum insured stated in the schedule hereto.

- (ii) Total and irrecoverable loss of use of a hand or a foot without physical separation, fifty percent (50%) of the capital sum insured stated in the schedule hereto.

Note : for the purpose of clause (b) and clause (c) above physical separation of a hand or foot means separation at or above the wrist and/or of the foot at or above the ankle respectively.

- (d) If such injury shall as a direct consequence thereof immediately permanently totally and absolutely disable the insured from engaging in any employment or occupation of any description whatsoever, then a lump sum equal to hundred percent (100%) of the capital sum insured stated in the schedule hereto.

If such injury shall within twelve (12) calendar months of its occurrence be the sole and direct cause of the total and or partial irrecoverable loss of use of or of the actual loss by physical separation of the following, then the percentage of the capital sum insured as indicated below shall be payable-

<b>Item</b>	<b>Description of Benefits</b>	<b>Compensation payable % of the Capital Sum Insured</b>
<b>a</b>	Death only	<b>100</b>
<b>b</b>	Loss of sight of two eyes or loss of use of two hands or feet or loss of use of one hand and one foot or loss of sight of one eye and loss of use of one hand or foot.	<b>100</b>
<b>c</b>	Loss of sight of one eye or loss of use of one hand or one foot	<b>50</b>
<b>d</b>	Permanent total disablement from injuries other than named as above	<b>100</b>
<b>e</b>	Permanent partial disablement for loss of limbs as shown below-	
	i) Loss of toes-all	<b>20</b>
	ii) Loss of toe- great both phalanges	<b>5</b>
	iii) Loss of toe- great one phalanx	<b>2</b>
	iv) Loss of toe-other than great, if more than one toe lost, each	<b>1</b>
	v) Loss of hearing- both ears	<b>50</b>
	vi) Loss of hearing-one year	<b>15</b>
	vii) Loss of 4 fingers and thumb of one hand	
	viii) Loss of 4 fingers	<b>40</b>
	ix) Loss of thumb-both phalanges	<b>35</b>
	x) Loss of thumb-one phalanx	<b>25</b>
	xi) Loss of index finger-three phalanges	<b>10</b>
	xii) Loss of index finger-two phalanges	<b>10</b>
	xiii) Loss of index-one phalanx	<b>8</b>
	xiv) Loss of middle finger-three phalanges	<b>4</b>
	xv) Loss of middle finger-two phalanges	<b>6</b>
	xvi) Loss of middle finger-one phalanx	<b>4</b>

	xvii) Loss of Ring Finger- Three Phalanges	2
	xviii) Loss of Ring Finger-two phalanges	5
	xix) Loss of Ring Finger-one phalanx	4
	xx) Loss of Little Finger-Three phalanges	2
	xxi) Loss of Little Finger-Two phalanges	4
	xxii) Loss of Little Finger-One phalanx	3
	xxiii) Loss of metacarples - 1st & 2 <sup>nd</sup> (additional)	2
	xxiv) Loss of metacarples-3 <sup>rd</sup> ,4 <sup>th</sup> or 5 <sup>th</sup> (additional)	3
	xxv) Any other permanent partial disablement	2
		<b>% as assessed by the doctor.</b>
<b>f</b>	Temporary Total Disablement	Up to 104 weeks maximum weekly benefits 1% of CSI not exceeding Rs. 5000
<b>g</b>	In the event of death of the insured person due to accident outside his/her residence reimbursement of expenses incurred for transportation of the insureds' dead body to the place of residence	Maximum 2% of the Capital Sum Insured or Rs. 1000/- whichever is less.

- AGE 5 TO 70 YEARS AND ABOVE 70 WITH LOADING OF PREMIUM CAN BE ACCEPTED (10 TO 20%).
- TABLE OF BENEFIT- I (death only- a above) , IA (death & PTD) , II ( Death, PTD & PPD) AND III (Death, PTD, PPD & TTD)
- WEEKLY BENEFIT 1% OF CSI MAX RS. 5000/- PER WEEK UPTO MAX 104 WEEK.
- CUMULATIVE BONUS 5% PER YEAR MAX 50%
- ADDLN BENEFITS-
- DEAD BODY CARRYING 2% OF CSI MAX RS. 1000/-

MEDICAL EXPENSES 10% OF CSI 40% OF ADMISSIBLE CLAIM WHICH EVER IS LESS, PREMIUM 20% LOADING

Sum Insured under items (a) , (b) , (c) and (d) above will be increased by 5% on each claim free renewal of the policy upto maximum limit of 50%.

Education fund: for two children upto age 23 years and per child Rs. 5000/- for two Rs. 10,000/-

Note: Cumulative Bonus will be lost if the policy is not renewed within 30 days after its expiry with this company.

CLASSIFICATION OF OCCUPATIONAL RISKS:

**Normal Risks** : Persons other than those specified below under Heavy Classification.

**Heavy Risks:** Persons working in underground mines, explosives, magazines, workers involved in electrical installations with high tension supply, circus personnel, persons engaged in activities like racing on wheels or horse back, big game hunting, mountaineering, winter-sports, skiing, ice hockey, polo and persons engaged in occupation of similar hazard.

**Note:** For classification of occupation risks not specified above, a reference should be made to the company.

**Premium Rates:** The following are the annual rates applicable to proposals from persons (both male and female between the ages 16 to 65 years).

Table of benefits	Covers	Rate for Normal Risks	Rate for Heavy Risks
I	(a)	0.60 per mille	0.90 per mille
I(A)	(a) To (d) & (g)	0.65 per mille	1.50 per mille
II	(a) To (e)	1.25 per mille	1.90 per mille
III	(a) To (f)	2.00 per mille	3.00 per mille

- 1. No other combination of benefits other than those shown above is permitted.**
- 2. For reimbursement of Medical expenses benefits the rates of premium are to be loaded by 10%**
- 3. Minimum premium per policy-Rs. 30/- (net).**

Example.

Ram has taken a JPA policy for Rs. 1 lac and PA policy for Rs. 5 lacs with medical exp. Extension in the year 1-4-02 and policy is continuing. He died due to road accident on 12-1-14 while driving scooter. Before death he was treated in hospital and incurred expenses Rs. 25,000/- Payable claim for death- a. Rs. 8,25,000/- b. Rs 6,00,000/- c. Rs. 8,50,000/- & d. Rs.7,25,000/-

### **BHAYGASREE**

- Coverage is granted for the unmarried girl age upto 18 years. The policy is designed for the benefit of girl child so that in absence of their parent they can continue their studies. Only one child below 18 can be covered.
- CSI under the policy is Rs. 25,000/- against the premium of Rs. 15/-
- The claim money is paid against the death of her parents (father or mother) due to accidental injury and in case of her mother death even during child birth (within 7 days of child birth/operation).
- **PAYMENT MODE-**
- AGE 1-5 YRS RS. 1200/- to surviving parent/guardian
- 6-11 Years RS. 1200/-
- 12-17 Years RS. 2400/-,

- Balance at the age of 18 years to the child.

### **PERSONAL ACCIDENT FOR SCHOOL CHILDREN- Student Safety Policy**

- Cover : PA cover can be granted to the student of the school. School may take PA policy for their students. PA(School Children) cover is whilst the children are in school and participated in school activities
- Benefit is as per TABLE- II of standard PA policy Plus Medical Expenses RS. 150/- with excess Rs. 20/- and Hospitalisation Expenses 10% of CSI Maximum of Rs. 2000/-
- Cover is extended while travelling by bus.

### **RAJRAJESWARI**

- Two policies Rajrajeswari & Bhagyasri designed for the welfare of girl and women. Bhagyasri is for unmarried girl child age upto 18 years and Rajrajeswari for the girl and women age 10 to 75 years. Policy is designed for welfare of women of rural & semi urban areas.
- Compensation is paid to the widow for death to her husband and in case of unmarried to the legal heir.
- Death due to child birth also covered .
- Compensation – for death and loss of two limbs -100% CSI Rs. 25,000/-
- Premium Rs.15/- basic cover (As per 1A of PA) and Rs. 23/- with additional cover (Table II ie TTD included with monthly compensation Rs. 500/- per months for 3 months) plus Legal cost for divorce Rs. 2000/- & loss or damage to house hold Rs. 2000/-

### **PLATE GLASS INSURANCE**

**Cover:** Loss or damage to the plate glass due to accident only ( damaged due to the accidental breakage only).

#### **EXCEPTIONS**

1. wear and tear, process of cleaning, repairing, restoring or renovating , the action of light or atmospheric conditions or any other gradually operating cause.
2. Improper handling, dismantling, fitting, adjustment, alteration or modification not approved by the market/manufacturers and/or the agents of markets/manufacturers or use of such property contrary to the directives of the market/manufacturers and/or their agents.
3. Fire and explosion, earthquake (fire & shock), volcanic eruption or other similar convulsion of nature.

4. Terrorism: loss, damage cost or expense of whatsoever nature directly or indirectly caused DUE TO TERRORISM.
5. A.cracked or imperfect property including scratching.
6. damage to frames or framework of any description.
7. breakage of an lettering unless such breakage be caused by or consequent upon the breakage of the property to which such lettering is affixed

### **Example**

- Plate glass kept in the shop for fitting. The plate glass Rs. 5 lacs damage due to AOG perils. Payable claim?
- Plate glass worth Rs. 1 lac damage due to Fire in the shop. Payable claim?

## **GOLFERS INSURANCE**

### **COVERAGE :**

#### **SECTION-I: LIABILITY TO THIRD PARTY**

**SECTION-II-** GOLFING EQUIPMENTS (including Clubs , Bags and Caddie Cars) against loss of or damage to the golfing equipments (the property of the insured) during the period of Insurance by an accident or misfortune at any golf Course or in transit in India .

#### **EXCEPTIONS:**

The indemnity expressed in this section shall not apply nor include-  
Loss of or damage arising from wear and tear & gradual deterioration & Loss of or damage to golf balls in play.

#### **SECTION-III- PERSONAL EFFECTS**

Indemnify the insured against loss of or damage to the golfing equipments (the property of the insured) during the period of Insurance by Fire & Theft whilst at any golf course /club in India .

PROVIDED ALWAYS that-

the company shall not be liable for the excess stated in the policy schedule ie 5% of the claim amount subject to minimum of Rs. 500- for each and every loss.

#### **EXCEPTIONS:**

The indemnity expressed in this section shall not apply nor include-  
Golfing equipments, Watches, Jewellery, trinkets, medals, coins, money, stamps, securities and other document and the motor vehicles.

## **TV/VIDEO INSURANCE**

### **SECTION-A- LOSS OF OR DAMAGE TO THE INSTALLATION-**

Loss of or damage or destruction to the installation including accessories and aerial as specified in the schedule by:-



Fire , Lightning or external Explosion.

Explosion of boiler used for domestic purposes only.

Explosion of gas used for domestic purposes only or for lighting or heating in a building not forming part of any gas work

Aircraft or article dropped therefrom.

Riot Strike or Malicious Act.

Flood, Cyclone, Storm, Tempest and other similar convulsions of nature and atmospheric disturbances.

Earthquake (fire & Shock)

Bursting or overflowing of water tanks, apparatus or rain water pipes (excluding damage caused thereto) due to any cause except wear and tear.

Burglary, housebreaking or theft

Accidental external means.

Overrunning, excessive pressure, short circuiting, arching , self heating or leakage of electricity.

#### **SECTION-B- LIABILITY TO THIRD PARTY-**

Indemnify the insured in the event of accident caused by or arising out of the use of the television installation including accessories and aerial at the situation described in the schedule against all sums including claimants costs and expenses which the insured shall become legally liable to pay in respect of –

Death of or bodily injury to any person not being a member of the insureds' family or household nor a person who at the time of the accident is engaged in and upon the service of the insured under a contract of service or apprenticeship.

Damage to property not belonging to nor held in trust by nor in the custody or control of the insured or a member of the insureds' family or a person acting on behalf of the Insured.

Caused by through or in connection with the use for purposes specified in the schedule of any television installation described therein.

The liability of the company in respect of or arising out of one occurrence or in respect of or arising out of all occurrence of a series consequent on or attributable to one source or original cause shall not exceed the sum of Rupees Twenty Five Thousand (Rs. 25,000/-) .

## **PEDAL CYCLE INSURANCE**

**SCOPE OF COVER:** loss or damaged to the Pedal Cycle due to accidental damages and Third Party Liability arising due to the use of the pedal cycle. The Third Party liability limit is for Rs. 15,000/-

**IMPORTANT EXCEPTIONS:**

- a) War and Warlike operation, Riot Strikes, Civil Commotion, Terrorist activities, Convulsions of nature., Radioactivity
- b) Wear, tear & Consequential loss of any kind including willful act of the insured and loss of use during repair.
- c) damage to the tyres, tubes, lamps & accessories unless the cycle is lost/damaged/destroyed totally at the same time
- d) loss of or damage to the cycle tyres, tubes, lamps, chain or accessories due to over loading, strain or mechanical breakdown or to wear and tears or damage to tyres, tubes by application of brakes or by road punctures, cuts or bursts.
- e) cycle is being used for racing or hire or reward or outside India.
- f) Destruction or requisition by or under the order of any Government or Public or Local Authority.
- g) Franchise: Rs. 10/-

## **SPECIAL CONTINGENCY INSURANCE**

Indemnify the insured if at any time during the period of insurance the property described in the schedule hereto and belonging to the insured be lost or damage by reason and on account of any of the contingencies mentioned in the schedule but not exceeding in the aggregate the total sum insured specified in the schedule.

