

## **Deterioration of Stocks Insurance – Insurance Product Information Document**

**Type of Policy:** Deterioration of Stocks Insurance

### **Basic Cover Provided:**

The policy indemnifies the Insured against loss, damage, or deterioration of the insured stock arising solely due to an accident, subject to the sums insured stated in the Schedule. For this purpose, an accident shall mean a rise or fall in temperature within the cold chambers, or the action of refrigerant fumes escaping from the machinery, directly caused by unforeseen damage to such machinery; or a change in the concentration of gases in the cold chambers resulting from the unforeseen escape of gases due to accidental damage to the permanent structure of the chambers.

*(For more details about the basic cover, please refer page no. 01 of the policy wording)*

### **Provisions:**

#### **Bases of Indemnification**

In the settlement of claims for loss or damage covered under this policy the indemnity payable under this policy is limited to;

- a) the difference between the amounts realized from the sale of the Insured property damaged or deteriorated as a direct consequence of an accident and the Estimated Selling Price of such property
- b) additional expenditure necessarily and reasonably incurred by the Insured for the sole purpose of avoiding damage to or deterioration of Insured property which but for that expenditure would have occurred as a consequence of an accident but the amount payable in respect of such expenditure shall not exceed a sum equivalent to the value of the damage or deterioration thereby avoided

Any sums saved in respect of charges expenses or commissions that cease or are reduced in consequence of the damage or deterioration shall be deducted from the indemnity otherwise payable.

Provided that if the sum insured in respect of any item of Insured property be less than the Estimated Selling Price the indemnity payable shall be proportionately reduced.

In respect of each loss, the excess shown in the schedule shall be deducted from the amount of indemnity calculated in accordance with the foregoing bases.

*(For more details please refer page no 05, “Bases of Indemnification” section of the policy wording))*

**What is not covered (Exclusions):**

1. Fire, lightning, explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, thefts or attempts thereat, collapse of buildings, flood, inundation, escape of water from water containing apparatus, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes. (Explosion shall not mean the bursting or disruption of compressors, transformers, oil immersed switch-gear engine cylinders hydraulic cylinders flywheels or other parts subject to centrifugal force).
2. The imposition of abnormal conditions directly or indirectly resulting from testing intentional overloading or experiment
3. Faults or defects known to the Insured or any of his responsible employees at the time the contract was arranged and not disclosed to the Insurers.
4. Faulty packing or stowage or inherent defects or disease
5. Cessation of or fluctuation in the public supply of electricity
6. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear installation, reactor or other nuclear assembly or nuclear fuel
7. The radioactive, toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
8. Any weapon of war employing atomic or nuclear fission and/ or fusion or other like Reaction or radioactive force or matter.
9. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war.
10. Mutiny, civil commotion, tribal rising, military rising, insurrection, strike, riot, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege, permanent or temporary dispossession resulting from confiscation or detention, requisition or willful destruction by any lawfully constituted authority.
11. Terrorism
12. Terrorism Exclusion Clause for Contamination and Explosives.

### 13. Pollution / Contamination Exclusion Clause

14. For the purpose of this insurance the following is not damage to machinery

- a) damage to parts which by their use and / or nature suffer a high rate of wear or depreciation such as flexible pipes jointing and packing materials, filters, ropes, belts, straps and brushes.
- b) repair or replacement necessitated by wear corrosion erosion deposits of scale sludge or other sediment or any other direct consequences of progressive or continuous influences from working or atmospheric or chemical action : rust or scratching of painted or polished surfaces but other damage resulting from such causes is damage to machinery within the terms of this policy.

*(For more details please refer page no 01, 02 & 03 “EXCEPTIONS” section of the policy wording)*

### **Mode of Payment of Premium:**

Annual Premium has to be paid for the Policy (unless mentioned otherwise in the Policy Schedule) and for any subsequent renewals.

### **Claims Procedure and Required Documents:**

On the happening of any event giving rise or likely to give rise to a claim under this policy coming to the knowledge of the Insured the Insured shall

- a) give notice thereof to the Insurers as soon as possible
- b) take steps to minimize the loss and to prevent any further deterioration or damage
- c) when called upon to do so deliver to the Insurers a statement in writing of all particulars and details reasonably practicable of the Insured property affected and the value thereof and the loss or damage thereto and furnish all such vouchers proofs explanations and other evidence including appropriate certificates from Public Health or similar authorities as may be reasonably required by the Insurers together with a statutory declaration if required in verification of the statement.
- d) at the expense of the Insurers do or permit to be done all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated upon its paying for or making good any deterioration or damage insured under this policy whether such acts and things shall be or become necessary or required before or after his indemnification by the Insurers.
- e) notify the Insurers in writing of the dates and markets at which he would have sold the Insured property had no accident occurred at least 24 hours in advance of such dates.

In the event of any accident likely to give rise to a claim under this policy the Insurers may at their option take over and control the disposal of any Insured property likely to be the subject of the claim.

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy or if any loss or damage be occasioned with the connivance of the Insured all benefit under this policy shall

Required Documents:

- Duly completed Claim Form.
- Estimates & Bills
- Any other requirements which may be needed by the insurer whilst processing the claim.

