

Date: 29 April 2020

Advisory to Customer and Channel Partners

Dear Sir,

Greeting for ICICI Lombard Family!

We believe you are all safe along with your loved ones and colleagues.

We would like to bring your kind attention towards 2 specific clauses in Property and Engineering line of policies that could be affected during the current lockdown situation:

- a. The Unoccupancy clause in property policies (Fire & IAR)
- b. Cessation of work clause in project policies (CAR/ EAR)

For Property operational Fire / IAR and Package policies:

There is a general condition No 3 (b) under these policies, which says “the coverage under policies ceases if the insured property becomes unoccupied and so remains for a period of 30 days. And specific approval needs to be taken from the insurance company for continuity of coverage.

Towards this condition in operational policies, we have deliberated with Reinsurers and below will be our position in terms of applicability of this clause in the policy.

1. All Standard Fire and Special Peril Policies: Continuity of coverage is granted to all customers whose property is unoccupied on or after 25th Mar 2020 till 03rd May 2020
2. Policies with sum insured upto 5 Cr the coverage under the policies would continue without taking written consent from insurer for the complete period of the lockdown as ordered by the Govt subject to all risk management systems and security systems being in place
3. Policies with sum insured more than 5 Cr insured intimation for the non occupancy (beyond the period of 30 days) has been required and subsequent approval will be provided subject to subject to the Insured shall take all reasonable measures with due diligence and do all things reasonably practicable to protect the Insured property in accordance with all statutory requirements as per applicable standards, including but not limited to:
 - All the electric power supplies, non-essential utilities should be in de-energized state.
 - Adequate count of security personnel shall be available 24x7.
 - All monitoring devices shall be in operational mode & monitored periodically.
 - All Active and Passive Fire Protection System (Fire Extinguishers, Hydrant system, Fire Pumps etc.) must be in operational condition and on auto mode.
 - Storage of materials shall be done as per their respective Material Safety Data sheets (MSDS)
 - Server Room, UPS & Battery Charging area, firefighting equipment's to be maintained as per standard guidelines.

Business Interruption cover (if opted) shall not be operative during the period the premises is unoccupied.

In case any of your customers needs any support towards shutdown or start-up of their manufacturing plants, our Risk management team has been providing risk advisory to these clients towards Risk management and Value Added Services (VAS) in these difficult times

For any queries towards above services, please get in touch with your relationship manager who will connect you to Risk engineering team.

For Project Policies:

We hereby agree that the coverage under your Policy/policies would continue till the time lockdown lasts based on government orders.

As a basic principle of insurance, the insured is expected to act as though he is uninsured and take all reasonable measures with due diligence and do everything practicable to protect the property in accordance with statutory requirements, including but not limited to:-

- All Risk Management systems being in place (Eg. security systems , fire Protection systems / power to be shut down in case of storage facilities / Burglary Protection Systems/ flood protections measures /fences and video control systems / regular inspection service etc)

Conditions:-

1. Up to date progress work report to be provided
2. Cover does not apply for ALOP / DSU.
3. Any cover does not prolong original policy period.

However, to avail this cover during a cessation of work insured must send such request with Policy details, highlighting the cessation of work due to lockdown and seeking the coverage for such period. Such cover will come in force only after written confirmation from ILGIC & for the period specified.

Thanking you and assuring you best of services at all times.