**EXCEPTIONS:**

1. Loss of or damage to the property by or due to or arising from-
  - a) Wear and tear , depreciation, moth ,vermin, process of cleaning, repairing, restoring or renovating the action of light or atmospheric conditions or any other gradually operating cause.
  - b) Mechanical and/or electrical breakdown and/or derangement, overloading or strain, overrunning excessive pressure, short circuiting and/or self heating.
  - c) Improper handling, dismantling, fitting adjustment , repair, alteration or modification not approved by the maker/manufacturers and/or the agents of makers/manufacturers or use of such property contrary to the directives of the makers/manufacturers and/or this agents.
  - d) Scratching, cracking and/or denting.

2. Consequential loss of whatsoever nature.
3. Loss or damage arising from detention, confiscation, destruction or requisition by or under the order of any Government of Public or Local Authority.
4. Loss or damage due to theft or attempted theft by any employee of the insured or loss or damage occasioned through the willful act of the insured or any employee or the willful act of any other person with a connivance of the insured or any employee.
5. Loss or damage directly or indirectly occasioned by or happening through or in consequence of volcanic eruption or other similar convulsion of nature and atmospheric disturbance.
6. Loss or damage directly or indirectly occasioned by or happening through in consequence of war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war, civil commotion, mutiny, rebellion, revolution, insurrection, conspiracy, military or usurped power.
7. Loss or damage directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or from any weapons materials. For the purpose of this exclusion, combustion shall include any self sustaining process of nuclear fission.
8. Loss or damage to the property insured directly caused by-
  - (i) An act of terrorism committed by a person or persons acting on behalf of or in connection with any organization.
  - (ii) The action of any lawfully constituted authority in suppressing or attempting to suppress any such act referred to in (i) above in minimizing the consequences thereof.

**Undesirable risks :** Individual approaches for Mobile phones, Laptop & pagers .

## **HOUSE HOLDERS' INSURANCE POLICY**

### **COVERS**

**Section :I& II cover** -loss or damage to Building & Contents due to Fire and Special perils and Burglary & Housebreaking ( Compulsory sections for this cover).

**Section :III- All Risk (Jewellery & Valuables) , Section :IV-Plate Glass,**

**Section :V Breakdown of Domestic Appliance , Section :VI Television Set**

**Section-VII- Pedal Cycle , Section: VIII-Baggage, Section IX - Personal Accident, Section X- Liability .**

**Note: 1.** Electronics equipments, Personal computer & Mobile phones can be covered under sections I, II & V.

**Cover is for the building of Class A construction only.**

**No article other than furniture is deemed to be more than 5% of the sum insured under section-I & II, unless separately specified and value stated.**

**No one article or pair of article is deemed to be more than 10% of the sum insured under the section-III unless separately specified and value stated.**

**No excess under Section-I**

**Important Exceptions:**1. Terrorism damages.2. Excesses as stated in the respective sections.3. Accident arising due to carrying of illegal activity and or any kind of unlawful act. .Loss or damage or liability arising out of violation of any Rules and Regulations of the Govt. or Statutory authorities.4. Loss or Damage whether direct or indirect occasioned by happening through or arising from any consequence of war, Invasion, act of foreign enemy, hostilities (whether war be declared or not) , Civil War, Rebellion, Revolution, Insurrection warlike operation , military or usurped power or Civil commotion or loot or pillage in connection therein.5. Loss or damage caused by depreciation or wear and tear.6. Loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss.7. any legal liability whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations of or contamination by radio activity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel or from any nuclear weapons, materials.

**DISCOUNT ON PREMIUM:** Discounts are available on the non-tariff premium (ie other than Fire & Personal Accident sections) as under if the proposer opts for cover the sections-

**Section-I & II** plus two to five of other sections 15% discount on the non-tariff premium.

**Section-I & II** plus six or more sections 20% discount on the non-tariff premium.

### **Frequently Asked Questions:**

#### **1. Why should one take HH policy –**

It is a package policy , it covers most of the insurance requirements of household and it is simple.

Under section I, the earth quake perils are covered without charging extra premium.

Section-I does not have any excess ( All Fire & Special perils policies have excess , except HH)

#### **2. How many sections it does have which are compulsory-**

Total 10 sections and section I, II and one more section are compulsory ( total three sections)

#### **3. Which section one should choose**

Property (Building & Contents- house hold goods), life and responsibility towards third party and domestic servants are important and one should take all sections.

#### **4. What are the premium benefit if more than 3 sections are opted-**

15% discount on premium if one chooses more than 4 sections & 20% if more than 6 sections ( the discount not available on the premium of Fire (i & II) & PA (IX) )

#### **5. What are the Fire & Special perils**

12 named perils are called Fire & Special perils and these are a) Fire , b) Lightning, c) Explosion/implosion, d) Aircraft damage, e) Riot, Strike, Malicious Damage, f) Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation g) Impact damage h) Subsidence and landslide including rock slide i) Bursting and/or overflowing of water tanks, apparatus and pipes j) Missile testing operations k) Leakage of Automatic sprinklers installation & l) Bush Fire.

### **SHOPKEEPERS' INSURANCE**

**Applicability:** All shops maximum Sum Insured under contents should not be more than Rs. 2 Crores.

**COVERS:** Section :I & II cover loss or damage to stock, trade material, furniture etc due to Fire and Special perils and Burglary & Housebreaking ( Compulsory for this cover).Section :III- Money Insurance, Section :IV-Pedal Cycle, Section :V Plate Glass, Section :VI Neon Sign & Glow Sign, Section-VII- Baggage VIII-Personal Accident, Section IX Fidelity Guarantee, Section X Liability & Section XI-Business Interruption.

**Construction of the Shop:** Shops in a Class A Constructed building.

**Class A Construction means-**

- a) Walls are made with stone/brick/concrete block/asbestos sheet cladding and/or metal sheets cladding/glass panel/partly or fully open aided or Kutchabondiie timber frame work, the space in which is filled with okra Or split bamboo and covered over both sides with mud and plaster of cement or lime Or brick word with an outside bracing of timber filled in with brick (for earth quake protection
- b) Roof is made of RCC/masonry/Asbestos, Concrete sheet/Metal Sheet Tiles/wooden shingles or boarding on RCC/Steel wooden framework
- c) Thin layer of grass, hay or reeds on incombustible roofing is permitted and use of thermosetting resin fibre glass reinforced sheet is permitted for skylights .

#### **Important Exceptions:**

- a. Terrorism damages.
- b. The first 5% of each and every claim subject to a minimum of Rs. 10,000/- and maximum of Rs. 25,000/- in respect of each and every loss arising out of AOG perils such as lightning, STFI, Earthquake, subsidence and landslide and rockslide and And the first Rs. 10,000/- for each and every loss arising out of other perils (**applicable to Section-I**)
- c. Accident arising due to carrying of illegal activity and or any kind of unlawful act. .Loss or damage or liability arising out of violation of any Rules and Regulations of the Govt. or Statutory authorities.

- d. Loss or Damage whether direct or indirect occasioned by happening through or arising from any consequence of war, Invasion, act of foreign enemy, hostilities (whether war be declared or not) , Civil War, Rebellion, Revolution, Insurrection warlike operation , military or usurped power or Civil commotion or loot or pillage in connection therein.
- e. Loss or damage caused by depreciation or wear and tear.
- f. Loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss.
- g. any legal liability whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations of or contamination by radio activity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel or from any nuclear weapons, materials..

**DISCOUNT ON PREMIUM:**

Discounts are available on the non-tariff premium (ie other than Fire & Personal Accident sections) as under if the proposer opts for cover the sections-

- a) Section-I & II plus two to five of other sections 15% discount on the non-tariff premium.
- b) Section-I & II plus six or more sections 20% discount on the non-tariff premium.

**Examples-**

1. On breaking the door of the shop following stolen- a) Goods worth Rs. 5 lacs, b) cash from the safe Rs. 1 lacs. Repairing costs of the door Rs. 500/- . Affected sections and payable claims.

**OFFICE PACKAGE INSURANCE**

**COVERS:** Section :IA ( Building), 1B (contents), 1C (Business Interruption -Fire Loss) ,1D (Alternative Accommodation), 1E (Loss of Rent) ; cover for loss or damage to building, contents /stock, trade material, furniture, Business interruption, Alternative Accommodation and loss of rent etc due to Fire and Special perils and Section 2 (contents) loss due to Burglary & Housebreaking & Dacoity/ robbery. Section :3 Plate Glass, Section :4 Neon Sign & Glow Sign, Section 5: Breakdown of Shop Appliances, Section-6A- Electronics Equipments(Installed) ,Section: 6B Electronics Equipments(Portable) , Section 7: Money,Section: 8- Pedal Cycle , Section 9: All Risk for Baggage, Section X : Personal Accident, Section 11- Mediclaim, Section 12 : In-fidelity/Dishonesty of Employees, Section-13 Cost of Reinstatement of Data/Programme, Section 14 : Tenants Legal Liability,Section 15A: Public Liability &15B- Workmens Compensation.

**Construction of the Office:** Office in a Class A Constructed building.

**Class A Construction** means- a) walls are made with stone/brick/concrete block/asbestos sheet cladding and/or metal sheets cladding/glass panel/partly or fully open aided or Kutchabondiie timber frame work, the space in which is filled with okra Or split bamboo and covered over both sides with mud and plaster of cement or lime Or brick word with an outside bracing of timber filled in with brick (for earth quake protection. b)Roof is made of RCC/masonry/Asbestos, Concrete sheet/Metal Sheet Tiles/wooden shingles or boarding on RCC/Steel wooden framework. c)Thin layer of grass, hay or reeds on incombustible roofing is permitted and use of thermosetting resin fiber glass reinforced sheet is permitted for skylights .

**Minimum Premium Rs. 1,000.00**

**Important Exceptions:**

1. Terrorism damages.
2. Earthquake damages.
3. The first 5% of each and every claim subject to a minimum of Rs. 10,000/- and maximum of Rs. 25,000/- in respect of each and every loss arising out of AOG perils such as lightning, STFI, Earthquake, subsidence and landslide and rockslide and the first Rs. 10,000/- for each and every loss arising out of other perils (**applicable to Section-I**)& **Excess applied to each section.**
4. Accident arising due to carrying of illegal activity and or any kind of unlawful act. .Loss or damage or liability arising out of violation of any Rules and Regulations of the Govt. or Statutory authorities.
5. Loss or Damage whether direct or indirect occasioned by happening through or arising from any consequence of war, Invasion, act of foreign enemy, hostilities (whether war be declared or not) , Civil War, Rebellion, Revolution, Insurrection warlike operation , military or usurped power or Civil commotion or loot or pillage in connection therein.
6. Loss or damage caused by depreciation or wear and tear.
7. Loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising there from or any consequential loss.
8. any legal liability whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations of or contamination by radio activity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel or from any nuclear weapons, materials..

**DISCOUNT ON PREMIUM:**

Discounts are available on the non-tariff premium (i.e. other than Fire & Personal Accident sections) as under if the proposer opts for cover the sections-

- A. Section-IB (Fire cover for contents) & II (Burglary) & III (Money) are compulsory.
- B. (a) above plus two sections 10% discount on the non-tariff premium.
- C. (b) plus four section 15% discount on the non-tariff premium.
- D. © plus six sections 20% discount on the non-tariff premium

Example- TOTAL PREMIUM UNDER OFFICE PACKAGE POLICY RS. 12,000/- INCLUDING PREMIUM FOR FIRE SECTION RS. 600/- AND PA RS. 120/-.  
OPTED 4 SECTIONS INCLUDING COMPULSORY SECTIONS , PAYABLE PREMIUM.

**BANKERS' INDEMNITY POLICY**

- COVERAGE- ON PREMISES
- IN TRANSIT
- FORGERY AND ALTERATION
- DISHONESTY
- HPA GOODS
- REGISTERED POSTAL PARCEL (10% OF BASIC SI MAX RS. 1,00,000/-)
- APPRAISERS LIABILITY (5% OF BASIC SI MAX RS. 50,000/-)
- JANATA AGENT/PYGMY/CHHOTI BACHCHAT YOJANA (5% OF BASIC SI MAX RS. 20,000)

**SCOPE OF COVER:** this insurance policy provides indemnity to insured against loss of money, valuables and goods held in trust by fire and special perils including burglary, theft , robbery or hold up whilst on premises and in transit and/or direct financial loss including loss of goods caused by fraud or dishonesty of employees /approved agents.

- A) **ON PREMISES:** by reason of any money and/or securities for which the insured are responsible or interested in or the custody of which they have undertaken and which now are or are by them supposed or believed to be or at any time during the period of insurance may be in or upon their own premises (including mobile offices) or upon the premises of their bankers in any recognized place of safe deposit or lodged or deposited in the ordinary course of business for exchange conversion or registration with the insurers thereof or with any agents of such issuers or with any person employed to procure or manage the exchange conversion or registration thereof being (while so in or upon such premises or so placed lodged or deposited as aforesaid) lost destroyed or otherwise made away with by Fire, Riot and Strike, Burglary or Housebreaking, theft, Robbery or hold-up whether within or without and whether by the employee(s) of the insured or any other person or persons whomsoever.



- B) **IN TRANSIT:** by reason of any money and/or securities being lost, stolen, mislaid, misappropriated or made away with whether due to the negligence or fraud of the employee(s) of the insured or otherwise whilst in transit in the hands of such employee(s) such risk of transit to commence from the moment the same is received by the employee on behalf of the insured and to continue until delivery thereof at destination.
- C) **FORGERY OR ALTERATION:** by reason of the payment made in respect of bogus or fictitious or forged or raised cheques and/or draft and/or genuine cheques and/or travelers cheques and/or gift cheques and/or drafts and/or fixed deposit receipts (excluding bills of discount and other credit facilities) issued by the insured bearing forged endorsement or the establishment of any credit to any customers on the faith of such documents whether received over the counter or through the clearing House or by mail.
- D) **DISHONESTY:** by reason of the dishonest or criminal act of the employee(s) of the insured with respect to the loss of money and/or securities wherever committed and whether committed singly or in connivance with others.
- E) **HYPOTHECATED GOODS:** by means of fraud and/or dishonesty by the employee(s) of the insured in respect of any goods and/or commodities pledged or hypothecated to the insured and under the insured's control.
- F) **REGISTERED POSTAL SENDINGS:** by reason of loss by robbery, theft or by other cause not herein excepted whilst in direct transit or intended to be dispatched by registered insured post from the office of the insured to the consignee provided that each post parcel shall be insured with the Post Office.

