

**ALL INDIA TARIFF**

**ON**

**BOILER AND PRESSURE PLANT INSURANCE**

**TARIFF ADVISORY COMMITTEE**  
**ADOR HOUSE,**  
**6, K. DUBASH MARG,**  
**MUMBAI**

**THE TARIFF ADVISORY COMMITTEE (HEREINAFTER CALLED THE COMMITTEE) HAS LAID DOWN RULES, REGULATIONS, RATES, ADVANTAGES, TERMS AND CONDITIONS, AS CONTAINED HEREIN, FOR TRANSACTION OF BOILER AND PRESSURE PLANT INSURANCE BUSINESS IN INDIA IN ACCORDANCE WITH THE PROVISIONS OF PART II B OF THE INSURANCE ACT, 1938.**

**ANY BREACH OF TARIFF SHALL BE DEALT WITH AS PER THE RELEVANT PROVISIONS OF THE INSURANCE ACT, 1938.**

# BOILER AND PRESSURE PLANT INSURANCE

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## GENERAL REGULATIONS –

1. No policy to be issued on first loss basis.
2. No policy to be issued with a bonus clause.
3. Projects located outside India to be out of the jurisdiction of the Committee.
4. **SUM INSURED -**

It is a requirement of the policy that the boiler and pressure plants are covered for their present day new replacement value with a view to avoid under-insurance.

In addition, cover against damage to owner's existing surrounding property or selected limits of indemnity can be availed of. Likewise, damage to Third Party property and/or personal injury can also be covered for selected limits of indemnity.

5. Boiler and Pressure Plant Insurance Policy **cannot** be issued on **agreed value basis**.
6. **Escalation benefit** shall not be allowed under a Boiler and Pressure Plant Policy.
7. **SHORT PERIOD SCALE OF PREMIUM RATES -**

Policies issued or renewed for periods shorter than 12 months must be charged for on the following scale, which must also be applied in calculating the premium where policies are cancelled during currency at the request of the Insured.

<b>Policy period required</b>	<b>% of Annual Premium</b>
Not exceeding 1 week	10 % of Annual Premium
Not exceeding 1 month	25 % of Annual Premium
Not exceeding 2 months	35 % of Annual Premium
Not exceeding 3 months	50 % of Annual Premium
Not exceeding 4 months	60 % of Annual Premium
Not exceeding 6 months	75 % of Annual Premium
Not exceeding 8 months	85 % of Annual Premium
Exceeding 8 months	Full Annual Premium

## 8. REFUND OF PREMIUM FOR STANDSTILL PERIOD -

Refund of premium for standstill period can be considered under this Policy.

There should be minimum 3 months continuous standstill period for consideration of refund of premium

Causes of standstill for complete plant should be as under:

- a) Due to non-availability of raw materials, acute power shortage, shortage of water supply and similar inputs.
- b) Standstill items like boilers, TG sets, steam engines and Diesel Generating Sets, in lieu of sufficient standby equipments being available in the plant.
- c) In case of continuous process plant, due to a major breakdown of any item the whole plant cannot be run and as such refund to be considered. However refund of premium for the repair of the affected equipment should not be considered.

The scale of refund for standstill period is as under –

<b>Continuous standstill Period for Whole plant/equipment</b>	<b>Refund in Annual Premium</b>
03 months and above but not exceeding 04 months	15 %
04 months and above but not exceeding 05 months	18 %
05 months and above but not exceeding 06 months	21 %
06 months and above but not exceeding 07 months	24 %
07 months and above but not exceeding 08 months	28 %
08 months and above but not exceeding 09 months	32 %
09 months and above but not exceeding 10 months	36 %
10 months and above but not exceeding 11 months	40 %
11 months and above but not exceeding 12 months	45 %
12 months	50 %

**Note** -The risks will be eligible for the standstill discount only when the claims experience under the policy for which the discount is sought is less than 60 % and that the standstill discount will not apply during overhauling period (including Hydraulic Testing of Boiler Tubes under BPP Policies).

No such refund is allowed for seasonal industries like sugar factories. However, the rate applicable for machinery shall be 95% of the rate for equipments for such seasonal factories. The decision of applying 95% of the rate for equipment in respect of seasonal factories is applicable for policies issued on annual basis only.

