

## **Introduction:**

Machinery Loss of Profit insurance policies cover the financial losses faced by a Business resulting from the breakdown of machinery. Insurance for Machinery Breakdown is usually purchased in conjunction with this policy. When the machinery is repaired, insurance coverage typically continues during an indemnity period, during which the policy continues to cover the residual effects of the breakdown.

## ***Who can avail of "Machinery Loss of Profit"?***

Any Business entity needs Machinery Loss of Profit coverage to compensate for indirect losses resulting from breakdowns, such as lost profits and increased operating costs, which a standard Machinery Breakdown or Boiler and Pressure Plant Insurance policy typically does not cover.

## ***What is the coverage under the policy?***

The Company hereby agrees with the Insured that if at any time during the period of insurance stated in the Schedule, the business carried on by the Insured at the premises specified in the Schedule be interrupted or interfered with in consequence of an Accident which shall mean sudden and unforeseen physical damage, as defined in the Machinery Insurance/Boiler and Pressure Plant Insurance Policy of any machinery specified in the schedule of machinery then the Company shall in respect of each item in the Schedule indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference  
 PROVIDED

1. THAT the liability of the Company during any one year of Insurance shall in no case exceed in the whole the total Sum Insured hereby or such other sum or sums as may hereafter be substituted therefore by endorsement signed by or on behalf of the Company.
2. ALSO that at the time of happening of an Accident there shall be in force an insurance covering the machinery described in the Schedule from any accidental cause indemnifiable under the Standard Machinery Insurance Policy and or Boiler & Pressure Plant Insurance Policy and in respect of which liability shall have been admitted or would have been admitted but for the operation of any Excess there under.
3. ALWAYS that the due observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answer(s) in the proposal shall be conditions precedent to any liability of the Company.

## ***What is the Sum Insured in the Policy?***

- The sum insured under the Loss of Profits policy should represent the gross profit of the indemnity period selected.
- The indemnity period is the maximum period required to put the business back into normal operation after damage to the machinery by a Breakdown.

## ***What are the exclusions under the policy?***

The Company shall not be liable for any loss resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes:

- i. Wilful act or wilful neglect or gross negligence of the insured or his responsible representatives.
- ii. Loss or damage to machinery or other items which are not listed in the list of machinery insured, even if the consequence of material damage to an item indicated in the list of machinery insured is involved.
- iii. Loss or damage caused by any faults or defects existing at the time of commencement of this insurance within the knowledge of the insured or his responsible representatives whether such faults or defects were known to the Company or not.
- iv. Shortage, destruction, deterioration and spoilage of or damage to raw materials, semi-finished or finished products or catalyst or operating media (such as fuel, lubricating oil, refrigerant, heating media and the

like) even if the consequence of material damage to an item indicated in the list of machinery insured is involved

- v. Any restrictions on reconstruction or operation imposed by any public authority.
- vi. An extension of the normal repair period for more than 4 weeks on account of
  - a) the inability to secure or delays in securing replacement parts, machines or technical services
  - b) the inability to carry or delays in carrying out repairs
  - c) the prohibition to operate the machinery due to import and/or export customs & other restrictions or by statutory regulations.
  - d) transport of parts to and from the Insured's premises.
- vii. Alterations improvements or overhauls being made while repairs or replacements of damaged or destroyed property are being carried out.
- viii. Loss damage and/or liability caused by or arising from or in consequence directly or indirectly of
  - a) War, Invasion, Act of foreign enemy, hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious person or persons acting on behalf of or in connection with any political organisation, requisition or destruction or damage by order of any government de jure or de facto or by any public. Municipal or Local Authority, an act of terrorism or the action of any lawfully constituted authority in suppressing or attempting to suppress or minimise the consequences thereof.
  - b) Nuclear reaction, nuclear radiation or radioactive contamination

#### **What is the Claims procedure?**

**Intimation:** Insured can call 18602580000 /18604250000 or write to us at [care@royalsundaram.in](mailto:care@royalsundaram.in)

**Submission:** The Claim documents to be submitted by the insured are given below:

1. Claim form
2. FIR/Final Report
3. Meteorological Report in case of Act of God Perils
4. Proof in support of the Cause of Loss/Operation of Insured peril
5. Books of Accounts
6. Stock Register
7. Repair/Reinstatement Bills
8. Proof of Reinstatement
9. CKYC documents PAN, ROC certificate, Aadhaar, GST Registration Certificate
10. Any other document: There may be specific requirements depending upon the merits of each case

**Process:** The company will assign a surveyor to assess and evaluate the loss. If the claim is found to be in order, as per the policy terms, conditions, or warranties, and does not fall under the policy exclusions, we will offer a settlement of the claim to the insured. The claim will be processed, and payment will be made by online fund transfer.

#### **Cancellation**

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days' notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

**Grievance Redressal Procedure:**

1. In case of any grievance the insured person may contact the company through

Website: <https://www.royalsundaram.in/customer-service>

Contact Numbers: 1860 258 0000, 1860 425 0000

E-mail: [manager.care@royalsundaram.in](mailto:manager.care@royalsundaram.in)

Sr. Citizen can email us at: [seniorcitizengrievances@royalsundaram.in](mailto:seniorcitizengrievances@royalsundaram.in)

Fax: 044-7117 7140

Courier: Grievance Redressal Unit

Royal Sundaram General Insurance Co. Limited

Vishranthi Melaram Towers,

No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam,

Chennai – 600097.

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance. If insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer

Mr. T M Shyamsunder

Grievance Redressal Officer,

Royal Sundaram General Insurance Co. Limited,

Vishranthi Melaram Towers, No.2/319, Rajiv Gandhi Salai (OMR),

Karapakkam, Chennai – 600097.

For updated details of grievance officer, kindly refer the link <http://www.royalsundaram.in>.

If Insured Person is not satisfied with the redressal of grievance through above methods, the insured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. Grievance may also be lodged at IRDAI Integrated Grievance Management system <https://bimabharosa.irdai.gov.in>.

**2. Consumer Affairs Department of IRDAI**

- a. In case it is not resolved within 15 days or if You are unhappy with the resolution, You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number 155255 (or) 1800 4254 732 or sending an e-mail to [complaints@irdai.gov.in](mailto:complaints@irdai.gov.in). You can also make use of IRDAI's online portal – Bima Bharosa Portal by registering Your complaint at <https://bimabharosa.irdai.gov.in/>
- b. You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by clicking here. You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India (IRDAI), Consumer Affairs Department - Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032.
- c. You can visit the portal <https://bimabharosa.irdai.gov.in/> for more details.

**3. Insurance Ombudsman**

If the **Insured / insured member** is not satisfied with the redressal of grievance through above methods, the **insured / insured member** may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. You can approach the Council for Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers are available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at [www.irdai.gov.in](http://www.irdai.gov.in). For the updated list of the offices of the Insurance Ombudsman, request you to visit the website of the Council for Insurance Ombudsman at <https://www.cioins.co.in/ombudsman> or on our company website at



[www.royalsundaram.in](http://www.royalsundaram.in). You can also lodge online complaint with the Council for Insurance Ombudsman through the website of Council for Insurance Ombudsmen (CIO) at [www.cioins.co.in](http://www.cioins.co.in)

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**Section 41 in the Insurance Act, 1938**

**41. Prohibition of rebates**

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

***Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.***