**PROVIDED always that the company's liability for any one consignment and/or loss shall be limited to 10% (ten percent) of the basic sum insured under this policy or Rs. 1,00,000/- (one lac) whichever is less.**

- G) **APPRAISERS:** by reason of infidelity or criminal acts on the part of appraisers provided that such appraisers are on the approved list of appraisers maintained by the insured and further provided that the insured shall exercise reasonable precaution and safeguard in the selection and appointment of such appraisers.

**PROVIDED always that the company's liability for any one loss or all losses during the period of insurance due to infidelity or criminal acts of each of such appraisers will be limited to 5% (five percent) of the basic sum insured under this policy or Rs. 50,000/-(fifty thousand) whichever is less.**

- H) **JANATA AGENTS/CHHOTI BACHAT YOJANA AGENTS/PYGMY COLLECTORS:** by reason of infidelity or criminal acts on the part of the Janata Agents/ChhotiBachatYojana Agents/Pygmy Collectors or persons performing duties of a like nature provided that such agents are regular part time commercial agents of the bank and are appointed after full scrutiny about their credentials guaranteed by

two reliable independent persons subject to the condition that the total liability during the period of insurance in respect of each agents will be limited to 5% (five percent) of the basic sum insured under this policy or Rs. 20,000/- (twenty thousand) whichever is less.

**THE INDEMNITY GRANTED UNDER THIS POLICY IN RESPECT OF SUCH DIRECT LOSSES WILL NOT EXCEED:**

- a) The sum insured hereby-
  - (i) In respect of any loss or losses caused by acts and/or omissions of any employee(s) of the insured either singly or jointly with other employee(s) or acts and/or omissions in which such a person is concerned or implicated either as single act and/or omission or a series of acts and/or omissions during any one period of insurance.
  - (ii) In respect of any one casualty or event.
- b) Subject to (a) above twice the sum insured hereby in respect of all losses in any one period of Insurance.

**IMPORTANT PROVISOS:**

**a) EXCESS:**

The insured shall bear the first 25% (twenty five percent) of each loss under items A to E or 2% (two percent) of the basic sum insured whichever is higher but not exceeding Rs. 50,000/- (fifty thousand).

Each loss in respect of each dishonest or criminal act shall be treated as a separate loss.

This excess will however, not apply to loss or damage arising out of Fire, Riot & Strike, Burglary, Housebreaking risks.

In respect of items F , G & H of the policy (ie Registered Postal Sendings , Appraisers and Janata Agents etc), the deductible/excess applicable will be 25% (twenty five percent) of the claim amount.

**Note: it is not permissible to waive or reduce the deductibles even by charging extra premium.**

**b) REINSTATEMENT:**

At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sums insured, in consideration of which, upon the settlement of any loss under this policy, prorata premium at the basic rate for the unexpired period for the amount of such loss paid (not exceeding the respective sum insured) shall be payable by the insured to the company. The additional premium referred to above shall be deductible from the net claim amount payable under the policy. This continuous cover to the full extent will be available, notwithstanding any previous loss for which the company may have paid hereunder and irrespective of the fact whether the additional

premium as mentioned above has been actually paid or not following discovery of a loss. The intention of this clause is to ensure continuity of the cover to the insured subject only to the right of the company for deduction from the claim amount when settled, of prorated premium to be calculated from the date of discovery of each independent loss till expiry of this policy under which the loss falls. Provided that the liability of the company will be limited to twice the respective sum insured during the entire period of the policy in respect of any loss or losses caused by acts and/or omission of any persons.

**c) RETROACTIVE PERIOD OF COVER:**

The Company shall not be liable:-

- i) For losses not discovered within the period of this insurance.
- ii) in the event of non-renewal or cancellation of this policy, for losses not discovered within 6 (six) calendar months next following the date of expiry or the date of cancellation as the case may be (provided only that if there be any other insurance in force during the said 6(six) calendar months whether effected by the insured or otherwise this policy shall not cover or contribute to a loss covered by such other insurance). The reinstatement provision will not apply to such losses discovered within 6(six) calendar months from the date of non-renewal or cancellation.
- iii) for losses not sustained within a retroactive period not exceeding 2(two) years from the date of discovery of any such loss or losses. Provided that in such retroactive period the insurance was continuously in force but in no event the company shall be liable to pay any claim in respect of a loss or damage sustained prior to the inspection of the original policy.

Further provided that losses which become payable under this clause shall be subject to the terms, conditions, exceptions of the policy currently in force on the date of discovery.

**d) VALUATION OF SECURITIES:**

In estimating the amount of any loss, the value of securities shall be taken at the average market price or value in rupees on the date of discovery of such loss (omitting Sundays and Holidays) and if there be no market price/or value for same or any of them on such day then the value thereof shall be value as agreed between the respective parties or in the event of difference as ascertained by the Arbitrator.

**e) VALUATION OF JEWELLERY/ORNAMENTS:**

Value for the purpose of settlement of a claim in respect of Jewellery /Ornaments under this policy shall be as per the 100% (hundred percent) value as recorded in the register of the bank at the time of pledging jewellery or ornaments.

**IMPORTANT EXCLUSIONS:** this insurance policy does not cover any loss:

- (i) Earthquake volcanic eruption subterranean fire or any other convulsions of nature.

- (ii) Flood, inundation, hurricane, typhoon, storm, tempest, tornado, cyclone or atmospheric disturbances (not applicable to Mobile office).
- (iii) War, invasion act of foreign enemy, hostilities or warlike operation (whether war be declared or not) and Civil war.
- (iv) Mutiny, military or popular rising insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine of the proclamation or maintenance of martial law or state of siege.
- (v) Losses resulting wholly or partially from the wrongful act or default of any directors or partners of the insured other than salaried.
- (vi) Losses of money and/or securities and/or personal property confined to the care of the insured normal value and description of which have not been ascertained by the insured before loss.
- (vii) loss, destruction of or damage to any property whatsoever resulting or arising therefrom or any consequential loss.
- (viii) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiation or contamination by radioactivity from any source whatsoever or from nuclear weapons material.
- (ix) Losses attributable directly or indirectly to a manipulation or faulty computer or other EDP Programme and/or any fraudulent use of the computer or other EDP programme by the employee or outsiders irrespective of whether the computer or EDP system belongs to the insured or it is shared by the insured with others on service contract basis or otherwise.
- (x) Loss or damage to the property insured by explosion or otherwise directly caused by:-
  - a) by act of terrorism committed by a person or persons acting on behalf of or in connection with any organization.
  - b) the action of any lawfully constituted authority in suppression or attempting to suppress any such act referred to in (i) above or in minimizing the consequences thereof.

**Example-**

1. **BI policy issued from 1-4-02 and it is continuing without break till 31-3-14. A claim Rs. 10 lacs discovered on 4-4-06 due to the event occurred on 1-2-04. Payable claim**

- a. **Rs. 10 lacs** b. **Rs. 8 lacs** & c. **None.**

## **JEWELLERS BLOCK POLICY**

**COVERS :**

**SECTION-I:**

Loss of or damage to the property insured under item (1) to (3) ( ie 1. Property Insured on the premises: a..Property Insured in display windows/show cases, b. Property insured in locked safe on the premises, c. Others, specify, 2.Cash and currency notes & 3.Property insured in Bank Lockers (subject to Insured maintaining a separate register to record all deposits/ withdrawals in such lockers, Address of the Branch of the Bank.) under section-I of the schedule whilst contained in the premises where the insureds' business is carried on or at other premises where the insured property is deposited as specified in the schedule by:-

Fire, Lightning & Explosion. Burglary & Housebreaking & theft

**SECTION-II:**

Loss of or damage to property insured under items (a) ( property insured whilst in the custody of the insured, his partners and his employees) and (b) ( Property in the custody of the brokers, cutters and/or gild smith) of Section-II of the schedule and carried/conveyed outside the specified premises for the purpose of the insureds' business by any cause whatsoever except the exclusions of this section.

**SECTION-III:**

Loss of or damage to the property insured whilst in transit as specified in items (a) (Property in transit under Registered insured, parcel post), (b) (Property in transit under Air freight) and (c) (Property in transit under the possession of the Angadia) within the geographical area specified in the schedule by any cause whatsoever as hereinafter provided.

**SECTION-IV:**

Loss of or damage to the premises furniture, fixture, fittings , the property of the insured being used in connection with the insureds' business whilst contained in the premises where the insureds' business is carried on by:-

- a) Fire, Lightning & Explosion.
- b) Burglary & Housebreaking
- c) Theft only.

The indemnity granted by this section is extended to cover damages done by the burglars and/or thieves to the premises and/or landlords fixtures and fittings thereof or which the insured is legally responsible as tenant upto 1% of the sum insured under this section.

**Construction of the Shop:** Shops in a Class A Constructed building.

Class A Construction means-

- a) walls are made with stone/brick/concrete block/asbestos sheet cladding and/or metal sheets cladding/glass panel/partly or fully open aided or Kutcha bondiie timber frame work, the space in which is filled with okra Or split bamboo and covered over both sides with mud and plaster of cement or lime Or brick word with an outside bracing of timber filled in with brick (for earth quake protection
- b) Roof is made of RCC/masonry/Asbestos, Concrete sheet/Metal Sheet Tiles/wooden shingles or boarding on RCC/Steel wooden framework
- c) Thin layer of grass, hay or reeds on incombustible roofing is permitted and use of thermosetting resin fibre glass reinforced sheet is permitted for skylights .

### **Important Exceptions:**

- a. Terrorism damages.-Applicable excess.
- b. Stock kept out of the safe after Business hours and at night.
- c. Window display at night is not covered
- d. Accident arising due to carrying of illegal activity and or any kind of unlawful act. .Loss or damage or liability arising out of violation of any Rules and Regulations of the Govt. or Statutory authorities.
- e. Loss or Damage whether direct or indirect occasioned by happening through or arising from any consequence of war, Invasion, act of foreign enemy, hostilities (whether war be declared or not) , Civil War, Rebellion, Revolution, Insurrection warlike operation , military or usurped power or Civil commotion or loot or pillage in connection therein.
- f. Loss or damage caused by depreciation or wear and tear.
- g. Loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss.
- h. any legal liability whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations of or contamination by radio activity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel or from any nuclear weapons, materials.

### **Important warranties::**

#### **Section-I:**

- a) *Warranted that all stocks whilst at the premises specified in the schedule shall be secured in locked burglar proof safe at night and at all times out of business hours & The keys of the premises and/or safe shall not be left on the premises out of business hours*
- b) **Class-I: premises is** protected by employment of watchman/watchmen, all the 24 hours of the day.
- c) **Class-II:** The premises are fully protected by employment of a common watchman for the whole building or a night watchman as the case may be at the premises of the insured.

#### **SECTION-II:**

- a) **Warranted that if stock with any one person specified in section II of the schedule exceeds Rs. 2 lacs , it shall be secured in a Burglar proof safe after business hours at all times.**
- b) **Warranted that the sum insured under this section II should not exceed the gross sum insured under Section-I**

#### **SECTION-III:**

**Warranted that property in transit by means other than described above is not covered.**

**Basis of Valuation:** Warranted that the basis of valuation for property other than cash or currency notes for this insurance in respect of sections I, II & III shall be the insured's cost plus ten percent thereof.

Example-

1. Jewellery given to the cutter. The cutters' employee taken away the jewellery worth Rs. 25 lacs. Payable claim?  
A. Rs. 25 lacs b. Rs. 20.5 lacs & C. Nil

**EMPLOYEES COMPENSATION INSURANCE** *wef 1<sup>st</sup> April 2012*  
*(Formerly Known as WC Insurance Policy)*

W C Act 1923 has been amended which increased compensation amount to be paid to the injured workers. The amended act 2009 will have effect on the liability under the insurance policy issued to the workers. The direct effect is higher costs for compensation for injury and the medical expenses. Before amendment of the act the maximum compensation would work out by the commissioner considering the half of the monthly salary Rs. 4000/- multiplying with the age factor and the medical expenses was optional.

As per the power vested on the Central Government under sub section 1B of section 4, they have raised the monthly wages from Rs. 4000/- to Rs. 8000/- ( notification no. S O 1258(E) dated 31-5-2010). With the changed scenario there is no upper limit on monthly income and also the medical expenses is actual. The medical expenses may go up to Rs. 1 (one) lac and above. In such situation we will have to act accordingly and to minimise the loss the cover be granted by limiting the medical expenses and increasing the premium rate.