## **9 ROUNDING OF RATES**

It is not permissible to round off rates in Boiler and Pressure Plant Insurance policies.

## **10. MID-TERM INCREASE IN SUM INSURED -**

If the Sum Insured is increased during the currency of the policy.

- a) Short period scale of rates shall apply to increased amounts.
- b) If the policy is renewed thereafter for 12 months for an amount not less than the increased sum insured, the difference of premium between short period scale of rate and pro-rata rate may be refunded.

## **11. MID-TERM DECREASE IN SUM INSURED -**

If the Sum Insured is decreased during the currency of the policy, Short period scale of rates shall apply on the reduced Sum Insured.

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## SCHEDULE –

Policy No. \_\_\_\_\_ ISSUED at \_\_\_\_\_

DATE \_\_\_\_\_

1. Name & Address of the Insured:
2. Works Address (Site of the Property to be Insured)
3. Period of Insurance -
4. From \_\_\_\_\_ to \_\_\_\_\_
5. Total Sum Insured \_\_\_\_\_ Annual Premium \_\_\_\_\_

### 1. BOILER AND PRESSURE PLANT –

Sr. No.	Location	Description of Items including Maker's Names, Maker's No. & Capacity	Registration No.	Year of Make	Sum Insured Rs.
<b>2. SURROUNDING PROPERTY OF THE INSURED INCLUDING PROPERTY HELD IN TRUST OR COMMISSION.</b>					
<b>3. LEGAL LIABILITIES TO THIRD PARTIES –</b>					
a) Personal Injury					
b) Property damage					

4. ADDITIONAL PERILS COVERED	LIMITS OF LIABILITIES IN Rs.
<p>(On payment of additional premium do you wish to cover the following?)</p> <p>a) Express freight (excluding airfreight), Overtime and Holiday rates of wages.</p> <p>b) Airfreight.</p> <p>c) Owner's Surrounding Property.</p> <p>d) Third Party Liability.</p> <p>    i) Any one Accident</p> <p>    ii) Any one Year</p> <p>e) Additional Customs Duty.</p>	<hr/>

**NOTE** - The term 'Boiler' where used in the above schedule includes fittings, integral super heaters and integral economisers but does not include steam or feed water piping, separate super heaters, separate economisers, such items being covered by the policy only if specifically listed in the Schedule.

**In Witness** Whereof the undersigned acting on behalf of and under the Authority of the Company hath hereunder set his hand at \_\_\_\_\_ on this day of \_\_\_\_\_ 20\_\_.

For \_\_\_\_\_ Co. Ltd.

Examined \_\_\_\_\_

Entered \_\_\_\_\_ Duly Constituted Attorney

## STANDARD POLICY FORM

**REGD. OFFICE :** \_\_\_\_\_

**BOILER AND PRESSURE PLANT INSURANCE POLICY**

Whereas the insured named in the Schedule hereto by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the \_\_\_\_\_ CO. LTD. (hereinafter called the 'Company') for the insurance hereinafter contained and has paid the premium as consideration for such insurance in respect of accident or damage occurring during the period of Insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this Policy.

NOW THIS POLICY OF INSURANCE WITNESSTH -

That subject to the terms exceptions, exclusions, provisions, definitions, warranties and conditions contained herein or endorsed hereon, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against -

1. Damage (other than by fire) to the Boilers and/or other Pressure Plant described in the Schedule;
2. Damage (other than by fire) to surrounding property of the insured described in the Schedule or to property held by the insured in trust or on commission or for which he is responsible;
3. Liability of the Insured at law on account of -
  - a) death of or bodily injury to any person (other than a person under a contract of service or apprenticeship with the Insured sustaining death or bodily injury which arises out of and in the course of employment with the Insured);
  - b) damage to property not belonging to the Insured nor held in trust or on commission nor for which he is responsible;

caused by and solely due to Explosion or Collapse as hereinafter defined of any Boiler or other Pressure Plant described in the Schedule occurring in the course of ordinary working.

Provided that the liability of the Company for any one item of the insured property and Third Party Liability shall not exceed in the aggregate in any one period of Insurance the Sum Insured set against such item in the attached Schedule(s) unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period.

