DIGIT ERECTION ALL RISK INSURANCE (COMMERCIAL)
PROSPECTUS
UIN: IRDAN158CP0087V01201920

Go Digit General Insurance Ltd.

Go Digit General Insurance Ltd. ('Digit') is a new-age general insurance company that is backed by the Fairfax Group – one of the world's largest financial holding companies which is engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

Digit's singular mission is to make insurance simple for all. With that mission in mind, we are reimagining products and redesigning processes. Our products are designed keeping the consumer in mind, our processes are simple, fast and transparent & our documents are easy to understand. With the help of cutting-edge technology and people who bring in years of experience in both the insurance and technology domain, we want to be the new-age insurance company that's revolutionising the insurance industry. And by doing so, we want to be part of our consumers' lives by enabling them to live life, without worrying about an uncertain future

Product Introduction

Erection All risks insurance is a comprehensive insurance policy that covers damage to Plant, Equipment and Machinery during erection and testing. In order to protect the interest of Principal, Contractors' and also to the Manufacturer's from perils like accidental damage, fire, collapse, act of god, earthquake etc. Digit has designed Digit Erection All Risk Insurance (Commercial), which would indemnify the insured against any loss arising from such perils.

To whom can this Product be sold?

This Product will be sold to Principals, Contractors and Sub-Contractors having minimum Policy sum insured of Rs. 5 crores.

What are the different sections under this policy?

This Policy provides coverage against the following:

a) Section I - Material Damage and
b) Section II - Third Party liability

What are the detailed coverages, specific exclusions, specific conditions and provisions under the Digit Erection All Risk Insurance (Commercial)?

Detailed Coverage description is as mentioned below:

SECTION I - MATERIAL DAMAGE

The Company hereby agrees with the Insured (subject to the exclusions and conditions contained herein or endorsed hereon) that if, at any time during the period of insurance stated in the said Schedule, or during any further period of extension thereof the property (except packing materials of any kind) or any part thereof described in the said Schedule be lost, damaged or destroyed by any cause, other than those specifically excluded hereunder, in a manner necessitating replacement or repair the Company will pay or make good all such loss or damage up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in the whole the total sum insured hereby -

The Company will also reimburse the Insured for the cost of clearance and removal of debris following upon any event giving rise to an admissible claim under this policy but not exceeding in all the sum (if any) set opposite thereto in the Schedule.

EXCLUSIONS applicable to Section - I

The Company, shall not, however, be liable for -

a) the first amount of the loss arising out of each and every occurrence shown as Excess in the Schedule;
b) loss discovered only at the time of taking an inventory;
c) normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;
d) loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection.
   This exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss or damage to other insured items resulting from such excluded perils;
e) the cost necessary for rectification or correction of any error during erection unless resulting in physical loss or damage;
f) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities cheques, packing materials such as cases, boxes, crates;
g) any damage or penalties on account of the Insured's non- fulfilment of the terms of delivery or completion under his Contract of Erection or of any obligations assumed thereunder including consequential loss of any kind or description or for any aesthetic defects or operational deficiencies.

Provision applying to Section – I

Memo 1. SUM INSURED –

It is a requirement of this insurance that the Sum of Insurance stated in the Schedule shall not be less than the completely erected value of the property inclusive of freights, customs duty, erection cost and the Insured undertakes to increase or decrease the amount of insurance in the event of any material fluctuation in the level of wages or prices. Provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Company.

If, in the event of the occurrence of a loss, or damage it is found that the Sum Insured representing the completely erected value of the property and/or of particular items involved is less than the amount required to be insured the amount recoverable by the Insured under the Policy shall be reduced in such proportion as the Sum Insured bears to the amount required to be insured.

Memo 2. PREMIUM ADJUSTMENT –

The sum insured under the Policy representing the completely erected value of the plant machinery/project shall be adjustable at completion of erection on the basis of the actual values to be declared by the insured in respect of freight and handling charges, customs dues and costs of erection and the difference in premium shall be met with by payment, at the rate agreed to or by the insured as the case may be. Any increase or decrease in prime cost of Plant and Equipment shall not be the subject matter of premium adjustment.

Memo 3. BASIS OF LOSS SETTLEMENT -

In the event of any loss or damage the basis of any settlement under this Policy shall be -

a) in the case of damage which can be repaired, the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, OR
b) in the case of a total loss the actual value of the items immediately before the occurrence of the loss less salvage;

However, only to the extent the costs claimed has to be borne by the Insured and to the extent they are included in the Sum Insured and provided always that the provisions and conditions have been complied with.

All damages which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) above.

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

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

Extension of Cover – Any extra charges incurred for overtime, work on holidays, express freight (including air freight), are not covered by this insurance, unless agreed upon at an additional premium.

In the event of loss or damage the insurance shall notwithstanding be maintained in force during the period of insurance for the sum insured, the insured undertaking to pay a pro-rata additional premium of the full amount of each claim for the loss or damage from the date of such loss to the expiry of the period of insurance.

Memo 4. CONSTRUCTION PLANT AND MACHINERY -
Loss of or damage to Construction Plant and Machinery excludes loss or damage directly caused by its own explosion or its own mechanical or electrical breakdown or derangement.

Memo 5 - SURROUNDING PROPERTY -
Loss or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the Principal(s) or the Contractor (s) shall only be covered if occurring directly due to the erection, construction or testing of the items insured under Section I and happening during the period of cover, and provided that a separate Sum therefore has been entered in the Schedule under Section I, Item 3 for Principal's specified surrounding property. This cover does not apply to construction/erection machinery, plants and equipment.

Memo 6 – MAJOR PERILS/ACTS OF GOD CLAIMS -
The Major Perils/Acts of God Claims shall mean the claims arising out of -

a) Earthquake - Fire & Shock
b) Landslide/Rockslide/Subsidence,
c) Flood/Inundation,
d) Storm/Tempest/Hurricane/Typhoon/Cyclone/lightning or other atmospheric disturbances.

SECTION II - THIRD PARTY LIABILITY
The Company will indemnify the Insured against -

a) Legal liability for accidental loss or damage caused to property of other persons including property held in trust by or under custody of the Insured for which he is responsible excluding any such property used in connection with erection thereon;
b) Legal liability (liability under contract excepted) for fatal or non-fatal injury to any person other than the Insured's own employees or workman or employees of the owner of the works or premises or other firms connected with any other erection work thereon, or members of the Insured's family or of any of the aforesaid; directly consequent upon or solely due to the erection of any property described in the Schedule.
   Provided that the total liability of the Company during the period of Insurance under this clause shall not exceed the limits of Indemnity set opposite thereto in the Schedule.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will, in addition, indemnify the Insured against -

a) all cost and expenses of litigation recovered by any claimant from the Insured, and
b) all costs and expenses incurred with the written consent of the Company.

The exclusion contained in paragraphs (d), (f) & (g) in Section I of this Policy shall apply to this Section also.

Exclusion to Section II

The Company will not indemnify the Insured in respect of –

1. The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage
2. Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;
3. Liability consequent upon –
   a. bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or members of their families;
   b. loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;
   c. any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
   d. any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Specific Conditions applying to Section II

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
2. The Company may, so far as any accident is concerned, pay to the Insured the limit of indemnity for any one accident, any one period, but deducting therefrom in such case any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the company shall thereafter be under no further liability in respect of such accident under this section.

What are the general exclusion under the Digit Erection All Risk Insurance (Commercial) ?

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by –

a) War, invasion, act of foreign enemy, hostilities or war like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, civil commotion, military or usurped power, martial law, conspiracy, confiscation, commandeering a group of malicious persons or persons acting on behalf of or in connection with any political organisation, requisition or destruction or damage by order of any government dejure or de facto or by any public, municipal or local authority.
b) Nuclear reaction, nuclear radiation or radioactive contamination.

c) Wilful act or wilful negligence of the Insured or of his responsible representative
d) Cessation of work whether total or partial.
e) Terrorism Damage Exclusion Warranty

Notwithstanding any provision to the contrary within this insurance it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force of violence and/or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear.