<b>Particulars</b>	<b>Erstwhile Policy Provision(WC)</b>	<b>New Policy Provision (EC)</b>
Name of the Policy	Workmen's Compensation Policy	Employees Compensation Policy--- following the change in the name of the ACT.
Definitions	Policy had no definitions leaving room for ambiguity	Definitions Section has been introduced in the policy for clarity and transparency
Law and Jurisdiction	Policy had no mention of applicable Law and Jurisdiction	Law and Jurisdiction have been specified
Occupational Diseases	Though the WC Tariff prescribed that occupational diseases were to be covered by way of an express endorsement, the policy itself was silent about coverage of occupational diseases.	Policy clearly and transparently states that occupational diseases are excluded. For professions or occupations where this cover may be required, the same can be covered by way of endorsement.
Medical Expenses	Though WC Tariff prescribed that medical expenses were to be covered for a specified amount, on payment of additional premium, by way of an express endorsement, the policy itself was silent.	Policy clearly and transparently states that medical expenses are excluded. Where this cover is required, the same can be taken by way of endorsement.
Cancellation Clause	Policy provided that Insurer can cancel the Policy by giving 7 days notice to the Insured	Policy provides that both Insurer and Insured can cancel the Policy by giving 15 days notice
Adjustment Clause	Policy provided for adjustment of premium on the basis of actual wages, at the end of the policy period. Such adjustment was seldom done leaving gaps in coverage of all employees and for the full amount of wages.	Insured has under the policy a Duty to Declare any increase in Employees and Wages and cover them on payment of premium. While in case of decrease in employees or wages, a refund can be obtained. Failure to declare increase will attract self or under-insurance.
Average Clause	Not provided for	<ul style="list-style-type: none"> <li>▪ Provided in the current policy on parameters of number of employees, total wages and affected employee's wages, with the indemnity being equal to the least amount payable.</li> </ul>
General	Maintenance of record	<ul style="list-style-type: none"> <li>▪ Modified and made simpler.</li> </ul>



Conditions	of Employee/wages .  Current Policy does not provide for these conditions.	<ul style="list-style-type: none"> <li>▪ Misrepresentation/Non disclosure</li> <li>▪ Due Observance of Policy terms, conditions etc.</li> <li>▪ Contribution</li> <li>▪ Forfeiture</li> <li>▪ Compliance with manufacturer's recommendations and other safety regulations.</li> </ul>
Exclusions	Current Policy does not have these exclusions which have now been included, as these are standard exclusions .	<ul style="list-style-type: none"> <li>▪ Exclusion for accidents occurring under the influence of intoxicating liquor or drugs.</li> <li>▪ Incapacity / death resulting from deliberate self injury or aggravation of accidental injury: Section 3 (b) (ii) &amp; (iii) of the Act provides that an employer shall not be liable for accidents where the employee has disobeyed safety instructions or regulations, or disregarded the use of safety devices.</li> <li>▪ Nuclear waste and ionising radiations..</li> <li>▪ Interest / penalty imposed under any law or otherwise.</li> </ul>

**Premium** : It has two components-

Basic premium- which is calculated by multiplying the wages with the guide rate of WC with loading for manual, non-manual work and additional joint policy &

Additional Premium is calculated considering the type of extensions required and the applicable rates are as stated below with respect to each type of extensions:-

**Premium Rates for the following extensions under EC ( Employees Compensation) Insurance**

1. **Medical Expenses:-**

- a. The limit stated earstwhile in the Tariff and or in the guidelines are low and hence , it has been decided to increase the limit considering the increase in cost of medical treatment.

b. **Rates:-**

Per Employee limit (Rs.)	Aggregate liability for all accidents during the period of Insurance (Rs)	Additional premium on the basic premium ( % percentage)
Rs. 25,000/-	Rs. 2,50,000/-	10%
Rs. 50,000/-	Rs. 5,00,000/-	15%
Rs. 75,000/-	Rs. 7,50,000/-	20%
Rs. 1,00,000/-	Rs. 10,00,000/-	25%

c. For higher liability limits, please refer to Head Office.

a. **Occupational Diseases:-**

This extension cover may be available on payment of additional premium. The additional premium is the percentage of the basic premium of the EC. The limits available for Rs. 1,00,000/- per employee to Rs. 5,00,000/- per employee and in aggregate limit during the policy limit of Rs. 20,00,000/-

b. The rates specified for the minimum limit of Rs. 1,00,000/- per employee and maximum limit Rs. 5,00,000/- and in aggregate limit for all accident during the period of insurance Rs. 20,00,000/- if the extension is required more than Rs. 5,00,000/-per employee and in aggregate of Rs.20,00,000/- for all losses for all accidents during the period of insurance, the matter be referred to HO, Technical Department.

c. **Rates:-**

Per Employee limit (Rs)	Aggregate liability for all accidents during the period of Insurance (Rs)	Additional premium on the basic premium ( % percentage)
1,00,000/-	20,00,000/-	20%
2,00,000/-	20,00,000/-	30%
3,00,000/-	20,00,000/-	40%
4,00,000/-	20,00,000/-	50%
5,00,000/-	20,00,000/-	60%

2. **Contractors Employees:-**

Premium be charged as per the EC coverage for their employees and an endorsement be attached in the policy to cover contractors employees.

***THE RATES STATED AS MINIMUM , IF REQUIRED UNDERWRITING OFFICES MAY CHARGE HIGHER PREMIUM RATE.***

**Major changes/amendment ( marked underlined ) in the Act which will effect on us are as follows:**

## COMPENSATION CHART

Scheduled : I		
SNO.	Description of Injury Earning Capacity	% of loss of
<b>Part I</b>		
<i>Injuries Deemed to Result in Permanent Total Disablement</i>		
1.	Loss of both hands	100
2.	Loss of hand and a foot	100
3.	Amputation of one leg/thigh and loss of other foot	100
4.	Loss of sight and unable to work	100
5.	Very severe disfigurement	100
6.	Absolute deafness	100
<b>Part II</b>		
<i>Injuries Deemed to Result in Permanent Partial Disablement</i>		
1.	Amputation through shoulder joint	90
2.	Amputation below shoulder with stump <8" from tip of acromion	80
3.	Amputation from 8" from tip of acromion to <4-1/2" Below top of olecranon	70
4.	Loss of hand or of thumb and four fingers of one hand	60
5.	Loss of thumb	30
6.	Loss of thumb and its metacarpal bone	40
7.	Loss of four fingers of one hand	50
8.	Loss of three fingers of one hand	30
9.	Loss of two fingers of one hand	20
10.	Loss of terminal phalanx of thumb	20
<i>Amputation cases-lower limbs</i>		
11.	Amputation of both feet resulting in end-bearing stumps	90
12.	Amputation though both feet proximal to metatarsophalangeal joint	80
13.	Loss of all toes of both feet through the metatarsophalangeal joint	40
14.	Loss of all toes of both feet proximal to the interphalangeal joint	30
15.	Loss of all toes of both feet distal to the proximal interphalangeal joint	20
16.	Amputation at hip	90
17.	Amputation below hip with stump not exceeding 5" from tip of greater trochanter	80
18.	Amputation below hip with stump exceeding 5" but not beyond high	70
19.	Amputation below middle high to 3-1/2" below knee	60
20.	Amputation below knee with stump exceeding 3-1/2" but not 5"	50
21.	Amputation below knee with stump exceeding 5"	40
22.	Amputation of one foot resulting in end-bearing	30
23.	Amputation through one foot proximal to metatarsophalangeal joint	30
24.	Loss of all toes of one foot through the metatarsophalangeal joint	20
<i>Other injuries</i>		
25.	Loss of one eye, without complication to other	40
26.	Loss of vision of one eye and other is normal	30
<i>Index Finger of right or left hand</i>		
27.	Whole	14
28.	Two phalanges	11

29.	One phalanx	9
30.	Guillotine amputation of tip without loss of bone	5
<b><i>Middle finger</i></b>		
31.	Whole	12
32.	Two	9
33.	One phalanx	7
34.	Guillotine amputation of tip without loss of bone	4
<b><i>Ring or little</i></b>		
35.	Whole	7
36.	Two	6
37.	One phalanx	5
38.	Guillotine amputation of tip without loss of bone	2
<b><i>Toes of right or left foot Great Toe</i></b>		
39.	Through metatarsophalangeal joint	14
40.	Part, without loss of bone	3
41.	Any other toe	3
42.	Part, any other toe without some loss of bone	1
43.	Two toes of one foot through metatarsophalangeal joint	5
44.	Part, two toes without loss of bone	2
45.	Three toes	6
46.	Three toes part only without loss of bone	3
47.	Four toes of one foot, exceeding great toe	9
48.	Part of four toes, without loss of bone	3

Examples\_

1. UNDER THE AMENDMENT OF WC ACT IN 2009 THE POLICY RENAMED AS-  
A. EMPLOYERS LIABILITY, B. WORKERS LIABILITY  
C. EMPLOYEES COMPENSATION & D. WORKMENS COMPENSATION
2. AS PER AMMENDED WC ACT , MONTHLY WAGES IS-  
A. RS. 5000, B. RS. 7000, C. RS. 8000 & D RS. 10,000
- .3. WC ACT PASSED IN THE YEAR-  
A. 1923 B. 1948 C. 1976 & D 2009
4. WC/EC policy issued for the project work. At the time of accident it is found that instead of 100 employees, 120 employees are working. Commission awarded Rs. 9,60,000/- for death of employee. Payable claim –

Under WC policy : Rs. 9,60,000/- & b. Rs. 8,00,000/-

Under EC policy : Rs. 9,60,000/- & Rs. 8,00,000/-

### **PUBLIC LIABILITY INSURANCE (Act Only)**

**The policy is designed on the line of the Public Liability Act provision and in case of contingencies the compensation is made accordingly.**

(THE PUBLIC LIABILITY INSURANCE ACT, 22<sup>nd</sup> January '1991 : **G.S.R. 253.**-In exercise of the powers conferred by sub-section (2) of section I of the Public Liability Insurance Act, 1991 (6 of

1991), the Central Government hereby appoints the 1st day of April, 1991 as the date on which the said Act shall come into force).

An Act to provide for public liability- insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

- ▶ PUBLIC LIABILITY INSURANCE ACT (1991):
- ▶ To provide for damage to victims of an accident which occurs as a result of handling any hazardous substance. The Act applies to all owners associated with the production or handling of any hazardous chemicals.
- ▶ Exemption- Central Govt, State Govt, Any Corporation owned or controlled by Central or State Govt & Any Local Authority
- ▶ COVERAGE SHOULD TAKEN BY THE PERSON/ORGANISATION WHO HANDLE THE HAZARDOUS GOODS AND THESE SUBSTANCES ARE WITH QUANTITY –
- ▶ Toxic Substances (Group-I):- even handling 1 kg may have to take policy.
- ▶ Toxic Substance (Group-II) : handling quantity 5 tons
- ▶ Highly Reactive Substances (Group-III): Handling even 5 tons
- ▶ Explosive Substances (Group-IV) : Handling even 5 tons quantity should take policy.
- ▶ Flammable Substances (Group V) : Handling 15 t and above should take policy

### **COMPENSATION :-**

- ▶ Compensation to be paid other than Workman:-
- ▶ Reimbursement of Medical Expenses incurred up to maximum of Rs. 12,500/- in each case
- ▶ Fatal accident relief Rs. 25,000/- per person in addition to reimbursement of Medical Expenses if any incurred Rs. 12,500/-
- ▶ Permanent Disablement Rs. 25,000/-
- ▶ Partial disablement as per doctors certificate.
- ▶ Loss of wages Rs. 1000 PM maximum for 3 months provided hospitalised more than 3 days and age more than 16 years.
- ▶ Property damage maximum Rs. 6000/-
- ▶ For Compensation Application is to be made within 5 years to the District Collector where accident occurred .
- ▶ 15 days notice & Award be satisfied within 3 months from the date of Award.
- ▶ District Collector arranged to distribute /disburse the claim money.

Premium: As per Tariff Provision. ERF premium is to be collected as per the provision of the Act and it is same as the premium for PLI Act ( without Service Tax)

Examples-

1. AS PER PLI ACT THE MAXIMUM LIABILITY LIMIT IS  
A.RS. 5 CRS B. RS. 5 CRS. C. RS. 15 CRS & D. RS. 50 CRS

2. AS PER RULES INSURERS MAXIMUM LIABILITY UNDER PLI ACT –

A. RS. 50 CRS B. RS. 5 CRS. C. RS. 15 CRS & D RS. 20 CRS.

3. PLI ACT POLICY BE TAKEN EVEN WHILE HANDLING TOXIC SUBSTANCES–

A. 10 KG. B. 100 KG C. 500 KG D. 1 KG.

## **CARRIERS LEGAL LIABILITY**

The Policy indemnifies the Insured against his legal liability for actual physical loss of or damage to goods or merchandise directly by fire or accident to the vehicle subject to the terms, provisions, exclusions, exceptions and conditions therein or endorsed thereon.

CLL provides indemnity against the legal liability of the carriers only. The consignees'/ consignors' liability does not cover under the policy (Consignees/ consignor's liability covers under Marine Transit policy). CLL protects the carriers against the Marine Insurers.

Carriers liability arises under the Carriers' Act 1865 and should not be confused with the Marine Insurance of Consignors. Under the subrogation the insurers hold the carriers liable for the loss under the Act.

▶ **BASIC COVER-**

Damage to the cargo due to fire, explosion, lightning and accident to the vehicle .

▶ **WIDER COVER-**

Basic cover plus Burglary, Malicious Damages, Riot, Strike, Pilferage, short delivery, theft, flood, water damage, contamination, breakage, leakage and improper handling of cargo.

Important Provisions:

- ▶ MARINE POLICY SHOULD NOT BE ISSUED TO THE CARRIER AS THE POLICY INDEMNIFY THE CONSIGNEE/CONSIGNORS ONLY.
- ▶ COMPREHENSIVE MOTOR POLICY BE TAKEN FROM THE UNDERWRITING OFFICE WHERE THE VEHICLES ARE INSURED.
- ▶ ALTHOUGH LEGAL LIABILITY, IT IS NOT NECESSARY TO WAIT FOR LEGAL FORUMS VERDICTS. IF LIABILITY IS CLEARLY ESTABLISHED CLAIM MY BE PAID AND SETTLED OUT OF COURT

▶ **RATE DEPENDS ON-**

- ▶ LIABILITY LIMIT OF EACH VEHICLE.
- ▶ BASIS AND WIDER COVER
- ▶ TYPE OF VEHICLE- OPEN OR CLOSED/OTHER
- ▶ AGE OF THE VEHICLE
- ▶ LICENCED CARRYING CAPACITY.
- ▶ NUMBER OF VEHICLES
- ▶ OWNED/HIGHER
- ▶ EXCESS & ATTACHMENT OF TRAILORS

Examples-

2. CARRIERS LIABILITY POLICY CAN BE ISSUED TO-

A. CONSIGNEE B. CONSIGNOR C. BOTH D. NONE

## **LIABILITY INSURANCE**

The Liability insurance coverage available as per the provision of Market Agreement. The policies , rating patterns were as per the comprehensive thoughts of various expertise in 1980s. There were some changes which were incorporated in this section, however, some of the basis definitions remain unchanged during the changed scenarios. The Liability are of two types-

**a. CRIMINAL LIABILITY-**

Enforced by state resulting punishment, imprisonment/fine/penalties or both.