**GENERAL EXCEPTIONS -**

THE COMPANY SHALL NOT BE LIABLE UNDER THIS POLICY IN RESPECT OF -

1. Loss damage and/or liability caused by or arising from or in consequences, directly or indirectly of Fire (arising from explosion or collapse or any other cause whatsoever) including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance lightning, theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne, waterborne, or airborne craft or other aerial devices and/or articles dropped therefrom.
2. a) War Invasion, Act of Foreign Enemy, Hostilities or War like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Riot, Strike, Lock out and Malicious Damage, Civil Commotion, Military or Usurped power, Martial law, Conspiracy, Confiscation, Commandeering a group of Malicious Person or persons acting on behalf of or in connection with any Political Organisation. Requisition or Destruction or damage by order of any Government de jure or de facto or by any Public, Municipal or Local Authority.  
b) Nuclear reaction, nuclear radiation or radioactive contamination.
3. Accident loss damage and/or liability resulting from overload experiments or tests requiring the imposition of abnormal conditions.
4. Gradually developing flows, defects, cracks or partial fractures in any part not necessitating immediate stoppage although at some future time repair or renewal of the parts affected may be necessary.
5. Defects due to the wearing away or the wasting of the materials of a Boiler or a Pressure Plant whether by leakage, corrosion or by the action of the fuel or otherwise the grooving or the fracturing of any of the parts of a Boiler or pressure plant or for deterioration generally or for the development of cracks blisters, lamination and other flaws or fractures, failures of joint within the range of steam or feed pipes, or for bulging and deformation due to overheating of tubes (unless such defects, fracture, failure or bulging result in explosion or collapse) or for the cracking of section of cast-iron heating boilers or other vessels constructed of cast iron.
6. The failure of individual tubes in Boilers of the water tube locomotive or other multitubular types, in Super heaters or in Economizers (unless such defects result in explosion or collapse).
7. Loss or damage to the insured plant or property and/or liability arising during and occasioned by the application of steam hydraulic or any

other test of this plant as specified by Inspecting Authority or otherwise.

8. Loss or damage and/or liability caused by or arising out of the wilful act or wilful neglect or gross negligence of the insured or his responsible representatives.
9. Liability assumed by the Insured by agreement unless such Liability would have attached to the Insured notwithstanding such agreement.
10. Loss or damage and/or liability due to faults or defects existing at the time of commencement of this Insurance and known to the Insured or his responsible representatives but not disclosed to the Company.
11. Loss of use of the Insured's plant or property or any other consequential loss incurred by the Insured.
12. Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or under contracts.

In any action, suit or other proceeding where the company alleges that by reason of the exceptions or exclusions 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.

#### **WARRANTIES -**

It is hereby warranted that during the currency of the Policy;

- i) The Boiler and Pressure Plants described in the Schedule are annually inspected by Inspectors appointed by the appropriate Government except where there is no statutory requirement for Government Inspection; the inspections are to be carried out by an independent competent person;
- ii) The Boilers and Pressure Plant described in the Schedule shall only be operated by Attendants holding a valid certificate of competency issued under the appropriate Boiler Act;
- iii) The Insured shall be in possession of the unqualified permission in writing of the competent Inspecting Authority to operate the said Boilers and Pressure Plant. If the maximum pressure or load upon safety valve immediately prior to any explosion or collapse was in excess of that stipulated by the said Authority the Insured shall not be entitled to any compensation or indemnity under this policy in respect of such explosion or collapse.

#### **DEFINITIONS --**

The following terms wherever used in this policy shall have attached to them the under mentioned meanings -

1. 'Boiler' shall mean any fired closed vessel or a combined container piping system in which steam is generated under pressure.
2. 'Pressure Plant' shall mean any unfired closed container under steam gas or fluid pressure.
3. 'Explosion' shall mean the sudden and violent rending or tearing apart of the permanent structure of a Boiler or Pressure Plant or any part or parts thereof by force of internal steam gas or fluid pressure causing bodily displacement of the said structure and accompanied by the forcible ejection of its contents.
4. 'Collapse' shall mean the sudden and dangerous distortion of any part of Boiler or Pressure Plant by bending or crushing caused by Steam Gas or Fluid Pressure whether attended by rupture or not. It shall not mean any slowly developing deformation due to any cause.
5. 'Flue Gas Explosion' shall mean an explosion of ignited gases in the furnaces or flues of the boilers, economisers and super heaters.
6. 'Chemical Explosion' shall mean an explosion arising out of chemical reaction in any plant.