The warranty also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to action taken in respect of any act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In any action, suit or other proceedings where the company allege that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

What are the general conditions under the Digit Erection All Risk Insurance (Commercial)?

1. 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 answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the company
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this policy and the expression “this Policy” wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4.
    a. Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the company with all details and information necessary for the assessment of the risk.
    b. The Insured shall immediately notify the Company by letter or email and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require and the scope of cover and/or premium shall, if necessary be adjusted accordingly.

    No material alteration shall be made or admitted by the Insured whereby the risk is increased unless the continuance of the Insurance be confirmed in writing by the Company.
5. In the event of any occurrence, which might give rise to a claim under this Policy, the Insured shall–
    a. immediately notify the Company by telephone or email as well as in writing giving an indication as to the nature and extent of loss or damage.

b. take all steps within his power to minimize the extent of the loss or damage
c. preserve the parts affected and make them available for inspection by a representative of the company or surveyor deputed by the Company.
d. furnish all such information and documentary evidence as the company may require.
e. inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the company within 14 days of its detection.

Upon notification being given to the Company under this condition, the Insured may carry out the repair or replacement of any minor damage not exceeding Rs. 7,500/-. In all other cases a representative of the company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the company does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Insured is entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the company.
7. The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996
8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided therein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
9. If at the time any claim arises under this Policy there be any other insurance covering the same loss, damage or liability the company shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.
10. This insurance may be terminated at the request of the Insured at any time in which case the Insurers will refund appropriate premium amount subject to the following conditions.
    i. Claims experience under the policy as on date of cancellation should be less than 60 % of reworked premium.
    ii. The unexpired period is not less than 3 months or 25% of the policy period, whichever is less
    iii. Testing period should not have commenced.

The Company may terminate the policy on grounds of misrepresentation, fraud, non-disclosure or non-cooperation by the Insured, giving 15 days' notice to the Insured for the cancellation and there would be no refund of premium.

What are the various endorsements applicable under this Product?

Following tariff endorsements may be attached to the Policy by adjusting or providing additional Sum Insured where applicable.

1. Civil Engineering Works

2. Endorsements for Fire/Explosion Claims and Fire Fighting
3. Endorsement Regarding Cross Liability Cover
4. Endorsement Regarding Escalation
5. Endorsement Regarding Air Freight
6. Endorsement Regarding Additional Customs Duty
7. Endorsement For Test Run Definition Thermal Power Station
8. Test Run Definition for Gas Turbines in Respect of Combined Cycle Power Plant
9. Hydrocarbon Endorsement for Testing and Commissioning
10. Endorsement Concerning Storage
11. Endorsement Regarding Safety Measures
12. Endorsement Regarding Damage to Crops, Forests etc.
13. Maintenance Visits and Extended Maintenance Cover
    a. Limited Maintenance Visits Cover
    b. Extended Maintenance Cover
14. Warranty Concerning Underground Cables and Pipes
15. Cover Of Leak Search Costs When Laying Pipelines
16. Special Conditions for Open Trenches During Laying of Pipelines Ducts and Cables
17. Cover of Extra Charges for Overtime, Night Work, Work on Public Holidays, Express Freight including Air Freight
18. Cover of Extra Charges for Overtime, Night Work, Work on Public Holidays, Express Freight Excluding Air Freight
19. Special Conditions Concerning Fire Fighting Facilities
20. 72 Hours Clause
21. Professional Fees Clause
22. Clearance and Removal of Debris
23. 50 : 50 Clause
24. Cover for Increased Customs Duty
25. Loss Minimisation Expenses
26. Owners Surrounding Property
27. Automatic Reinstatement
28. Waiver of Subrogation
29. Cover of Manufacturers' Risk
30. Terrorism Damage Cover Endorsement (Material Damage Only)
31. Limited Defective Condition Exclusion DE-3
32. Defective Part Exclusion DE-4
33. Design Improvement Exclusion DE-5

Detailed wordings of these endorsements/extensions are as mentioned in Annexure I of this document.

Is Earthquake and Terrorism covered under this Policy?

Yes, Earthquake and Terrorism are covered under this policy subject to payment of additional premium.

Is there any provision for mid-term increase in Sum Insured?

Yes, there is provision for mid-term increase in Sum Insured as mentioned below:

If the Sum Insured for EAR/SCE is required to be increased during the Policy period the premium should be collected on the additional Sum Insured at applicable EAR/SCE rate. It is not permissible to charge pro-rata premium on such increased Sum Insured.

Mid-term increase in Sum Insured shall be affected only after the same has been recorded in the policy by the Company, before the occurrence of any claim.

In such cases, no additional volume discount shall be applicable.

Do I need to pay anything from my pocket at the time of claim?

Yes, You will have to pay the Normal/ Testing excess at the time of claim as mentioned in Annexure II of this document.

The minimum excess for claims arising out of Acts of God Perils (viz. Earthquake-Fire and Shock, Landslide/ Rockslide/ Subsidence, Flood/ Inundation, Storm/Tempest/Hurricane/Typhoon/Cyclone) shall be as 10 % of the claim amount subject to a minimum of the Testing Period Excess, as mentioned in Annexure II, with an upper limit of Rs. 5 Crores

What if I opt for a higher Excess? Will I get any discount in premium?

A. The scale of discounts for opting `Higher Excess' (both for normal and testing period at the same time) shall be as under:

Excess (Times of Normal and Testing Excess)	Discount
2 times	5%
5 times	10%
10 times	20%
20 times	30%
30 times	35%
40 times	40%
50 times	45%
100 times	50%
>100 times	55%

B. The scale of discounts for opting `Higher Excess' for Earthquake shall be as per below scale in the Earthquake premium.

Excess (Times of Earthquake Excess)	Discount
2 times	5%
5 times	10%
10 times	20%
20 times	30%
30 times	35%
40 times	40%
50 times	45%
100 times	50%
>100 times	55%

These discounts in the Earthquake premium only can be allowed irrespective of whether the increased Excess for Normal/Testing period are opted or not for the EAR/SCE Cover.

The higher Earthquake Excess will qualify for discount in the Earthquake premium only and not in the SCE premium, for which the provisions under Items No. (A) above shall apply.

C. The discounts applicable in the SCE Rate and/or the Earthquake premium for selection of higher Excess amounts are also applicable, as under on :

i) Rates for Extension beyond policy period.

ii) Additional rates for Earthquake (Fire & Shock) Perils during Extension period.

Is there any provision for refund of premium for early completion of the project?

This insurance may be terminated at the request of the Insured at any time in which case the Insurers will refund appropriate premium amount subject to the following conditions.

i. Claims experience under the policy as on date of cancellation should be less than 60 % of reworked premium.

ii. The unexpired period is not less than 3 months or 25% of the policy period, whichever is less

iii. Testing period should not have commenced.

The Company may terminate the policy on grounds of misrepresentation, fraud, non-disclosure or non-cooperation by the Insured, giving 15 days' notice to the Insured for the cancellation and there would be no refund of premium.

What will be the policy period under this product?

The original policy period must not exceed the contract period as per contractual clause. In the absence of the existence of the contract, the scheduled project period as per original bar chart should be the policy period

Is there any provision for extension under this Product?

The policy period under this Product can be extended beyond Policy Period by intimating us and on payment of additional premium.

How do I get the premium amount for this Insurance Cover?

Based on filled proposal form and information furnished, we will provide you with the premium amount.

What other discounts are available under this policy?