**b. CIVIL LIABILITY-**

Action brings by one party against other and dealt with according to law resulting payment of compensation..

Insurance coverage is only for the Civil Liability. The policies designed and are available cover the provisions of Statutory Liability as well as tort Liability and these are as under:-

**1. STATUTORY LIABILITY-**

Defined by the laws and compensation is paid as per the provision of laws for no fault liability. The policies are-

**WORKMENS COMPENSATION, MOTOR VEHICLE ACT, INLAND VESSELS ACT, PLI ACT, CARRIAGE BY AIR ACT etc.**

**2. TORT LIABILITY-**

Defined under common laws, judgements. Liability is to be established . It is also a kind of negligence and/or nuisance. The negligence is absence of care.

**a. CIVIL ACTION FOR NEGLIGENCE CAN BE-**

Existence of duty of care to injured person.  
Breach of the duty & injury for breach of duty.

**b. NUISANCE-**

Means acts or omissions which unlawfully interfere another persons rights.

THE POLICIES ARE-

PUBLIC LIABILITY, PRODUCT LIABILITY, PROFESSIONAL INDEMNITY,  
DIRECTORS & OFFICERS LIABILITY & COMPREHENSIVE GENERAL  
LIABILITY , CLL ETC

**Special Features:-**

- ▶ CLAIMS PAID TO THE PERSON OTHER THAN INSURED.

- ▶ CLAIMS PAID TO THE EXTENT THE LIABILITY DETERMINES BY COMMON LAW OR STATUTORY BODY.
- ▶ INSTEAD OF SUM INSURED , LIABILITY LIMIT IS EXPRESSED
- ▶ IT IS NOT NECESSARY TO ESTABLISH THE LIABILITY IN THE COURT (LEGALLY), IF THE NEGLIGENCE IS CLEARLY ESTABLISHED BY THE CIRCUMSTANCIAL EVIDENCE, THE CLAIM IS PAID WITHOUT COURT VERDICT.

### **IMPORTANT PROVISIONS OF LIABILITY INSURANCE:**

- a. **CLAIMS MADE BASIS:** Claims occurred during the period of insurance and reported during the period of insurance and/or reported within the extended reported period..
- b. **RIGHT TO DEFEND CLAUSE:** Copy of the Notices be sent to insurer and insurer may or may not defend the case on behalf of the insured. Insured himself should defend their case.
- c. **POLICY PERIOD-** Means the period commencing from the effective date and maximum period of 12 months..
- d. **PERIOD OF INSURANCE-** Means the period commencing from the retroactive date and terminating on the expiry date, the period may be more than 12 months.
- e. **DAMAGES-** Means damages to the damages to the tangible property.
- f. **PRODUCT-** Means tangible property after it has left the custody of the insured.
- g. **LIABILITY LIMIT (AOO & AOP):** AOO and AOP limits be expressed in the ratio of 1:1, 1:2, 1:3 & 1:4. The ratio does not restrict the number of claims reported in the policy period. These help to computation of premium only.
- h. **RETROACTIVE DATE:** The date is the first risk acceptance date. The date specified the period of Insurance . The period of insurance is more than 12 months subject to the policy renewed continuously without break.
- i. **EXTENDING REPORTING PERIOD :** It is normally 15 days and can be extended upto 90 days without charging extra premium if extension is required beyond 90 days 75% OF ANNUAL PREMIUM S TO BE CHARGED.
- j. **GENERAL EXCLUSIONS TO ALL LIABILITY POLICIES:-**
  - Damage to Own property
  - Terrorism
  - W C
  - War and Nuclear Risk
  - Known losses and pending litigations

Examples-

1. LIABILITY INSURANCE COVERS-

- A. CRIMINAL LIABILITY , B. TORT LIABILITY , C. BOTH A & B ARE CORRECT
- D . ONLY B IS CORRECT.

2. LIABILITY INSURANCE COVERS-



A. FINES & PENALTIES , B. BAIL BOND, C. CONTRACTUAL LIABILITY  
D. MONETARY COMPENSATION FOR NEGLIGENCE ACT.

3. IN LIABILITY INSURANCE CLAIM MONEY IS PAID TO-

A.INSURED , B. INSURERS , C. ADDITIONAL INSURED & D. THIRD PARTY

4. .LIABILITY INSURANCE WHICH PROVISION IS NOT THERE-

A. NOTIFICATION OF EXTENSION B. EXTENDED CLAIM REPORTING C.  
CROSS LIABILITY & D. CONTRACTUAL LIABILITY

5. WHICH POLICY CAN HAVE WORLDWIDE JURISDICTION –

A.WC B. PLI ACT C. PUBLIC LIABILITY D. PRODUCT LIABILITY.

### **Public Liability**

Industry and commerce are based on a range of processes and activities that have the potential to affect third parties (members of the public, visitors, trespassers, sub-contractors, etc. who may be physically injured or whose property may be damaged or both). It varies from country to country as to whether either or both employer's liability insurance and public liability insurance have been made compulsory by law. Regardless of compulsion, however, most organizations include public liability insurance in their insurance portfolio even though the conditions, exclusions, and warranties included within the standard policies can be a burden. A company owning an industrial facility, for instance, may buy pollution insurance to cover lawsuits resulting from environmental accidents.

Many small businesses do not secure general or professional liability insurance due to the high cost of premiums. However, in the event of a claim, out-of-pocket costs for a legal defense or settlement can far exceed premium costs. In some cases, the costs of a claim could be enough to shut down a small business.

Businesses must consider all potential risk exposures when deciding whether liability insurance is needed, and, if so, how much coverage is appropriate and cost-effective. Those with the greatest public liability risk exposure are occupiers of premises where large numbers of third parties frequent at leisure including shopping centers, pubs, clubs, theaters, sporting venues, markets, hotels and resorts. The risk increases dramatically when consumption of alcohol and sporting events are included. Certain industries such as security and cleaning are considered high risks.

Private individuals also occupy land and engage in potentially dangerous activities. For example, a rotten branch may fall from an old tree and injure a pedestrian, and many ride bicycles and skateboards in public places. The majority of states requires motorists to carry insurance and criminalize those who drive without a valid policy. Many also require insurance companies to provide a default fund to offer compensation to those physically injured in accidents where the driver did not have a valid policy.

In many countries claims are dealt with under *common law* principles established through a long history of *case law* and, if litigated, are made by way of civil actions in the relevant jurisdiction.

**INSURANCE COVERS:-** Covers Third party liability which arises due to the activities of the Insured. The policy can be issued to the manufacturing/production Industries as well as service Industries. When the policy is issued to cover the risk of Industries we call it Public Liability ( Industrial Risks) and when issued for service industries it is Public Liability ( non Industrial risks)

**PUBLIC LIABILITY INSURANCE (INDUSTRIAL RISKS) POLICY-** ISSUED TO COVER THE CLIENTS ACTIVITIES IN THE INDUSTRY, FACTORY, MANUFACTURING UNITS ETC.

**PUBLIC LIABILITY INSURANCE (NON INDUSTRIAL RISKS) POLICY-** ISSUED OTHER THAN INDUSTRIAL HOUSES AND MAINLY TO DEPOT, WARE HOUSES, GODOWNS, TANKFARMS, OFFICE, CONTRACTORS JOBS, BUSINESS PREMISES, AMUSEMENT PARKS, CONFERENCE HALL, HOTEL, PANDALS, EXHIBITIONS, CINEMA HALLS , INSTITUTIONS, SCHOOLS & HOUSES ETC.

### **RATING FACTORS (BASICS)-**

INDEMNITY LIMIT AND ITS RATIO ( 1:1, 1:2, 1:3 & 1:4).  
TURN OVER  
TYPE OF RISK/ACTIVITIES  
TYPE OF CONSTRUCTION  
VOLUNTARY EXCESS

### **IN ADDITION TO THE ABOVE-**

LOADING FOR EXTENSIONS, SEATING CAPACITY (CINEMA HALLS/AUDITORIUM), GATHERING (EXHIBITIONS/SHOPPING MALLS, MARKET PLACE  
AOG PERILS  
POLLUTION (ACCIDENTAL)  
TRANSPORTATION  
EFFLUENT DISCHARGE THROUGH PIPELINES (INDS RISKS).  
TECHNICAL COLLABORATION.  
MULTILOCATIONS –GODOWNS, WARE HOUSES

### **Product Liability**

Product liability insurance is not a compulsory class of insurance in all countries, but legislation such as the UK Consumer Protection Act 1987 and the EC Directive on Product Liability require those manufacturing or supplying goods to carry some form of product liability insurance, usually as part of a combined liability policy.

The potential liability cases such as auto liability (example- Mercedes-Benz for unstable vehicles and Perrier for benzene contamination etc ) , pharmaceuticals and medical devices, asbestos, tobacco,

recreational equipment, mechanical and electrical products, chemicals and pesticides, agricultural products and equipment, food contamination, and all other major product classes.

Covers third party liability which arises from the uses of the defective product of the insured.

- a. **COVERS- LEGAL LIABILITY TO PAY AS DAMAGES TO THIRD PARTY ARISING OUT OF ANY DEFECT IN THE PRODUCTS MANUFACTURED AND COVERED UNDER THE POLICY AND SUCH PRODUCT HAVE LEFT AFTER THE INCEPTION OF THE POLICY**
- b. **CLIENTS-  
MANUFACTURER, VENDORS, SUPPLIERS, TECHNICAL COLLABORATORS**
- c. **RATING FACTORS-  
TYPE OF PRODUCT, INDEMNITY LIMIT AND RATIO, TURN OVER,  
EXPORTING COUNTRIES WITH TURNOVER .  
NAMED AND UN NAMED VENDORS.  
JURISDICTION/TERRITORY.  
EXTENSIONS  
CLAIMS EXPERIENCE**

Example-

1. POLICY WITH ONE INSURER X FROM 1-4-07 RENEWED WITH THE OTHER NEXT YEAR Y AND THEREAFTER RENEWED WITH X. RETROACTIVE DATE 1-4-07. ACCIDENT OCCURRED ON 30-3-09 AND CAME TO KNOW ON 31-12-09 THROUGH COURT NOTICE. THE CLAIM FALLS DURING THE POLICY YEAR-  
A. 1-4-07 TO 31-3-08 B. 1-4-08 TO 31-3-09 C. 1-4-09 TO 31-3-10 D. NONE

2. POLICY WITH ONE INSURER X FROM 1-4-07 RENEWED WITH THE OTHER NEXT YEAR Y AND THEREAFTER RENEWED WITH X. RETROACTIVE DATE 1-4-07. ACCIDENT OCCURRED ON 30-3-09 DUE TO THE PRODUCT LEFT THE PREMISES OF THE INSURED 1-1-07 AND CAME TO KNOW ON 31-12-09 THROUGH COURT NOTICE. THE CLAIM FALLS DURING THE POLICY YEAR-  
A. 1-4-07 TO 31-3-08 B. 1-4-08 TO 31-3-09 C. *1-4-09 TO 31-3-10* D. NONE

### **Professional liability/E & O**

Professional Indemnity Insurance, protects professional practitioners such as Chartered Architectural Technologists (MCIAT), Architects, quantity surveyors, home inspectors, Lawyers, physicians, and Accountants against potential negligence claims made by their patients/clients.

Professional liability insurance may take on different names depending on the profession. For example, professional liability insurance in reference to the medical profession may be called Medical Malpractice. Notaries public may take out errors and omissions insurance (E&O). Other potential E&O policyholders include, for example, real estate brokers, appraisers, and website developers. There are also specific E&O policies for technology companies, such as software developers, technology consultants and other creators of technology. This coverage

focuses on the failure to perform, financial loss and error or omission of the products or services sold. Additional coverage for breach of warranty, intellectual property, personal injury, security and cost of contract etc.

The primary reason for professional liability coverage is that a typical general liability insurance policy will only respond to a bodily injury, property damage, personal injury or advertising injury claim. The above mentioned professional services and products can cause claims without causing a bodily injury, property damage, personal injury or advertising injury. Common reasons alleged in making claims on these policies are negligence, misrepresentation, violation of good faith and fair dealing, and inaccurate advice.

For example, if a software product fails to perform properly, it may not cause physical damages, personal or advertising injuries, therefore the general liability policy would not be triggered. It may, however, directly cause financial losses which could potentially be attributed to the software developer's misrepresentation of the product capabilities.

Professional liability insurance policies are generally set up based on a claims-made basis, meaning that the policy only covers claims made during the policy period, claims which may relate to incidents occurring before the coverage was active. It is important to continue coverage, because cancelling the policy, will in effect, make it as if never had coverage for any incidents.