*(Please refer page no 04 & 05, under “Conditions” section of the policy wording)*

### **Fraud:**

If any claim be made by or on behalf of the Insured which shall be in any respect unfounded fraudulent or intentionally exaggerated, or if a false declaration or statement be made in support thereof, no claim shall be recoverable hereunder.

*(Please refer page no 05, point no 04, under “Conditions” section of the policy wording)*

### **Obligations of the Policyholder:**

#### **Obligation of the policyholder for machinery maintenance**

The Insured shall either

- a) arrange himself or
- b) obtain written confirmation from the owners of the cold chambers in which the Insured property is contained that
  1. a log book will be maintained showing readings taken every morning and every afternoon of the temperature in each cold chamber in which the Insured property is contained
  2. a firm arrangement is made for competent specialists to maintain and adjust the machinery at intervals not exceeding 03 month
  3. a person competent to attend to and operate the machinery is on the premises at all times

#### **Obligations of the policyholder in disclosing material facts**

- At the time of purchase:- Disclose all material facts requested in the Proposal Form, truly and accurately, to avoid any claim rejection.
- During the policy term:- Notify the Insurer of any significant changes in risk or personal information.

## Obligations of the policyholder when a claim is made

- When making a claim:- Provide all necessary documents and details as mentioned in the Claim Procedure along with the Claim Form.

## Complaints Procedure:

We are committed to serve you with passion and willing to receive your feedback. If you are not satisfied with our services, you can lodge a complaint by below methods;

- By telephone - Customer Care Officer - 011 2126136
- By email - pilassist@peoplesinsurance.lk
- By WhatsApp - 0716230048
- By fax - 011 2126109
- By post - Customer Care Officer, People's Insurance PLC, No. 07, Havelock Road, Colombo 05
- Via online - Complaint Submission Form is available on our website
- [www.peoplesinsurance.lk](http://www.peoplesinsurance.lk) → Please click on the "Complaints" tab
- By visiting

Below information to be provided when lodging a complaint;

- I. Complaint in brief
- II. Your name and contact details
- III. References: Policy No. / Vehicle No. / Claim No.
- IV. Any supporting documents

The Trilingual Complaints Handling Procedure can be downloaded from our website - [www.peoplesinsurance.lk](http://www.peoplesinsurance.lk) → Please click on the "Complaints" tab

## **Dispute Resolution:**

If you are not satisfied with the resolution given by us for a complaint lodged, you have the option to use following Alternative Dispute Resolution (ADR) mechanisms.

- I. Address your concerns to:- Insurance Ombudsman of Sri Lanka  
No. 143A, Vajira Road, Colombo 05  
[info@insuranceombudsman.lk](mailto:info@insuranceombudsman.lk)  
011 2505542 / 011 250 5041
- II. Arbitration:- As per the Arbitration Clause in the Policy
- III. Address your concerns to:- Director Investigations  
Insurance Regulatory Commission of Sri Lanka  
Level 11, East Tower, World Trade Centre  
Colombo 01  
011 2396184-9 / 011 2335167  
[investigation@ircsl.gov.lk](mailto:investigation@ircsl.gov.lk) / [info@ircsl.gov.lk](mailto:info@ircsl.gov.lk)

*(Please refer page no 07, "Complaints Procedure" section of the policy wording)*

## **A Few Things to Remember**

### **Cancellation of the Insurance:**

This Insurance may be terminated at any time at the request of the Insured, in which case the Insurer will retain the customary short period rate for the time the Policy has been in force, subject to no claims being made. This Insurance may also at any time be terminated at the option of the Insurer on notice to that effect being given to the Insured, in which case the Insurer shall be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of the cancellation.

*(Please refer page no 03, point no 09, under “Conditions” section of the policy wording)*

- The due observance and fulfilment of the terms and conditions of this Policy shall be conditions precedent to any liability of the Insurer to make any payment under this policy.
- Payment of Premium:- Should be as per the Premium Payment Warranty in the Policy
- Insured shall take all reasonable precautions to prevent or minimize loss or damage to the property insured.
- If at any time after commencement of this insurance
  - a) the business of the Insured be wound up or carried on by liquidator or receiver or permanently discontinued.
  - b) The Insured's interest cease otherwise than by death
  - c) Any alteration be made whereby the risk of loss or damage is increased this policy shall be avoided unless its continuance is admitted by endorsements signed by or on behalf of the Insurer

### **Important Notes:**

This Insurance Product Information Document (IPID) is intended to provide a summary of the main cover and additional covers (if applicable) and key features of the Policy and is not personalized to your specific individual needs. Please note that all matters of whatever nature pertaining to this Insurance (including but not limited to claims, interpretation of terms and conditions and litigation etc.) shall be governed by the terms, conditions and exclusions of the Policy which shall prevail over the contents of this document.

### **For Further Information:**

If you require any further information, you can make a request via

- Telephone - 0112126126
- Email - pilassist@peoplesinsurance.lk
- Visiting any of our offices island wide