When business is sourced directly by the company without involvement of any intermediary, 10% discount will be offered for the Direct business.

How do I claim under this Policy?

In case of a claim, we request you to register a claim by contacting our Customer Service No. 1800 258 5956: You can, alternatively, also register a claim by email on: hello@godigit.com
Please keep below details handy at the time of registering claims as this information will help us serve you faster: Policy Number, Location of Accident, Date and Time of Accident & Contact Number of the Insured/Caller.

What do I do in case of any grievance?

The Company is committed to extend the best possible services to its customers. However, if you are not satisfied with our services and wish to lodge a complaint, please feel free to call our 24X7 Toll free number 1800-258-5956 or you may email to the customer service desk at hello@godigit.com. After investigating the matter internally and subsequent closure, we will send our response.

Senior Citizens can now contact us on 1800-258-5956 or write to us at seniors@godigit.com.
Email: grievance@godigit.com
For further information, please refer the below link,
https://www.godigit.com/claim/grievance-redressal-procedure
The policyholder or the claimant also has the option to register the complaint on-line at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/

If you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme.

IMPORTANT NOTE: Above is a summary of Coverage and Exclusions, please refer to detailed Policy Terms & Conditions and Policy Schedule for full description which shall prevail in the event of any claim/complaint/dispute.

Annexure I – Endorsements/Clauses

1. ENGG/END-101: CIVIL ENGINEERING WORKS

It is hereby declared and agreed, subject to the exceptions contained herein, or endorsed hereon, that this Policy is extended to cover the risks of loss or damage to property brought on to the Site of Erection for the performance of the erection contract, details of which are stated as under –

a) All permanent Civil Engineering Works such as buildings, foundations earthwork including materials for the constructions thereon,
b) All temporary works such as buildings, sheds PROVIDED that the following exclusions shall apply-
   i. loss or damage directly caused by defective workmanship material, or design or wear and tear,
   ii. loss or damage directly caused by mechanical breakdown or derangement,
   iii. loss or damage directly caused by deterioration due to lack of use or obsolescence,
   iv. any loss of property either by disappearance or by shortage if such disappearance or shortage alone is revealed during and after an inventory is made,
   v. Cessation of work whether total or partial,
   vi. loss, destruction or damage of accounts, bills, currency stamps, deeds, evidence of debt, money, notes or securities.

The exclusions of loss or damage caused by (i), (ii) and (iii) above shall be limited to the machine structure or work immediately affected and shall not extend to other work or the property lost or damaged in consequence of the defect, wear & tear, breakdown, derangement or deterioration, subject to the Condition that:- The Insured shall take all reasonable precautions in the selection of labour and to maintain in efficient condition all tools and equipment used in connection with performance of this erection contract. Provided that all the conditions of this Policy shall apply in all respects to the Insurance granted by this extension save in so far as the same are expressly varied hereby and any reference to loss or damage in the conditions of the Policy shall be deemed to include the perils hereby insured against.

2. ENGG/END-102: Endorsements for Fire/Explosion claims and Fire Fighting

I. Applicable for all risks including hydrocarbon-processing risks. [Complying with only minimum Requirements of i.e. 11A I (I to XII)].

Attached to and forming part of the Policy Number _____

Notwithstanding the conditions, provisions and other endorsements of the Policy, it is agreed and understood that the company shall indemnify the Insured in respect of any loss or damage caused by Fire/Explosion only if the following requirements are fulfilled.

i. One portable fire extinguisher of Soda Acid or water type for every 300 sq. m of storage/erection site area or small bore hose reels as per Section 4 of F.P. Manual shall be provided. The location of fire extinguishers shall be conspicuously marked by clearly visible signs. Checking and maintenances at regular intervals shall be recorded.
ii. Trained fire fighting squad shall be maintained for the site.
iii. Watch and Ward facility shall be provided round the clock at the site.
iv. One fire engine of 400 GPM x 100 PSI shall always be stationed at site. Note - Not applicable to policy with Sum Insured upto Rs.50 Crores.
v. Materials and equipment stored in buildings (sheds) or in open area shall be divided into sub-units with the value, which shall not exceed 10 % of the sum insured or Rs. 50 Crores whichever is less. Wherever value of a single equipment stored exceeds this limit, its value, shall be taken as the limit. The sub-units in open area shall be separated from each other by

a distance of atleast 15 meters. In case of storage buildings, firewalls of 9" thickness carried upto roof shall be erected without any wall openings between the sub-units.

vi. Packing materials, scaffolding etc. combustible materials and liquids and explosive substances should be stored at a 30 M safe distance from other buildings, plants and stores.

vii. Utmost attention should be paid to good house-keeping such as –
- Orderly storage
- Periodic removal of combustible packing material, either by burning on site at a safe distance of 100 M away or removal from the site;
- Clean - up of site atleast once a week.

viii. Open flame work (welding, cutting etc.) requires utmost caution. All combustible materials lying about must be removed or covered.

ix. Grass and/or any other vegetation in and around the site are regularly removed.

x. 'No smoking' rules must be enforced in areas exposed to fire (stores etc.) and in the vicinity of hazardous operations.

xi. Living quarters should be well separated (100 M away) from construction site.

It is further agreed and understood that the company shall not be liable for 10 % of the claim amount subject to a minimum of Rs. ____ (which corresponds to the deductible for claims during the testing period) for each and every claim on account of Fire/Explosion.

II. Applicable for all risks including hydrocarbon-processing risks (wherever discount for fire-fighting facilities are granted) –

Notwithstanding the conditions, provisions and other endorsements of this Policy, it is agreed and understood that the company shall indemnify the Insured in respect of any loss or damage caused by Fire/Explosion only if the following requirements are fulfilled.

i. One portable fire extinguisher of Soda Acid or water type for every 300 sq. m storage/erection site area or small bore hose reels as per Section 4 of F.P. Manual shall be provided. The location of fire extinguishers shall be conspicuously marked by clearly visible signs. Checking and maintenance at regular intervals shall be recorded.

ii. One fire engine or two trailer pumps of 400 GPM x 100 PSI shall be provided for every 10,000 sq. m of largest storage site with maximum of two fire engines or 4 trailer pumps. In case of Trailer pumps vehicular arrangements shall be available for towing them.

iii. Static water tanks of atleast 10,000 gallons capacity shall be provided, which shall be so placed that no part of storage/erection site lies beyond 100 M of atleast 2 tanks (50 M in case of storeyed structures).

OR

Alternatively a temporary hydrant system with atleast 4" dia hydrant shall be laid which shall always be pressurised to 1.0 KSC from where Fire Engines/Trailer pumps can draw their supply from a double hydrant (DH). Each DH may be taken as equivalent to a static water tank described above. Pumping capacity of the general water supply shall not be less than the aggregate pumping capacity of trailer pumps and/or fire engine. Storage of general water supply shall be in excess of 1,00,000 litres.

iv. 36 hoses, 15 M long and 18 nozzles shall be provided to ensure that all parts of the contract works can be reached with water.

v. Trained fighting squad consisting of atleast 8 persons per shift shall be maintained at the site.

vi. Plans giving detailed proposal shall be submitted for prior approval of the committee. The risk shall be inspected by Engineers before sanctioning of above discount.

vii. Watch and Ward facility shall be provided round the clock at the site.

viii. Materials and equipment stored in buildings (sheds) in open area shall be divided into sub-units with the value, which shall not exceed 10% of the sum insured or Rs. 50 Crores whichever is less. Wherever value of a single equipment stored exceeds this limit, its value, shall be taken as the limit. The sub-units in open area shall be separated from each other by a distance of atleast 15 metres. In case of storage buildings, firewalls of 9" thickness carried upto roof shall be erected without any wall openings between the sub-units.

ix. Packing materials, scaffolding etc. combustible materials and liquids and explosive substances should be stored at a 30 M safe distance from other buildings, plants and stores.

x. Utmost attention should be paid to good house-keeping such as –
- Orderly storage;
- Periodic removal of combustible packing material, either by burning on site at a safe distance of 100 M away or removal from the site;
- Clean - up of site atleast once a week.

xi. Open flame work (welding, cutting etc.) requires utmost caution. All combustible materials lying around must be removed or covered.

xii. Grass and/or any other vegetation in and around the site are regularly removed.

xiii. 'No smoking' rules must be enforced in areas exposed to fire (stores etc.) and in the vicinity of hazardous operations.

xiv. Living quarters should be well separated (100 M away) from construction site.