**Standard PI Policy-** Covers third Party Liability which arises due to the professional negligence of the insured.

**CLIENTS-** MEDICAL ESTABLISHMENTS (10 BEDS REQUIREMENTS) , DOCTORS, ENGINEERS, CHARTERED ACCOUNTS, FINANCIAL CONSULTANTS, MANAGEMENT CONSULTANTS, LAWYERS, ADVOCATES, SOLICITORS, COUNSELS, SOFTWARE COMPANY, OTHER SPECIFIED PROFE

Examples-

1. WHICH IS THE MINIMUM REQUIREMENT FOR ISSUANCE OF PROFESSIONAL INDEMNITY POLICY TO MEDICAL ESTABLISHMENTS-

A. IN PATIENT BED -5 B. IN PATIENT BEN 7 C. IN PATIENT BEN 9 D. IN PATIENT BED 10

### **Directors and Officers Liability Insurance**

**Introduction:** Legal liability of Directors & Officers of the Insured arising out of any claims first made against the Director or Officer during the period of insurance by reason of any wrongful Act whenever or wherever committed or alleged to have been committed

**Covers :**

**Coverage- A** -Directors & Officers Liability : The insurer will pay on behalf of the insured the loss arising out of any claim or claims first made against the insured during the policy period or extended policy period, if applicable, for any actual or alleged wrongful act in their respective capacities as Directors and Officers of the company or outside organisation except

for and to the extent that the company is required or permitted by law to indemnify the insured for such loss.

**Coverage B-** Company reimbursement Coverage: The insurer will pay on behalf of the company the loss arising out of any claim or claims first made against the insured during the policy period or extended policy period, if applicable, for any actual or alleged wrongful act in their respective capacities as Directors or Officers of the company or outside organisation but only when and to the extent that the company shall be permitted or required by law to indemnify the insured(s) for such loss

Under the "traditional" D&O policy which we have applied to "public companies" (those who do not having securities trading under national securities exchanges), there are two (02) insuring clauses. These insuring clauses are termed: Insuring Clause 1 (Side-A); Insuring Clause 2 (Side-B).

**Those who are involved in Security trading , the additional cover be granted for Side C ( Security). The coverage also can be extended to cover the employment disputes which is known as EPLI ( Employment Practice Liability Insurance).**

**Extensions (with sublimits normally may be granted):**

- ▶ Investigation costs – sublimit
- ▶ Outside entity directors cover
- ▶ New subsidiaries cover
- ▶ Pollution exclusion with carve back for defence costs and shareholder claims
- ▶ Pollution Derivatives Cover – Full Limit
- ▶ Kidnap response cover - sublimit
- ▶ Spousal Liability cover
- ▶ Regulatory crisis response costs – sub-limit
- ▶ Emergency costs – sub-limit
- ▶ Bilateral discovery period – 90 days (beyond charged additional premium)
- ▶ Retired directors discovery period – 6/7 years
- ▶ Special excess protection for non executive directors – Rs. .... per non-executive director
- ▶ Assets and liberty costs extension including prosecution costs, bail bond and civil bond expenses, damage to reputation covers – sub-limit
- ▶ Insured vs Insured defence costs
- ▶ Entity Security Extension - sub-limited to INR.... in the annual aggregate.
- ▶ Entity EPLI Extension – sub-limited to INR.... in the annual aggregate.

Exclusions:

- ▶ Intentional Wrongful Act / Fraud / Criminal Wrongful Act
- ▶ Prior Acts Exclusion – Retroactive Date – Policy start date
- ▶ Prior & Pending Litigation Exclusion – Policy start date
- ▶ Major Shareholder Exclusion - 15%/ 25%
- ▶ Professional Indemnity exclusion
- ▶ Product Liability Exclusion
- ▶ Security offering /prospectus liability exclusion
- ▶ PI exclusion with carve back for failure to supervise
- ▶ US SEC exclusion
- ▶ Nuclear Exclusion

- ▶ War and Terrorism
- ▶ For Bodily injury and/or property damage
- ▶ Bribe & Commission Exclusion
- ▶ Absolute BI/PD Exclusion

### **Example-**

1. WHO IS NOT A CLAIMANT UNDER A STANDARD D & O POLICY-

A. SHARE HOLDER B. THIRD PARTY C. **DIRECTOR** D. REGULATORS

2. AFTER 10 YRS OF EMPLOYMENT AN EMPLOYEE WAS FIRED FOR POOR PERFORMANCE. HE BROUGHT A DISCRIMINATION SUIT AGAINST HIS EMPLOYER UNDER ( AMERICAN DISABILITIES ACT(ADA)) , HE ALLEGED LACK OF WORK PLACE ACCOMODATION AND CONSTRUCTIVE DISCHARGE. THE CLAIM CLOSED FOR \$ 80000 PLUS DEFENCE COST \$ 20000. The claim is tenable under –

a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & D . None

3. AN EMPLOYEE DISCOVERED ILLEGAL TRANSACTIONS INVOLVING RETIREMENT FUNDS. SHE WAS FIRED. SHE FILED SUIT ALLEGING RETALIATION AND WROGTFUL TERMINATION. CLAIM SETTLED FOR \$180,000.

The claim is tenable under – a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & d . None

4. AN EMPLOYEE ALLEGED ONE OF THE DIRECTORS SEXUALLY HARRASSED HER BY UNWANTED PHYSICAL CONTACT, WHICH INCURRED MULTIPLE TIMES. AFTER MEDIATION, THE CASE SETTLED FOR \$ 50,000.

The claim is tenable under – a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & d . None

5. XYZ MANUFACTURING COMPANY WANTED TO ENLIST IN STOCK EXCHANGE IN ORDER TO FUND THEIR EXPANSIONS. WITH THE HELP OF ADVISOR THEY PRODUCED PROSPECTUS WHICH CONTAINS FINANCIAL FORECAST THEY COULD EXPECT OVER THE NEXT YEAR.

The claim is tenable under – a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & D . D & O with Prospectus Liability extension - POSI ( Public Offering Security Insurance)

6. AT THE END OF THE YEAR THE REVENUE WAS BELOW FORECAST, A CASE FILED UNDER THE TRADE PRACTICE ACT 1974 (CHINA) AND ORDER TO PAY DAMAGES \$10 MLN FOR MISLEADING STATEMENT IN PROSPECTUS.

The claim is tenable under – a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & d . D & O with Prospectus Liability extension - POSI ( Public Offering Security Insurance)

## 7. EMPLOYEES CLAIMS /SEXUAL HARASSMENT:

ISABELLE TERRILLON SUCCESSFULLY WON GBP 700,000 FROM HER UK EMPLOYER FOR SEXUAL HARASSMENT DUE TO PORNOGRAPHIC E-MAILS BEING SENT BETWEEN HER MALE COLLEAGUES.

The claim is tenable under – a. Standard D & O policy , b. D &O Policy with Security Extension , c. D & O Policy with EPLI Extension & d . D & O with Prospectus Liability extension - POSI ( Public Offering Security Insurance)

### **COMMERCIAL GENERAL LIABILITY (CGL)**

- ▶ IT IS THE COMBINATION OF PUBLIC, PRODUCT AND PUBLIC LIABILITY ACT POLICIES AND ADDITIONAL COVER LIKE PERSONAL AND ADVERTISING INJURY.
- ▶ PUBLIC LIABILITY –PART A; TAKES CARE OF TP LOSSES DUE TO THE WRONGFUL ACT /ACTIVITIES OF THE INSURED. IT IS THE PREMISES AND OPERATION LIABILITY.
- ▶ PRODUCT LIABILITY- PART-A; PRODUCT COMPLETED OPERATION LOSSES ARE COVERED.COVERAGE INSURES THE INSURED SPECIFICALLY AGAINST BI AND PD CLAIMS FOR DAMAGES RESULTING FROM NEGLIGENCE ASSOCIATED WITH BUSINESSES THAT MANUFACTURER SOMETHING OR SELL A TANGIBLE PRODUCTS OR GOODS.
- ▶ PERSONAL INJURY AND ADVERTISING INJURY –PART B; THESE ARE GENERALLY FROM LIBEL, SLANDER AND DEFAMATIONS AND INJURY CAUSED DUE TO BAD EFFECT OF ADVERTISEMENT
- ▶ PUBLIC LIABILITY ACT-PART C; NO FAULT LIABILITY FOR THE MEDICAL EXPENSES PAYMENT TO THE THIRD PARTY
  
- ▶ COVERAGE –A: BODILY INJURY AND PROPERTY DAMAGES LIABILITY (PREMISES AND OPERATION LIABILITY) AND PRODUCTS AND COMPLETED OPERATION
- ▶ COVERAGE –B: PERSONAL AND ADVERTISING INJURY- PERSONAL INJURY CAUSED BY AN OFFENCE ARISING OUT OF INSUREDS BUSINESS ACTIVITIES AND ADVERTISING INJURY CAUSED BY AN OFFENCE COMMITTED IN THE COURSE OF ADVERTISING OF GOODS, PRODUCTS AND SERVICES
- ▶ COVERAGE-C: MEDICAL PAYMENTS- CAUSED BY AN ACCIDENT TO THE THIRD PARY RESULTING BODILY INJURY DUE TO THE ACTIVITIES /SERVICES /OPERATIONS OF THE INSURED ON THE OR ON THE WAYS NEXT TO THE PREMISES.

#### **Examples-**

1. Commercial General Liability Covers-

A. PUBLIC LIABILITY B. PUBLIC LIABILITY AND PRODUCT LIABILITY C. PUBLIC , PRODUCT LIABILITY , PERSONAL AND ADVERTIOSEMENT INJURY AND MEDICAL EXPENSES D. ALL

2. CGL COVERS

A. PRODUCT RECALL B. WC C. TERRORISM D. NONE

### **8.13.0.0 RURAL & SOCIAL SECTOR**

Erstwhile, this insurance was popularly known as RNTB. IRDA renamed this insurance as Rural & social Sector Business. IRDA issued the Regulations, 2000 (obligations of Insurers to Rural& Social sectors) which lays down that every insurer transacting general insurance business, shall underwrite business in the rural sector, to the extent of 2% of total gross premium in the first financial year, at least 3% of gross premium in the second financial year, 5% of the gross premium from third to seventh financial year, 6% on eighth financial year and 7% on ninth, tenth and further financial year. The obligations under Social Sector include **5000 lives in first financial year; 7,500 lives in second financial year; 10,000 lives in third financial year; 15,000 lives in fourth financial year; 20,000 lives in fifth & sixth financial year; 25,000, 35,000 & 45,000 lives in seventh, eighth and ninth financial year respectively and 55,000 lives in the tenth financial year onwards.**

Rural Sector as defined in the latest decennial population census in India is to be considered for general insurance purposes also. Similarly, social sector has been defined to include the unorganized sector, economically vulnerable or backward classes and other categories, both in the rural and urban areas.

#### **8.13.0.1 SUBJECT MATTER**

- Cattle
- Other livestock like sheep, goat, pig, workhorses, camel, elephant, rabbit etc.
- Sub-animals like silkworm and honeybee
- Plantations & Horticultural crops
- Property e.g. agricultural pump sets
- Person e.g. gramin accident policy, janata personal accident policy

Most of the aforesaid policies were earlier governed by Market Agreements formulated by the four public sector companies which have been withdrawn subsequently and presently the companies formulate their own policies, rates of premium, underwriting norms etc.

#### **8.13.0.2 BASIC PRINCIPLE**

Following basic principles are applicable which are applicable for other classes of general insurance business are also applicable Rural Insurances.

- Insurable Interest
- Indemnity
- Utmost Good Faith
- Subrogation
- Proximate Cause
- Contribution

#### **8.13.0.3 PERILS COVERED**



Perils covered under RNTB policies differ depending upon the type of subject matter covered under each type of policy. In some policies additional perils are covered on payment of extra premium and in other policies no additional perils are covered at all. Exclusions also differ from one RNTB policy to other.

### 8.13.1.1 CATTLE INSURANCE

The word '**Cattle**' means:

- ⌚ Milk Cows and Buffaloes
- ⌚ Calves/Heifers
- ⌚ Stud Bulls
- ⌚ Bullocks

**Exotic animal** means whose both parents are of foreign breed.

**Cross Breed** animal means one of whose parents is of foreign breed.

**Age group:**

- |      |                |                |
|------|----------------|----------------|
| i.   | Milk cows      | —2 to 10 years |
| ii.  | Milk buffaloes | —3 to 12 years |
| iii. | Stud bulls     | —3 to 8 years  |
| iv.  | Bullocks       | —3 to 12 years |

**Sum Insured:** Market value to be determined by Veterinary Surgeon.

**Indemnity:**

- |     |                    |                                   |
|-----|--------------------|-----------------------------------|
| i.  | Non Scheme Animals | : S.I. or M.V. whichever is less. |
| ii. | Scheme Animals     | : 100% of S.I.                    |

**Premium Rate :**

Scheme	:	2.25% (net)
Non Scheme	:	4% (gross)
For Exotic Animals	:	2% extra

Extra for PTD cover:

Scheme Animals	:	0.85% (net)
Non Scheme Animals	:	1% (gross)

**Permanent Total Disablement (PTD) means:**

- ⌚ Milch Cattle : Incapacity to conceive or yield milk
- ⌚ Stud Bulls : Incapacity for breeding

- ⌚ Bullocks : Incapacity for the purpose of use mentioned in the proposal form

**Claim procedure for PTD claim:**

- a. A Certificate from qualified Veterinary Surgeon
- b. Animal should be inspected by Company's Veterinary Officer
- c. Complete chart of treatment, medicine used, receipt etc. should be collected
- d. Admissibility of claim to be considered after 2 months of obtaining Veterinary Doctor/ Company's Doctor's report
- e. Indemnity is limited to 75% of S.I.

**Definition of Scheme Animals :**

Animals financed / subsidized under IRDP / SGSY and also under various Central / State Govt. programmes / schemes.

Group Discount (between 5 % to 15 %) can be given for Non Scheme only.

**Long Term Discount :**

Non Scheme -

- 3 and 4 years - 15% discount
- 5 years and above - 25% discount

Scheme -

- 3 years : Premium 4.8%
- Any additional year over 3 years : 1.6% per year.

**For PTD :** Premium 1.8% for 3 years

**Adjustment of Premium (for Scheme only):**

In case of premature death of Cattle before the expiry of policy period, the premium for the balance period after adjusting the period upto the year in which the animal dies, would be allowed as credit to be adjusted against premium for the new Animal acquired by the Insured.

**Retention of Premium :** 2.25% per year or part thereof.

**Coverage:**

- ⌚ Accident (including fire & natural calamity)
- ⌚ Diseases
- ⌚ Surgical operations

- Ⓟ Riot & strike

**Exclusions:**

- a. Malicious or willful injury or neglect
- b. Accidents/disease contracted prior to commencement of risk
- c. Intentional slaughter
- d. Theft & clandestine sale
- e. War group of perils
- f. Nuclear group of perils
- g. Consequential loss
- h. Transport by Air and Sea
- i. Diseases contracted within 15 days from the date of risk (non scheme only)
- j. All claims received without ear tag

**Identification:**

- Ⓟ Ear tagging
- Ⓟ Natural identification marks & colour
- Ⓟ Photographs (for high value animal)

**Claim procedure :**

- i. Duly completed Claim Form
- ii. Death certificate of Veterinary Surgeon
- iii. Post Mortem Report
- iv. Ear Tag

In case of Scheme Animals where qualified Veterinary Surgeon is not available death certification by any two of the following:

- i. Village Sarpanch
- ii. President of Co-op. Society
- iii. Official of Bank/Credit Inst.
- iv. DRDA nominee
- v. Secretary/President of Panchayat
- vi. Head Master of Primary School

**8.13.2 CALF/HEIFER INSURANCE**

**Period of cover available:** 1 day to 32 months

**Minimum period of coverage:** 12 months

**Premium rate:**

Scheme	—2.25%
Non Scheme	—4%

**Premium computation:**

Average S.I. =Aggregate S.I. for 32 months / 32

Gross Premium =Average S.I. x rate (2.25% or 4%)

Average monthly Premium =Gross Premium/12

Premium for 32 months=Average monthly premium x 32

**Scope of cover:** As per Standard Cattle Insurance Policy

**Claim Procedure:** Same as Cattle Insurance

### 8.13.3 FOETUS INSURANCE

**Applicability :**

- a. Embryo transferred from donor to recipient
- b. Frozen Embryo transferred to recipient
- c. Embryo/Foetus developed by A.I.

**Scope of Cover:** Death of Embryo/Foetus due to accident or disease contracted through recipient or directly from external source.

**Period of cover:** From the 60<sup>th</sup> day of transfer of Live Quality Embryo/successful A.I. to 220 ± 5 days or date of calving whichever is earlier.

**Perils covered:**

- ⌚ Still births
- ⌚ Abortion
- ⌚ Accidental risk

- ⌚ Induced abortion to save the mother

**Sum Insured :**

- ⌚ Rs.2,000/- through E.T. Technology
- ⌚ Rs.1,500/- through A.I.

**Premium:** Rs.75/- net under A.I. & Rs.100/- net under E.T.

**Exclusion:**

1. Poor quality Embryo
2. Unskillful handling of Embryo
3. Unskillful handling of Foetus at any stage of pregnancy
4. Malicious act
5. Abortion/still birth due to negligence

**Special Note:** Recipient / mother cow must be covered under a separate policy

### **8.13.4 SHEEP/GOAT INSURANCE**

**Scope of the Scheme :** All indigenous, cross bred and exotic Sheep & Goats are covered.

**Age group :** 4 months to 7 years.

**Sum Insured :** 100% of market value.

**Premium Rate :**

Non Scheme : 4% for indigenous  
5% for cross bred  
6% for exotic

Scheme : 2.75% (net)

**Group Discount:** 5% to 20% depending upon the group size. No group discount upto 100 Animals.

**Special Group Discount:** For Group consisting of 50 females and 2 males, discount of 2.5%

may be granted.

**Coverage:** Death due to accident (including fire & natural calamities, riot, terrorism etc.)

**Exclusions:**

- i. Malicious or willful injury or neglect
- ii. Diseases contracted prior to commencement of risk
- iii. Intentional slaughter
- iv. Transport by Air and Sea
- v. Sheep pox, Goat pox, R.P., H.S., F.M.D., Anthrax, B.Q.
- vi. Theft or clandestine sale
- vii. War group of perils
- viii. Consequential loss
- ix. Nuclear group of perils
- x. Migration beyond 80 kms.

**Claim procedure:**

1. Duly completed Claim Form
2. Death certificate from Vety. Surgeon
3. Post Mortem Report

**Salvage:** No salvage will be deducted.

### 8.13.5 PIG INSURANCE

**Applicability:** Indigenous, cross bred, exotic Pigs (male or female).

**Age group:**

Non Scheme	: 1 month to 5 years
Scheme	: 4 months to 6 years

340  
341

**Sum Insured:** 100% of market value

**Premium Rate:**

Non Scheme	: 5% & 3.5% (Bank), 1% extra for cross bred and exotic.
Scheme	: 2.75% (net)

**Long Term Discount:**

15% for 3 to 4 years, 25% for 5 years

**Exclusion:**

Any type of disability, breeding and furrowing risk, swine fever, 15 days waiting period for Non Scheme Pigs.

**Indemnity:**

80% of S.I. or Market Value for Non Scheme, 100% of S.I. for Scheme.

**8.13.6 CAMEL INSURANCE**

**Age :** 3 to 12 years

**Sum Insured :**

Rs.9,000/- + 10% as per norms of NABARD in case of IRDP

**Premium :**

Non Scheme : 4 to 6%, PTD —1%  
Scheme : 2.75% (net), PTD-.85%

**Long Term Discount :**

15% for 3 to 4 years and 25% for 5 years policy

**Policy cover :**

Death due to accident or disease contracted during policy period

**Exclusion :**

Surgical operations, malicious or willful injury or neglect, intentional slaughter, famine, surra, transport by air & sea, partial disability, war & nuclear perils, theft or clandestine sale.

**Indemnity :** 80% of S.I. or M.V., 100% of S.I. for Scheme Animals

**8.13.7 HORSE/PONEY/DONKEY/YAK INSURANCE****Applicability :**

Indigenous, cross bred and exotic, drought and half drought horses, ponies, yaks, donkeys utilized for farm work. Race horses are not covered.

**Scope of cover :**

Death due to accidents or diseases contracted

**Age :** 2 to 8 yrs. Horse & donkey 10 yrs.

**Sum Insured :** 100% of Market Value

**Premium Rate :** 4% (Non-Scheme), 2.75% (Scheme)

**PTD cover :** 1% (N.S.), .85% (S)

**Group discount :** 5 to 20% depending upon group size.

**Transit cover :** Above 80 kms. 0 .5% (extra per transit)

**Exclusions :** As per Cattle Insurance

**Indemnity :** 80% of S.I. (N.S.), 100% (S)

### 8.13.8 ELEPHANT INSURANCE

**Applicability :**

Elephant used for commercial and/or religious purposes will be covered.

**Scope of cover and Exclusion:** Death due to accident or disease.

**Specific Exclusion :**

- i. Diseases contracted prior to or within 21 days of insurance.
- ii. Surgical operation.
- iii. Breeding and calving risk.
- iv. PTD
- v. H. S., Anthrax, Rabies.
- vi. Legal Liability.

**Age :**

5 to 60 years. Age limit may be relaxed upto 65 years in lieu of extra premium @ 0.5% subject to satisfactory health certificate.

**Sum Insured :** 100% of market value.

**Identification :** From records of Forest Department, chemical branding, natural identification marks.

**Premium :** 5% gross. For Temple Elephant 4.5%.

**Indemnity :** 80% of M.V. limited to S.I. less salvage value.

**Policy Extension :** Public Liability upto a limit of 1lac for the policy period on payment of premium of Rs.100/-. Mahouts may be covered on payment of Rs.15/- per person for S.I. of Rs.25,000/-.

### 8.13.9 DOG INSURANCE

**Applicability :** All pet dogs, exotic or cross bred may be insured. For Police dogs, dogs used as watcher and pet dogs exceeding the value of Rs.25,000/-, prior approval of RO is necessary.

**Scope of Cover :**

**Section —I :** Death of dog from any disease or accident including natural calamities, malicious acts and poisoning by third party, due to emergency or mercy killing.

**Section —II :** Third party liability upto an extent of Rs. 50,000/- in any one accident and /or during any one period of insurance.

**Age group :** 2 months to 8 years.

**Sum Insured :** 100% of commercial value (no sentimental value).



**Identification :**

- a. Metal ear tagging;
- b. Nose-print;
- c. Cold-branding;
- d. Photograph

**Exclusion :** Surgical Operation; willful poisoning, injury or neglect; diseases contracted prior to commencement or within 15 days of inception of risk; breeding, pregnancy and whelping; distemper, hepatitis and leptospirosis; war and nuclear group of perils; any disability.

**Premium :**

Basic cover : 6%.

Additional cover —

- a) Dog Show Risk: 0.5% extra on S.I.,
- b) Third Party Extension in excess of 50,000 —1% extra on the additional annual limit,
- c) Disability risk : Extra 1% on the S.I.,
- d) Breeding, Pregnancy and Whelping Risk : - 1.5% on S.I.

**Group Discount :** 3 to 5 dogs —10% of the total premium. 6 and above numbers 15% of the total premium.

### 8.13.10 RABBIT INSURANCE

**Applicability :** All breeds of rabbit in India.

**Age Group :** 4 months to 4 years.

**Identification :** Leg bands / ear tagging / tattooing.

**Scope of cover :** Death due to disease or accident.

**Common Exclusions:** Common exclusion of Cattle Insurance.

**Specific Exclusion:** Disability, undergrowth, Cannibalism, Famine, Coccidiosis, Myxomatosis.

**Premium :** 7% (N.S.), 2.75% (S)

**Sum Insured :** 100% of market value.

**Indemnity :** 70% of S.I. or M.V. whichever is less.

**Salvage :** Rs.10/- per rabbit.

### 8.13.11 POULTRY INSURANCE

The word “Poultry” for the purpose of this scheme refers to

- ⌚ Layers
- ⌚ Broilers
- ⌚ Parent stock which are exotic and cross bred.

#### Applicability:

- o The Scheme is applicable to Poultry Farms consisting of all types of exotic and cross bred Poultry Birds in India
- o All birds in a farm should be covered

After issuing Policy if additional birds are introduced in the farm, immediate notice to be given to the Insurer, otherwise claim will repudiated.

The Scheme is applicable to Poultry Farms consisting of minimum number of birds as follows :

- (i) Under Bank finance (for all types of birds) :  
IRDP - 100 Nos. (or as per IRDP norms)  
NON —IRDP - 500 Nos.
- (ii) General :  
Broilers —100 per batch  
Layers —500 per batch  
Hatchery —2000 birds per batch

<b>Age Group :</b>	Broilers	1 day to 8 weeks 1 day to 6 weeks
	Layers	1 day to 20 weeks 21 weeks to 72 weeks 1 day to 72 weeks
	Hatchery Birds	1 day to 72 weeks

<b>Premium Rates :</b>	Broilers :	1 day to 8 wks. - 1.5% ; Annual -6% 1 day to 6 wks.-1.20% ; Annual-4.8%
	Layers :	1 day to 20 weeks - 3.20% 21 weeks to 72 weeks —3.50% 1 day to 72 weeks —5.50%
	Parent Stock (Hatchery)	- 5%

#### Note :

- ⌚ Premium will be charged on peak Value of birds in each of the cases.
- ⌚ Minimum value for Parent Stock bird should be Rs.200/- (negotiable).

**Sum Insured :** Layers : Max. of Rs.75/- ( N.S.), 25/- (S)  
Broilers : Max. of Rs.45/- (N.S.), 15/- (S)

**Scope of Cover :** The policy shall provide indemnity against death of birds due to accident (including Fire, Lightning, Flood, Cyclone/ Storm / Tempest / Earthquake, Strike, Riot, Act of Terrorism) or diseases contracted or occurring during the period of insurance subject to certain exclusions.

**Important Exclusions :** Malicious/willful injury, neglect; transit by any mode; improper management; undergrowth, cannibalism, action of predators; theft and clandestine sale, intentional slaughter; consequential loss; any disability; loss of production, malnutrition; war and nuclear group of perils, M.D., R.D., F.P., I.B., A.L.C.

**Discount :**

- ⌚ No claim discount :
  - i) No claim for one year —15%
  - ii) No claim for two years —20%
  - iii) No claim for 3 years —25%
  
- ⌚ Good features discount : 5%

**Underwriting Conditions :**

- ⌚ All birds in a farm should be insured
- ⌚ Proper balanced feed, water & light should be provided
- ⌚ Debeaking & deworming should be carried out regularly
- ⌚ All essential record should be kept

**Claims procedure :**

- ⌚ Duly filled claim form
- ⌚ Veterinary certificate & P.M. report
- ⌚ Daily records of mortality, feeding etc.
- ⌚ Purchase invoices for the birds
- ⌚ Photographs, medical bills etc.

**Excess :** Broiler : 5% of population in each batch  
Layer : 1 day old to 8 weeks —5%  
9<sup>th</sup> to 20<sup>th</sup> week —3%  
21<sup>st</sup> week to 72 weeks —1%

**Indemnity :** 80% of the value of the bird at the time of death as per valuation table. 20% additional excess for Gumboro disease.

**Salvage :** In case of emergency sale of live birds due to epidemic and if the Insured realizes the value less than the valuation table for corresponding week, the difference will be paid to the Insured.

### **8.13.12 SERICULTURE (SILKWORM) INSURANCE**

#### **a. Mulberry Silkworm :**

##### **Applicability :**

The Scheme is applicable to univoltine / bivoltine / multivoltine / pure or hybrid races of Mulberry Silkworm crops reared by the Sericulturist.

**Age group :** From egg stage to cocoon stage.

##### **Policy cover :**

The cover commences from the place and time the eggs leave premises of the licenced supplier and includes fire & natural calamities, impact by rail or road, riot & strike. The insurance will also cover the death of Silkworm due to diseases like, Grasserie, Flacherie, Mascardine, Pebrine and attack of Uzifly.