It is further agreed and understood that the company shall not be liable for 5 % of the claim amount subject to a minimum of Rs. _____ (which corresponds to the deductible for claims during testing period) for each and every claim on account of Fire/Explosion.

3. ENGG/END-103: ENDORSEMENT REGARDING CROSS LIABILITY COVER

The following endorsement should be used for the purpose - 'It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon and subject to the insured having paid the agreed extra premium, the Third party Liability Cover of the policy shall apply to the insured parties named in the Schedule as if a separate policy had been issued to each party, provided the Company shall not indemnify the insured under the Endorsement in respect of liability for –

i. loss of or damage to items insured or insurable under Section 1 of the policy even if not recoverable due to excess or any limit

ii. fatal or non-fatal injury or illness of employees or workmen who are or could have been insured under workmen's compensation and/or employer's liability insurance.

iii. The Insurer's total liability in respect of the insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the limit of indemnity stated in the Schedule'.

4. ENGG/END-104: ENDORSEMENT REGARDING ESCALATION

The following Endorsement Wording has to be used for the purpose –

'In consideration of the payment of an additional premium of Rs. _____, It is hereby declared and agreed that the Company shall provide for escalation in Sum Insured under items of Section I of the schedule attached to the policy upto _____% of the Original Site value, the basis of claim settlement shall be the original Site value of effected equipment plus increase in cost of replacement, if any, provided that the increase in the value of such equipment does not exceed _____% of the original site value. It is also hereby declared and agreed that in the event of a claim the insured would be considered as fully insured upto the Sum Insured inclusive of

_____% increase as per selected escalation and under-insurance would apply only in the event of the cost of replacement of the effected equipment exceeding the original value of selected _____% towards escalation. It is however understood and agreed that the premium collected against price escalation herein above shall not be subject to refund the premium adjustment clause in the memo 2 of the policy. It is further understood and agreed that in case of additional premium chargeable during final adjustment, additional escalation premium will be charged to the insured but in case of any premium refundable during final adjustment no refund shall be allowed against the escalation premium already charged to the insured'.

5. **ENGG/ENGG-105: ENDORSEMENT REGARDING AIR FREIGHT**

The Endorsement wording for covering the Air Freight will be as under

'It is hereby declared and agreed that the policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy. In consideration thereof an additional premium of Rs._____ is charged hereby. Limit of indemnity shall be Rs. _____ during currency of the Policy. Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the Policy. Subject otherwise to terms, conditions and exceptions of the policy'.

6. **ENGG/END-106: ENDORSEMENT REGARDING ADDITIONAL CUSTOMS DUTY**

The following Endorsement Wording to be used for the purpose –

'In consideration of the insured having paid an additional premium of Rs. ____ it is hereby declared and agreed that the insured shall also be indemnified during the currency of this policy, towards Additional Custom Duty Rs. ___ which may be incurred by the insured over and above the Custom Duty amount taken into account in arriving at the Sum Insured of the affected item.

Each and every claim payable under this extension shall be subject to an Excess of 5% of the admissible Additional Custom Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The limit of indemnity against Additional Customs Duty could be reinstated at the time of settlement of claims and that such an approach could be extended even in respect of marine claims, in case, a combined MCE All Risks Policy had been issued'.

7. **ENGG/END-107: ENDORSEMENT FOR TEST RUN DEFINITION IN RESPECT OF THERMAL POWER STATION:**

'Notwithstanding anything stated herein to the contrary it is hereby declared and agreed that entire Power Station machinery insured hereunder are deemed to have commenced their first test operation or test loading from the date of synchronisation of the Turbo Generator set with the grid system/bus bar provided the date of synchronisation is within 72 hours from the date of introduction of steam into turbine and shall continue till the Turbo Generator Set is operated at full load for a continuous period of 72 hours or until expiry of testing period granted under the policy whichever is earlier. If, however, the date of synchronisation exceeds 72 hours from the date of introduction of steam of the first trial operation, test loading is deemed to have commenced from the date of introduction of steam into the turbine of the Turbo Generator set. If the trial operation/test loading is not completed within the time specified hereunder the Company may extend the period of testing on receipt of additional premium at agreed rates but in no case the total test period available under the policy shall exceed 12 months'.

8. **ENGG/END-108: ENDORSEMENT FOR TEST RUN DEFINITION FOR GAS TURBINES IN RESPECT OF COMBINED CYCLE POWER PLANT**

Notwithstanding anything stated herein to the contrary, it is hereby declared and agreed that the Gas turbine insured hereunder is deemed to have commenced its first operation or test loading when the fuel is introduced in the combustion chamber of the Gas turbine unit.

9. ENGG/END-109: HYDROCARBON ENDORSEMENT FOR TESTING & COMMISSIONING

Article 1

It is warranted that the insured shall give previous notice in writing to the Company of the date of the initial start - up operation for testing of plant. Commencing date of the initial start-up operation referred to in the preceding paragraph shall mean the date of the first introduction of feed stock or initially filled mixture of oil or Hydrocarbon for cleaning or purging or Naphtha Fuel for burning into the plant, whichever date is earlier. However the operation carried out for cleaning and purging in each individual unit will be considered a part of erection work provided such cleaning and purging work does not exceed a period of two weeks in each unit. It is however under stood and agreed that during any operation whatever cleaning, purging, testing or commissioning, where hydrocarbons or Hydrogen are involved the deductible excess shall be 5 % of claim amount subject to minimum of Rs. 5,00,000/-.

Article 2

As from the introduction of hydrocarbon/feedstock into the plant, the company shall not be liable for the loss or damage to

a) Catalysts unless specifically covered by separate endorsement;
b) Reforming units due to overheating or cracking of any tubes. Note- Any consequential damage to the neighbouring items of plant or machinery indirectly due to cracking or overheating of tubes in reforming units is however indemnifiable under the policy.
c) The insured plant due to overheating or cracking following an exothermic reaction.
d) The insured plant due to non-observation of prescribed techniques or cutting out of safety devices and/or any liability resulting therefrom.

The Insurers shall only indemnify the Insured for loss or damage resulting directly or indirectly from fire and/or explosion if adequate fire-fighting facilities for the insured plant are installed and rendered serviceable immediately after the completion of the rough structure of the building and before any machinery is stored and/or installed therein.

All machinery and equipment shall be stored in such a manner that the value of items stored per storing unit shall not exceed Rs ___ and that such individual storing unit shall be at least _____ feet apart separated by fireproof walls. Should the value per storage unit exceed Rs. ____ then in the event of a claim, the liability of the Company shall be in the same proportion as Rs ____ bears to the total value of items stored in the concerned individual storage unit as defined above.

Following article is to be included after excluding 2(a) above, in case the Insured desires cover for catalyst during testing period

Article 3

Catalyst valued at Rs. ___ are specifically covered during Hot Testing Period for any loss or damage caused by an indemnifiable loss or damage to the insured plant and/or equipment. Each and every claim shall be subject to an excess/deductible franchise of 5 % of the value of catalysts in the system subject to a minimum of Rs.2, 50,000/- which is the Hot Testing period Excess/Deductible Franchise.

10. ENGG/END-110: ENDORSEMENT CONCERNING STORAGE

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss of or damage to the Insured items during storage up to a value per storage unit not exceeding the equivalent of Rs._____.

The individual storage units shall be either at least 50 m apart or separated by fireproof walls.

11. ENGG/END-111: ENDORSEMENT REGARDING SAFETY MEASURES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability directly or indirectly caused by flood and inundation if adequate safety measures have been taken during planning and execution of the project. Adequate safety measures in this context shall mean that the average monthly rainfall, flood and inundation hazard as known from statistics of the competent meteorological offices for the respective month and location has been taken into account.

12. ENGG/END-112: ENDORSEMENT REGARDING DAMAGE TO CROPS, FORESTS ETC.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss, damage or liability directly or indirectly caused to crops, forests and/or any cultures during the execution of the contract works.

13. ENGG/END-113: MAINTENANCE VISITS AND EXTENDED MAINTENANCE COVER

a) Limited Maintenance Visits Cover

In consideration of the payment of an additional premium by the insured (which is included in the Total Premium set forth in the schedule), it is hereby declared and agreed that the indemnity provided by this policy is extended to include maintenance cover for the period of ____ months to be reckoned from the date of completion of Testing, provided the policy period has been extended till completion of Testing. However, during the Maintenance Period this Insurance shall cover solely loss of or damage to the contract works caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.

b) Extended Maintenance Cover

In consideration of the payment of an additional premium by the Insured (which is included in the total premium set forth in the schedule) it is hereby declared and agreed that the indemnity provided by this policy is extended to include Maintenance Cover for the period of _____ months to be reckoned from the date of completion of Testing, provided the policy period has been extended till completion of Testing. However, during the Maintenance period this insurance shall cover loss or damage to the contract works

i. Caused by the Insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.
ii. Occurring during the maintenance period provided such loss or damage was caused on the site during the erection period.

WARRANTY CONCERNING EXTENDED MAINTENANCE COVER

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover loss or damage to the contract works

- Caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.
- Occurring during the maintenance period provided such loss or damage was caused on the site during the erection period before the certificate of completion for the loss or damaged section was issued.
  Maintenance cover from _____ to _____
  Extra premium _____

14. ENGG/END-114: WARRANTY CONCERNING UNDERGROUND CABLES AND PIPES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the insurers shall only indemnify the Insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has enquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities. The indemnity shall in any case be restricted to the repair costs of such cables, pipes or other underground facilities, any consequential damage being excluded from the cover.

15. ENGG/END-115: SPECIAL CONDITIONS FOR OPEN TRENCHES DURING LAYING OF PIPELINES DUCTS AND CABLES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers will indemnify the Insured for any loss or damage due to storm, rainfall, flood, inundation such as sanding, silting up, mudding up, erosion, collapse and floating up of pipes, ducts or cables, sustained by completely or partly excavated open trenches and/or items laid therein, upto a maximum length of ____ km open trench only one loss event. The Insured shall make sure that plugging facilities are available near the pipe ends for emergency purposes and that pipe ends exposed to flooding are plugged before any interruption during idle work periods such as nights and holidays.

16. ENGG/END-116: COVER OF LEAK SEARCH COSTS WHEN LAYING PIPELINES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall indemnify the Insured also for the following items under this policy

a) Leak search costs following hydrostatic test (including the cost of leasing special apparatus, cost of operation and transport of such apparatus).
b) Earthwork on a trench not damaged itself, search earthwork becoming necessary in the search for and repair of leaks, e.g. excavation, uncovering of the pipeline, backfilling.

Provided that-
The leak has been caused by an indemnifiable event or is attributable to faulty execution on the site, and 100 % of the welding seams have been X-rayed and any deficiencies discovered thereby have been removed properly.
Indemnity shall be
limited in the aggregate }
per testing section }

during one policy period }

Costs caused by faulty repair of welding seams shall be excluded from the cover

17. **Cover of Extra Charges for Overtime, Night Work, Work on Public Holidays, Express Freight including Air Freight**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and "Insured having paid the agreed premium" the Insurer shall indemnify the insured, extra charges for Overtime, Night Work, Work on Public Holidays and Express freight (including Air Freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the Policy.

If the sum(s) insured of the damaged item(s) is/are less than the amount(s) required to be insured, the amount payable under this Endorsement for such extra charges shall be reduced in the same proportion.

Provided always that the amount payable shall not exceed ----------% of loss amount per any one occurrence and that the indemnity in respect of Air Freight shall be subject to an additional excess of ----------% of the Air Freight incurred per claim.

18. **Cover of Extra Charges for Overtime, Night Work, Work on Public Holidays, Express Freight Excluding Air Freight**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and the Insured having paid the agreed premium the Insurer shall indemnify the insured, extra charges for Overtime, Night Work, and Work on Public Holidays and Express freight (Excluding Air Freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the Policy. If the sum(s) insured of the damaged item(s) is/are less than the amount(s) required to be insured, the amount payable under this Endorsement for such extra charges shall be reduced in the same proportion.

Provided always that the amount payable shall not exceed the _____% of loss amount or limit selected in the Policy Schedule whichever is lower and as the case may be, per any one occurrence.

19. **Special Conditions Concerning Fire Fighting Facilities**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss or damage resulting directly or indirectly from fire and/or explosion if the following requirements are fulfilled:-

- Adequate fire-fighting equipment and extinguishing agents of sufficient capacity must always be available at the site and ready for immediate use.
- Sufficient number of workmen must be fully trained in the use of such equipment and must be available for immediate intervention at all times.
- If storage of material for the construction or erection of the contract works is necessary at site or any other location within India, storage must be subdivided into storage units not exceeding the equivalent value of Rs.------- per storage unit. The individual storage units must either be at least 10 meters apart or separated by fire-proof walls.

All inflammable materials (such as shuttering material not fitted for concreting, litter, etc.) and especially all inflammable liquids and gases must be stored at a sufficiently large distance from the property under construction or erection and any hot work like welding etc.

- Provided further that in respect of storages of Indian sourced materials at locations other than the site, the amount payable shall not exceed Rs.---------- at any one location.
- Welding, soldering or the use of an open flame in the vicinity of combustible material is permitted only if at least one workman suitably equipped with extinguishers and well trained in fire-fighting is present.
- At the beginning of testing all fire-fighting facilities designed for the operation of the plant must be installed and serviceable.

20. 72 Hours Clause

It is agreed that any loss of or damage to the Insured Property arising during any one period of seventy two (72) consecutive hours, caused by storm, tempest, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the Excesses provided for herein. For the purpose of the foregoing the commencement of any such seventy two (72) hours period shall be decided at the discretion of the Insured it being understood and agreed, however, that there shall be no overlapping in any two or more such seventy two (72) hours periods in the event of damage occurring over a more extended period of time.

21. Professional Fees Clause

The Indemnity provided by this Policy is extended to include Architects, Surveyors and Consulting Engineers or other Professional Fees necessarily incurred in the reinstatement of the Insured Property consequent upon loss or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorised under the scale of the appropriate Professional Body.

The liability of the insurers under this endorsement shall in no case exceed 10% of the loss amount per any one occurrence and Rs.---------- in the aggregate.

22. Clearance and Removal of Debris

This Policy extends to cover costs and expenses necessarily incurred by the Insured with the consent of the Insurers in demolishing or removing debris of portions of the property insured by Section I destroyed or damaged by any peril hereby insured against upto an amount not exceeding --------% of the claim amount Rs. ---------- lacs per any one occurrence and Rs.---------- in the aggregate.