##### **Important Exclusion :**

- ⌚ Loss due to malicious or willful destruction of worm, negligence, error or omission by the insured or employees.
- ⌚ Improper management, rough handling, intentional destruction.
- ⌚ Due to non supply of suitable sufficient and quality mulberry leaves.
- ⌚ Losses due to rearing of eggs which were not free from diseases.
- ⌚ Loss due to theft, natural mortality, attack of ants, rodents, lizards.
- ⌚ Consequential loss or legal liability.
- ⌚ Loss due to War and nuclear group of perils.

##### **Sum Insured (Per 100 dfls)**

Multivoltine pure bred :	Rs.1500/-
Multibivoltine :	Rs.1600/-
Bivoltine pure bred :	Rs.1800/-

**Premium :** Bivoltine - 8%, Cross bred - 7%, Multibivoltine - 7%. Extra premium @. 2% of the value of cocoon for transit cover.

#### **a. Tasar Silkworm**

**Sum Insured :**Rs.600 per 100 dfls

**Premium Rate : 10%**

**Crop period : 30 to 60 days.**

Other terms of cover are identical to Mulberry Silkworms.

**Claim settlement :** Claim for both the schemes are settled on the basis of stage-wise valuation table drawn as per input cost.

### **8.13.13 FARMERS' PACKAGE POLICY**

This policy provides comprehensive cover which contains 14 sections including Tariff/Market Agreement sections. Section **I & III are compulsory**.

**Section I :** Covers loss or damage to the building/contents against fire and allied perils.

**Section II :** Covers loss or damage to the stock of farm produce by fire and allied perils.

**Section III :** Covers all the contents in the premises against burglary. Rate —2.40 per mille.

**Section IV :** Covers loss or damage to TV, VCR/VCP in insured premises against fire and allied perils, burglary, accident, mechanical or electrical breakdown. Legal liability upto a limit of Rs.25,000/-. Rate —Rs.10/- per mille.

**Section V :** Covers pedal cycle and cycle rickshaw as per standard scheme.

**Section VI :** Provides cover under PA/JPA/GAP as per standard scheme.

**Section VII:** Covers artisans, village and cottage industry, tiny sectors, SSI and Bio-gas plants against fire and allied perils. Rate —as per fire tariff.

**Section VIII :** Covers cattle and other livestock insurance as per standard scheme.

**Section IX:** Covers agricultural pumpsets upto 10 HP as per standard scheme.

**Section X :** Covers poultry birds as per standard scheme.

**Section XI :** Covers infidelity risk of the insured's employee. S.I. should be 10% of the S.I. under Section I. Rate —Rs.10/- per mille.

**Section XII :** Covers the insured against loss or damage to accompanied baggage by accident or misfortune whilst the insured is traveling. Rate —Rs. 7.5/ mille.

**Section XIII :** Covers animal drawn cart as per standard scheme.

**Section XIV :** Covers agricultural tractors as per motor tariff.

**Note:** Where more than 4 and upto 6 sections are covered, 15% discount on Non-tariff and Non-MA premium. Where more than 6 sections are covered, 20% discount on Non-tariff and Non-MA premium.

### **8.13.14 INLAND FRESH-WATER FISH INSURANCE**

#### **Applicability :**

This Insurance Scheme is applicable to Fry/Fingerlings/Fish in stock ponds / Breeders (Brood stock) in fresh water only and to Marine Fisheries or to Brackish Water Fish.

#### **Period of Insurance :**

The entire period of crop since the period varies from 3 months to 12 months.

- a) Fry to Fingerlings —3 months period in the rearing pond.
- b) Fingerlings to Fish —12 months period in stock ponds.
- c) Breeders (age 1 year to 5 year) —12 months.

If the Fish is offered at 8<sup>th</sup> fortnight stage, the policy period should be only for 17 fortnights.

#### **Sum Insured :**

Peak value (Input Cost) on the final stage of rearing.

The peak value will depend on :

- a) The cost of Fry/Fingerlings
- b) Cost of Input
- c) Other incidental expenses

Profit should not be included in the valuation.

#### **Premium Rate :**

- i) For covering Fish / Fry / Fingerlings / Brood Stock against basic risk —2.4% gross.
- ii) For covering Fish / Fry / Fingerlings / Brood Stock against optional flood and allied perils :
  - a) 2% in flood prone area.
  - b) 1% in non-flood prone area.

Rearing ponds are also covered against fire and allied perils on payment of additional premium of 0.5% of the value of ponds in non-flood prone area & 1% in flood prone area.

#### **Scope of cover :**

The policy covers only “Total Loss” of Fry / Fingerlings / Fish due to an accident or disease contracted or occurring during the period of insurance. Partial loss in any kind is not covered. The policy will be for one crop only.

The policy also covers epidemics, pollution, poisoning, malicious act of third parties, riot & strike.

**Important exclusions :**

1. Malicious or willful injury, poisoning, negligence, error or omission by the Insured or his employees.
2. Improper management, rough handling, infidelity of any person employed by the insured.
3. Partial loss of any kind, natural mortality, consequential & transit loss.
4. Loss or damage due to fluctuation of temperature, undergrowth, change of status of soil (physical & chemical).
5. Death occurring within 15 days from the inception of the policy due to disease.
6. War & nuclear perils, legal liability.

**Limit of Liability :**

This would be calculated on the basis of stagewise expenses in the valuation table. Three stagewise valuation tables are drawn for three groups such as Fry to Fingerlings; Fingerling to Fish & Breeder.

**Claims procedure :**

1. Immediate notice within 12 hours.
2. Duly completed Claim Form.
3. A Death Certificate from F.E.O.
4. Survey Report.
5. Revenue Authority's certificate in flood & other allied risks.
6. Books of accounts & records.

**Salvage :**

Where the salvage is realized, the salvage amount should be deducted from the claim amount before limiting the indemnity to 80%.

**8.13.15 AQUACULTURE (SHRIMO/PRAWN) INSURANCE****Applicability :**

The Scheme will be applicable to duly licensed farms constructed in accordance with the Govt. notification growing Brackish Water Shrimp/Fresh water Prawns by adopting Extensive/Modified Extensive/Semi Intensive system only. While giving cover, the following points should be considered :

The cover should be given from day 1 of stocking and no cover should be granted at the later date after stocking.

Wherever possible, the farm should be inspected before accepting the proposal.

**Period of cover :**

Insurance cover will be offered only to grow out ponds and policy period would be four and

half months from the date of stocking of the post larvae i.e. PL —15 to 20.

**Scope of cover :**

This insurance covers only “Total Loss” or destruction of shrimp/prawns as defined in the scheme and cover is available as under :

Section —I: Basic cover —a) Summer Kill, b) Pollution (from external source only), c) Poisoning, d) Riot & Strike, e) earthquake, f)Explosion/ Implosion, g) Storm, Tempest, Cyclone and like perils, h) Impact damage, j) Terrorism.

Section —II : Comprehensive Cover : Covering all perils as enlisted in basic cover and death due to disease excepting diseases caused by bad management and/or which are due to nutritional deficiencies.

**Premium Rate :**

Basic cover —3% gross for Eastern Coast, 2% gross for others  
Comprehensive Cover —4% in addition to premium fixed for Basic Cover.

**Exclusions :**

General —Similar to Inland Fresh Water Fish Insurance.

Special —i) losses due to or resulting from Plankton Blooms ii) Polyculture iii) Flood and Inundation due to action of normal tides.

**Basis of Valuation :**

The scheme will cover only Input Cost. Sum Insured shall be fixed adopting the formula given below:

**Sum Insured :**

$$\frac{\text{No. of seeds released} \times \text{Expected Survival rate (\%)} \times \text{ABW} \times \text{Input cost/kg.}}{100 \times 1000}$$

Where A.B.W.= Expected Average Body weight in grams.

And Input Cost = As declared by the Insured.

**Total Loss :** If Loss equals or exceeds 80% of the total population just prior to occurrence of the perils in one incident only.

**Stocking of Ponds :** Stocking density must be restricted upto a maximum of 8/M<sup>2</sup> for P. monodon and 10/M<sup>2</sup> for P. indicus. In case of Semi-intensive, 15 to 20 pcs./sq. mtr.

**Claims procedure :**

Immediate notice within 24 hours to the Company.

Completed Claim Form.

Death Certificate, certified by an Official of Fishery Department.

Metereological Report for flood claims.

Note : All dead shrimp/prawns should be produced without fail to the representative of the



Company before disposal.

**Basis of indemnity :** 80% of the value as per valuation table or actual Input Cost incurred as on date of the occurrence of Insured peril whichever is less.

### **8.13.16 JANATA PERSONAL ACCIDENT POLICY (JPA)**

**Age group :** 10 to 70 years.

**Scope of cover :** Insurance covers death and Permanent Disablement of the Insured resulting solely and directly from accident caused by outward violent and visible means.

**Table of benefits :**

1. Death : 100% of S.I.
2. Total loss of two eyes/ limbs or one eye & one limb : 100% of S.I.
3. Total loss of one eye or one limb : 50% of S.I.
4. PTD : 100% of S.I.

**Sum Insured :** Rs.25,000/- to 1,00,000/- in multiples of Rs.25,000/-

**Premium :** Rs.15/- for Sum Insured of every 25,000/-.

**Group Discount :** Varies from 5% for a group of 101 - 1000 to 30% for above 10 lacs. Group discount can be given to seven identified groups only.

**Long term discount :**

Varies from 5% to 20% for two years policy to five years policy (maximum). All discounts taken together should not exceed 30% (excluding S.D. in lieu of Agency Commission).

**Exclusions :** Any existing disability, intentional self injuries or suicide, death or disablement under influence of liquor or drug, insanity, breach of law with criminal intention, war & nuclear group of perils, death or disablement due to racing, shooting, mountaineering etc.

**Claim procedure :**

1. Immediate notice
2. Claim Form and medical certificate
3. Death certificate
4. Original Policy
5. Post Mortem report
6. Police Report.

**Important notes :**

- a. No group discount can be offered on the anticipated group size.
- b. Under no circumstances claims under such policies can be paid to any one other than the Insured/nominee.
- c. No renewal of group policy should be encouraged where loss ratio is 70% and above.
- d. No refund of premium will be allowed even if the claim arises in the earlier years under long term policy.

### **8.13.17 GRAMIN ACCIDENT POLICY**

This is more or less similar to the Janata Personal Accident Policy ; the only difference being that the maximum Sum Insured is Rs.10,000/- instead of Rs.1,00,000/-.

Premium : Rs.5/- per person per year for Rs.10000/=

### **8.13.18 KISAN AGRICULTURAL PUMPSET INSURANCE**

#### **Applicability :**

The policy applies to centrifugal pumpsets (electrical and diesel) and submersible pumpset upto 25 H.P. capacity which are used for agricultural purposes only.

#### **Scope of cover :**

- a) Fire and lightning;
- b) Theft/Burglary (if the pumpset is kept in locked enclosure);
- c) Mechanical/Electrical breakdown;
- d) RSMTD

Flood risk can be covered by payment of additional premium.

#### **Exclusion :**

Normal wear and tear, willful or gross negligence, fault existing at the time of commencement of risk, loss or damage for which manufacturer/supplier is responsible, cost of dismantling, transport to workshop, cost of re-erection.

#### **Sum Insured :**

New replacement value of pumpset.

#### **Premium :**

Standard cover —1.25%

Flood cover —0.50%

Premium shall be loaded by 50% for pumpsets which are more than 10 years old.

#### **Discount :**

- a) No Claim Discount : i) 1 year —10%, 2 years —15%, 3 years —20% - for individual policy. ii) Claim ratio less than 50% - 10%, between 50 % to 60% - 5%, between 60% to 70% - 2.5% - for group policy.
- b) Long Term Discount: 2 years —15%, 3 to 5 years —25%, 6 to 9 years —30%.
- c) Group Discount : Upto a maximum limit of 45% depending upon the group size.

**Excess :** 1% of S.I., minimum Rs.100/-

**Rewinding Charges :**

On actual basis subject to a maximum of 15% of Sum Insured.

**Claims Procedure :**

a) Immediate intimation; b) Duly completed claim form; c) Repairer's bill; d) Survey Report.

All claims are subject to depreciation of 10% per year. Maximum depreciation 75%.

### **8.13.19 PLANTATION/HORTICULTURAL INSURANCE**

**Scope of cover :** This insurance covers only Plants, not the produce.

**Period of insurance :** Crop duration or 12 months whichever is shorter.

**Perils to be covered :-** (a) Fire (including forest fire & bush fire) (b) Lightning (c) Storm, Hail Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado (d) Flood & Inundation (e) Riot, Strike & Malicious damage (f) Acts of Terrorism.

**Optional cover :-** Pest & disease on payment of additional premium.

**Sum Insured :-** Sum Insured shall be based on the cost of cultivation i.e. Input Cost.

**Rate of Premium :-** Varies from 1.25% of S.I. to 10% of S.I. depending upon the types of Plants insured.

**Claim procedure :-** 1. Immediate intimation, 2. Completed claim form, 3. Survey Report, 4. Report on loss of Crop from Agricultural Expert of State Govt.

**Franchise :-** 10% of Sum Insured per acre or Rs.1,000/- per affected acre whichever is higher.

**Excess :-** 20%

Popular Plantation / Horticultural Insurance Schemes include :

1. Grape, 2. Citrus (Orange, Lemon), 3. Chikoo (Sapota), 4. Pomegranate, 5. Banana, 6. Rubber, 7. Eucalyptus, 8. Sugar Cane, 9. Oil Palm 10. Teakwood, 11. Tea Plantation, 12. Cardamom, 13. Apple, 14. Sweet Chili, 15. Strawberry, 16. Rose, 17. Crysanthemum, 18. Jasmine, 19. Mushroom, 20. Gooseberry.

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