23. 50 : 50 Clause

In respect of the subject matter Insured hereunder consigned from outside India:

- The Insured hereby undertakes to inspect each item of the subject matter Insured upon arrival at the contract site for possible damage sustained during transit.
- In the case of packed items which are to be left in their packaging until a later date the packaging is to be visually inspected for signs of possible damage and where such damage is visible the items are to be unpacked and inspected and any damage discovered reported to the Marine Insurers.
- Where the packaging of an item shows no visible signs of damage to such item having been sustained during transit any subsequent damage discovered upon unpacking will be dealt with by the Marine Insurers or the EAR Insurers according to whether it can be clearly established that such damage was caused before or after arrival at the contract site.
- Where it is not possible to clearly establish whether the damage to an item was caused before or after arrival at the contract site it is hereby agreed that the cost of such damage shall be shared equally between the Marine Insurers and the EAR Insurers, provided such a clause is included in the Marine Policy also.

24. Cover for Increased Customs Duty

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid

the agreed extra premium, this insurance shall be extended to cover at the Insured exchange rate increased Customs Duty percentage payable on the replacement supplies over and above the Customs Duty taken into account while arriving at the sum insured of the affected item.

Provided always that such additional duty is incurred in connection with any loss or damage to the insured items recoverable under the policy and provided further that the amount payable hereunder shall not exceed Rs.--------- in the aggregate.

Each and every claim payable under this extension shall be subject to an excess of 5% of the Additional Customs Duty incurred over and above the excess normally applicable.

25. Loss Minimisation Expenses

If upon the happening of any peril hereby insured resulting in actual damage to the Insured Property the Insured shall take all steps to minimise further loss or damage arising from that occurrence or accident, expenses necessarily and reasonably incurred by or on behalf of the Insured in an attempt to prevent or minimise such further loss or damage will be Indemnified upto a limit of Rs.--------- in the aggregate.

26. Owners Surrounding Property

It is hereby declared and agreed that the insured having paid the extra premium the policy extends to cover loss of or damage to property located on or adjacent to the Project Site and belonging to or held in care, custody or control of the Principal(s) or the Contractor (s) shall only be covered if occurring directly due to the erection, construction or testing of the items insured under Section I and happening during the period of cover. This cover does not apply to Construction / Erection Machinery, Plant and Equipment, Temporary Buildings and Temporary site installations.

Limit of indemnity shall be ---------% of the policy Sum Insured.

The policy does not cover loss due to Fire, Lightning, Explosion and Aircraft damage To be retained or deleted as per cover decided.

27. Automatic Reinstatement

Notwithstanding anything contained herein to the contrary it is hereby agreed and understood that the amounts insured are always to remain at risk and shall not be reduced following loss or damage insured hereunder so long as the aggregate of the sums paid and/or payable does not exceed 10% of the completely erected value - If restricted.

It is hereby declared and agreed that the insured having paid the extra premium the amount insured are always to remain at risk and shall not be reduced, so long as the aggregate of the sum paid and/or payable does not exceed------ % of sum insured.

28. Waiver of Subrogation

It is hereby agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall waive all their rights of subrogation or action which they may have or acquire against the assured and any person, firm or corporation having an association or affiliation at the time of loss with the assured through ownership or management subject to having been insured under this Policy.

29. Cover of Manufacturers' Risk

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and Insured having paid the premium, Item "d" under "Special Exclusion to Section I" shall be replaced by the following wording:

'This policy excludes the costs necessary to replace, repair or rectify any component part or individual item of the Property Insured which is defective in design, plan, specification, materials, or workmanship, but this exclusion shall not apply to other parts or items of the Property Insured unintentionally damaged as a consequence of such defect.'

This endorsement does, however, not apply to parts and items of civil engineering sections.

30. Terrorism Damage Cover Endorsement (Material Damage Only)

Insuring Clause

Subject otherwise to the terms, exclusions, provisions and conditions contained in the Policy and in consideration of the payment by the Insured to the Company of additional premium as stated in the Schedule, it is hereby agreed and declared that notwithstanding anything stated in the 'Terrorism Risk Exclusion" of this Policy to the contrary, this Policy is extended to cover physical loss or physical damage occurring during the period of this Policy caused by an act of terrorism, subject to the exclusions, limits and excess hereinafter contained,

For the purpose of this cover, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.

This cover also includes loss, damage, cost or expense directly caused by, resulting from or in connection with any action taken in suppressing, controlling, preventing or minimizing the consequences of an act of terrorism by the duly empowered government or Military Authority.

Provided that If the Insured is eligible for indemnity under any government compensation plan or other similar scheme in respect of the damage described above, this Policy shall be excess of any recovery due from such plan or scheme.

For the purpose of the aforesaid inclusion clause, "Military Authority" shall mean armed forces, para military forces, police or any other authority constituted by the government for maintaining law and order.

LOSSES EXCLUDED

This cover shall not indemnify loss of or damage to property caused by any or all of the following:

1. loss by seizure or legal or illegal occupation;
2. loss or damage caused by:
   i. voluntary abandonment or vacation,
   ii. confiscation, commandeering, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority, which deprives the Insured of the use or value of its property;
3. loss or damage arising from acts of contraband or illegal transportation or illegal trade;
4. loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
5. loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind;

6. loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind;
7. any fine, levy, duty, interest or penalty or cost or compensation/damages and/or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person;
8. loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.
   This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;
9. loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion;
10. loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder;
11. any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working;
12. loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service;
13. loss or increased cost as a result of threat or hoax;
14. loss or damage caused by or arising out of burglary, house - breaking, looting, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) in any action taken in respect of an act of terrorism;
15. loss or damage caused by mysterious disappearance or unexplained loss;
16. loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health;
17. total or partial cessation of work or the retardation or interruption or cessation of any processor operations or omissions of any kind.

LIMIT OF INDEMNITY

The limit of indemnity under this cover shall not exceed the Total Sum Insured given in the Policy Schedule or INR 20,000,000,000 whichever is lower. In respect of several insurance policies within the same compound/location with one or different insurers, the maximum aggregate loss payable per compound/location by anyone or all insurers shall be INR 20,000,000,000. If the actual aggregate loss suffered at one compound/location is more than INR 20,000,000,000, the amounts payable towards individual policies shall be reduced in proportion to the sum insured of the policies.

EXCESS *

Shops & Residential Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 10,000 and Maximum of INR 500,000

Non-Industrial Risks:

1% of the claim amount for each and every claim subject to Minimum of INR 25,000 and Maximum of INR 1,000,000

Industrial Risks:

5% of the claim amount for each and every claim subject to Minimum of INR 100,000 and Maximum of INR 25,00,000
*Whichever is applicable.

ADD ON COVERS

It is further declared and agreed that the limit of indemnity including the claim on add on cover(s) shall not exceed total sum insured plus separate sublimit opted for add on cover(s) or INR 20,000,000,000 whichever is lower. In respect of several insurance policies with in the same compound /location, the maximum aggregate loss payable per compound/location by any one or all insurers shall be INR 20,000,000,000.

MID TERM COVER

In case the coverage under this endorsement is granted during the period of the policy, no claims will be payable for loss or damage to property caused by an act of terrorism occurring during the first 15 (fifteen) days from the date of granting such cover.

SANCTION, LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

CANCELLATION CLAUSE

Notwithstanding the cancellation provisions relating to the basic insurance policy on which this endorsement is issued, there shall be no refund of premium allowed for cancellation of the Terrorism risk insurance during the period of insurance except where such cancellation is done along with the cancellation of the basic insurance. Where a policy is cancelled and rewritten mid-term purely for the purpose of coinciding with the accounting year of the insured, pro-rate refund of the cancelled policy premium will be allowed.

If the cancellation is for any other purpose, refund of premium will only be allowed after charging short term scale rates.

Note: The definitions, terms and conditions of the Policy save as modified or endorsed herein shall apply.

31. Limited Defective Condition Exclusion DE-3

In consideration of the payment of an additional premium by the insured, notwithstanding anything contained herein to the contrary, it is herein agreed that the Exclusion I. d under Section I is replaced with exclusion(s) below:

This policy excludes loss of or damage to and the cost necessary to replace repair or rectify.

a. Property Insured which is in a defective condition due to a defect in design, plan, specification materials or workmanship of such Property Insured or any part thereof.
b. Property Insured lost or damaged to enable the replacement repair or rectification of Property Insured excluded by (a) above.

Exclusion (a) above shall not apply to other Property Insured which is free of the defective condition but is damaged in consequence thereof.

For the purpose of the Policy and not merely this Exclusion the Property Insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the Property Insured or any part thereof.
Subject otherwise to terms, conditions, excess and exceptions of the policy.

32. Defective Part Exclusion DE-4

In consideration of the payment of an additional premium by the insured, notwithstanding anything contained herein to the contrary, it is herein agreed that the Exclusion I. d under Section I is replaced with exclusion(s) below:
This Policy excludes loss of or damage to and the cost necessary to replace, repair or rectify.

a. Any component part or individual item of the Property Insured which is defective in design plant specification materials or workmanship
b. Property Insured lost or damaged to enable the replacement repair or rectification of Property Insured excluded by (a) above.

Exclusion (a) above shall not apply to other parts or items of Property Insured which are free from defect but are damaged in consequence thereof.
For the purpose of the Policy and not merely this exclusion the Property Insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the Property Insured or any part thereof.
Subject otherwise to terms, conditions, excess and exceptions of the policy.

33. Design Improvement Exclusion DE-5

In consideration of the payment of an additional premium by the insured, notwithstanding anything contained herein to the contrary, it is herein agreed that the Exclusion I. d under Section I is replaced with exclusion(s) below:
This policy excludes

a. The cost necessary to replace, repair or rectify any Property Insured which is defective in design, plan, specification materials or workmanship.
b. Loss or damage to the Property Insured caused to enable replacement, repair or rectification of such defective property.

But should damage to the Property Insured (other than damage as defined in (b) above) result from such a defect this exclusion shall be limited to the costs of additional work resulting from improvement to the original design plan specification materials or workmanship.
For the purpose of the policy and not merely this Exclusion the Property Insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the Property Insured or any part thereof.
Subject otherwise to terms, conditions, excess and exceptions of the policy.

Annexure II

Description	Excess per claim is 5 % of claim amount subject to minimum of Rs.	
	Normal	Testing
Air Compressors	10,000	30,000
Air Conditioning Plant	10,000	30,000
Annealing Furnace	15,000	40,000
Arc Furnace	15,000	40,000
Asbestos Plant	10,000	30,000
Ash Handling Plants	10,000	30,000
Auto Cycles Assembling Plants	10,000	30,000
Air Separation Plant	10,000	30,000
Aluminium plants (Billets/ingots)	15,000	40,000
Aluminium products Manufacturing	10,000	30,000
Baby Food Plants	10,000	30,000
Bakeries	10,000	30,000
Battery Manufacturers.	10,000	30,000
Belt Conveyor Systems	10,000	30,000
Blast Furnace	15,000	40,000
Boilers -Industrial	10,000	30,000
Power Boilers -Upto120 MW	15,000	40,000
Power Boilers -210 MW	20,000	80,000
Power Boilers - 300 MW	50,000	2,00,000
Other than Power Boilers	10,000	30,000
Bread Factories	10,000	30,000
Breweries	10,000	30,000
Brick Works	10,000	30,000
Butter Plants	10,000	30,000
Cable Works	10,000	30,000
Cable laying *	20,000	80,000
Canning Plants	10,000	30,000
Cattle Feed Plants	10,000	30,000
Cardboard Factories	10,000	30,000
Cellular Telephone	10,000	30,000
Cement Factories	10,000	30,000
Cement Pipes Mfg.	10,000	30,000
Ceramic Tiles Manufactu- ring Plants (Involving, pulverising drying & glazing process)	10,000	40,000
Cereal Products	10,000	30,000
Chalk Factories	10,000	30,000
Chain/Chain links Mfg. Plants.	10,000	30,000
Chilling Plants	10,000	30,000
Cheese Plants	10,000	30,000
Chemical Plants/Fertilizer plant Not Involving Hydrocarbon Processing / Petrochemical Plants - Not involving Hydro-carbon Processing/Petroleum Refineries - Not involving Hydro-carbon Processing	10,000	30,000
Chemical Recovery Boilers	10,000	30,000
Chocolate Factories	10,000	30,000

Cigarette Factories	10,000	30,000
Clinker Factories	10,000	30,000
Coal Crusher	10,000	30,000
Coal Handling Plants	10,000	30,000
Cold Storages - Potatoes	10,000	30,000
Cold Storages - Marine Products	10,000	30,000
Cold Storages - Others	10,000	30,000
Coke Oven Plant	10,000	30,000
Computers/Electronic equipments not otherwise provided for	30,000	30,000
Confectionery Works	10,000	30,000
Control Panels	15,000	40,000
Continuous Casting Plants	15,000	40,000
Cotton Seed Processing Plants	10,000	30,000
Cranes	10,000	30,000
Cycle Plants	10,000	30,000
Cooling Towers (Induced Draught Type)	10,000	30,000
Colliery Mine (Hopper, load cell, pneumatic cylinder and its control power, above/ under ground shafting)	10,000	30,000
Dairy Plants	10,000	30,000
Dal Mills	10,000	30,000
Dehydrated Foods (eggs, Onions, Potatoes, Vegetables etc.)	10,000	30,000
Diagnostic Equipments	10,000	30,000
Diesel Engines	15,000	40,000
Diesel Generators and Diesel Power Houses upto 5 MW	20,000	50,000
Diesel Generators and Diesel Power Houses above 5 MW /Diesel based Power Plants	40,000	1,00,000
Distilllerie s	10,000	30,000
Dyestuff Manufacturers	10,000	30,000
Dyeing Works	10,000	30,000
Edible Oil Factories	10,000	30,000
Effluent Treatment Plants	10,000	30,000
Electric Motors	10,000	30,000
a) Electrification -Of Roads/Factories/ Buildings	10,000	30,000
Electroplating Plant	10,000	30,000
Elevating Equipments	10,000	30,000
Engineering workshop	10,000	30,000
EOT Cranes	10,000	30,000
Explosives Factories	20,000	80,000
Electrostatic Precipitators	15,000	40,000
Fire Fighting Systems	10,000	30,000
Flour Mills	10,000	30,000
Forging Shops	10,000	30,000
Foundries	10,000	30,000
Frozen Sea Food Plants	10,000	30,000
Furnace (Oil/Gas Fired)	15,000	40,000
Furnace Transformer	15,000	40,000
Fertilizer plant (Coal, Naphtha/Oil/Gas based) -Involving Hydrocarbon Processing and Other equipments installed	30,000	500,000

within Battery Limits of Such plants / Hydrocarbon Processing Plant / Petrochemical Plants - Involving Hydro-carbon		
Fertilizer plant (Coal, Naphtha/Oil/Gas based) -Not Involving Hydrocarbon Processing and Other equipments installed within Battery Limits of Such plants	30,000	100,000
Fabrication on land of Drilling & Production Platforms or any sections thereof required in the exploration/ production of Oil and Gas	100,000	400,000
Flight Simulator (Environmental & Visual)	30,000	30,000
Gas Pipe lines *	100,000	500,000
Gas receiving Terminal /metering Terminal	50,000	200,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' - Upto 30 MW	20,000	50,000
Gas based Power Plants/ Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' -Above 30 MW and upto 50 MW	40,000	100,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' -Above 50 MW and upto 100 MW	400,000	1,200,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' - Above100 MW and upto 150 MW	400,000	1,200,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' - Above 150 MW and upto 200MW	400,000	1,200,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' -Above 200 MW and upto 300 MW	1,000,000	2,000,000
Gas based Power Plants/Gas Turbines/Combined Cycle Power Plants: (GT/CCPP)/ Individual capacity of 'Gas Turbines' -Above 300 MW	1,500,000	2,500,000
Gas Works	10,000	30,000
Ghee Plants	10,000	30,000
Glass Fibre Mfg. Plants	10,000	30,000
Glass Works	10,000	30,000
Glass lined/ Graphite/Car bate/Glass vessels	40,000	40,000
Hardboard Mfg. Plant	10,000	30,000
Heat Treatment Plant	15,000	40,000
Hospital Equipments Mfg	10,000	30,000
HVDC Transmission system (excluding transmission lines)/ HVDC Back to Back Stations	100,000	400,000
Hydrant System	10,000	30,000
Hydro Power Plants - Upto 50 MW	0	0
Hydro Power Plants - Above 50 MW and upto 100 MW	0	0
Hydro Power Plants - Above 100 MW and upto 150 MW	0	0
Hydro Power Plants - Above 150 MW and upto 250 MW	0	0
Hydro Power Plants - Above 250 MW and upto 350 MW	0	0

Ice-cream Plants	10,000	30,000
Ice Works	10,000	30,000
Induction Furnace	15,000	40,000
Instrumentation (All types)	10,000	30,000
Insulator Mfg. works	10,000	30,000
Jib Hoist	10,000	30,000
Jute Mills	10,000	30,000
Laundries	10,000	30,000
Leather Goods Factories	10,000	30,000
Lifts	10,000	30,000
LPG Bottling Plant, LPG Spheres	10,000	30,000
LPG Plants/Gas Sweet - ening Plants/ LPG Bullets, Tank Farm	15,000	40,000
Laying of Water Pipelines*	15,000	40,000
LPG Pipeline from Port to erection site	15,000	40,000
Machine Tools	10,000	30,000
Marble Works	10,000	30,000
Match Factories	15,000	40,000
Material Handling Equip- ments (other than all types of cranes)	10,000	30,000
Meat Processing Plants	10,000	30,000
Medical Treatment Equipments	10,000	30,000
Metal Fabrication	10,000	30,000
Mica Products Mfg.	10,000	30,000
Milk Powder Plants	10,000	30,000
Mineral Water Works	10,000	30,000
Mini Steel Plants	10,000	30,000
Mobile Cranes	10,000	30,000
Mushroom Units	15,000	40,000
Nylon Plant	10,000	30,000
Ore Preparation Plant with Smelters and Furnaces	15,000	40,000
Ore Preparation Plant without Smelters and Furnaces	10,000	30,000
Oil/ Liquid Chemical/ Liquid Petroleum products Pipelines	100,000	500,000
Paint Factories	10,000	30,000
Paper Factories	10,000	30,000
Pharmaceuticals	10,000	30,000
Photo Film Mfg.	10,000	30,000
Plastic Products Factories	10,000	30,000
Plywood Factories	10,000	30,000
Polyester Fibre Plant	10,000	30,000
Pottery	10,000	30,000
Nuclear Power Plants		
Printing Press	10,000	30,000
Producer Gas Plants	10,000	30,000
Pulp Factories	10,000	30,000
Petroleum products Pumping station	20,000	80,000
Pig Iron Plants	15,000	40,000
Precious Metals (Platinum, Gold, Silver etc.) Refining & Fabrication Plants.	15,000	40,000

Electrification - Of Roads/Factories/ Buildings	10,000	30,000
Railway Electrification Works	10,000	30,000
Rayon Plant	10,000	30,000
Refrigeration Plant/ Equipments	10,000	30,000
Rice Mills	10,000	30,000
Rinks Works	10,000	30,000
Rolling Mills	10,000	30,000
Rubber Factories	10,000	30,000
Rural Electrification *	10,000	30,000
Saw Mill	10,000	30,000
Slaughter Houses	10,000	30,000
Smoke Detector System	10,000	30,000
Soap Factories	10,000	30,000
Soft Drinks Plant	10,000	30,000
Solar Water Heating System	10,000	30,000
Solvent Extraction Plant	10,000	30,000
Spinning Mills	10,000	30,000
Stationery Factories	10,000	30,000
Sponge Iron Plants - Gas based Plants (For plants and equipments involving hydrocarbon processing and other equipment installed within the battery limits of such plants)	30,000	500,000
Sponge Iron Plants - Gas based Plants (For plant & equipment not involving hydrocarbon processing and also installed beyond the battery limits of plants involving hydrocarbon processing)	15,000	40,000
Sponge Iron Plants - Others	15,000	40,000
Steel Furniture Plant	10,000	30,000
Steel Structure for Factories & Buildings.	10,000	30,000
Stone Works	10,000	30,000
Studio Equipments	10,000	30,000
Sub Station Equipments - Excluding Transformers	10,000	30,000
Sugar Factories	10,000	30,000
Surgical Equipments Manufacturing Plant	10,000	30,000
Switchgear-H.T.& L.T	10,000	30,000
Synthetic Fibre Plant	10,000	30,000
Sintering Plant	10,000	30,000
Salt refinery plant	10,000	30,000
Tanks	10,000	30,000
Tanneries	10,000	30,000
Tea Factory and Tea Packing/Blending Factory	15,000	40,000
Telephone Exchange	10,000	30,000
Textile Mills Machinery (excluding turbines, engines & electrical equipments)	10,000	30,000
Tobacco Factories	10,000	30,000
Tower Cranes	10,000	30,000
Tractor Mfg. Plant	10,000	30,000
Transformers - Upto 50 MVA/ Sub Station Equipments - Including Transformers Upto 50 MVA	15,000	40,000

Transformers - Above 50 mVA Upto 150 mVA/Sub Station Equipments -Including Transformers Upto 150 MVA	20,000	80,000
Transformers - Above 150 mVA & upto 400 mVA	50,000	200,000
Transformers - Above 400 mVA & upto 500 mVA	100,000	400,000
Transformers - Above 500 mVA		
Transmission Lines	10,000	30,000
Turbines in Industries	10,000	30,000
Steam based Power Plants/Steam Power Plant/ Turbo Generator Sets - Upto 120 mW	15,000	40,000
Steam based Power Plants/Steam Power Plant/ Turbo Generator Sets - Upto 210 mW	20,000	80,000
Steam based Power Plants/Steam Power Plant/ Turbo Generator Sets - Upto 300 mW	50,000	2,00,000
Steam based Power Plants/Steam Power Plant/ Turbo Generator Sets - Above 300 mW	100,000	400,000
Ultrasonic Non-destructive Testing Equipment	10,000	30,000
Vanaspati Plant	10,000	30,000
Varnish Factories	10,000	30,000
Vehicle Assembly Plants	10,000	30,000
Veneer Factories	10,000	30,000
Video Tape & Pan Cakes Mfg. Plant	10,000	30,000
Water Pumping Station	10,000	30,000
Water Treatment Plant	10,000	30,000
Water Works	0	0
Weaving Mills	10,000	30,000
Weigh Bridge	10,000	30,000
Wind Turbine Generators - Individual capacity not exceeding 250 kW	20,000	50,000
Wind Turbine Generators -Above 250 KW & upto 400 kW	40,000	1,00,000
Wind Turbine Generators - Above 400 kW	80,000	2,00,000
Wire Drawing Units	10,000	30,000
Wood Pulp Plants	10,000	30,000
Wood Works	10,000	30,000
X-Ray Equipment	10,000	30,000
Risks not covered above	10,000	30,000

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