#### **CONDITIONS -**

1. This policy and the attached Schedule(s) shall be read together as one contract and any words or expressions to which specific meanings have been attached in any part of this policy or of the attached Schedules shall bear the same meanings wherever they may appear.
2. The pressure or load upon the safety valves of any items of plant shall at no time exceed the maximum pressure specified in the Schedule or the permissible working pressure therefore as set out in the report on the last examination whichever is the lowest.
3. If at any time after commencement of this Insurance there is an alteration of fuel used other than for which the Boiler was designed or which is used at the time of effecting the insurance, the Company shall be informed immediately of such alteration and this insurance will continue only on payment of additional premium if necessary to be fixed on the merits of each individual item.

4. If a claim is in any respect fraudulent or if any false declarations made or used in support thereof or if any fraudulent means or devices are used by the Insured or any one 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 herein within three months after the Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
5. 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 defense or settlement of any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
6. The due observance and fulfillment of the terms, provision and condition of and endorsement on 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 said proposals shall be conditions precedent to any liability of the Company to make any payment under this Policy.

7. SUM INSURED -

If the Boiler Pressure Plant covered under Item No. 1 of the Policy Schedule shall at the time of any loss be of greater value than the Sum Insured shall be considered as being the own Insurer for the difference and shall bear a rateable share of the loss accordingly.

The terms value shall mean the new replacement value of the Plant which is inclusive of freight dues and custom duties, if any and erection costs. Every item if more than one of this Policy shall be separately subject to this condition.

8. BASIS OF INDEMNITY -

- a. In case where damage to an item can be repaired, the Company shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop, customs duties, if any but for the Boiler and Pressure Vessel listed in the Schedule, only to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the insured, the company shall pay the cost of materials and wages incurred for the purpose of the repairs plus the reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into the account if the cost of repairs as detailed herein above equals or exceeds the actual value of the item immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.
- b. In case where an insured item is destroyed the Company shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight cost of erection and customs duties if any but for the Boiler and Pressure Vessels listed in the Schedule, only provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company shall also pay any normal charges for the dismantling of the item destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime night work, work on public holiday and excess freight shall be covered by this policy only if especially agreed in writing.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

## 9. OBLIGATIONS OF THE INSURED -

- a) The insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The Insured shall fully observe the manufacturers Instructions for operating inspection and overhaul, as well as Government statutory municipal and all other binding regulations including the rules under the Indian Boilers Act in force concerning the operation and maintenance of the insured Boilers and Pressure Plants.
  
- b) The Company's officials shall at all reasonable times have the right to inspect and examine any Boiler and Pressure Plant or any property insured hereunder and the Insured shall provide the officials of the Company with all details and information necessary for the assessment of the risk. The Company shall provide the Insured with a copy of the Inspecting official's report, which shall however be treated as strictly confidential both by the Insured and the Company.

Whenever arrangements have been made for a 'Thorough Inspection' of Boiler or Pressure Plant the Insured shall cause the Boiler or Pressure Plant to be stopped, emptied and properly cleaned inside and outside rendered accessible in every part, so far as its construction will allow.

- c) In the event of any -
  - i) Material change in the original risk.
  - ii) Alteration, modification or addition to an insured item.
  - iii) Departure from prescribed operating conditions whereby the risk of loss or damage increases.
  - iv) Changes in the insured's interest (such as discontinuation of liquidation of the businesses or business or being placed in receivership)

taking place, the Policy shall be void unless its continuance be agreed by endorsement signed by the Company.

## 10. DUTIES FOLLOWING AN ACCIDENT -

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 telegram as well as writing giving an indication as to the nature and extent of loss or damage.
- b) take all reasonable steps within his power to minimise the extent of the loss or damage or liability;
- c) preserve the damage or defective parts and make them available for inspection by an official or surveyor of the Company;
- d) furnish all such information and documentary evidence as the Company may require.

The company shall not be liable for any loss or damage of which notice and completed form have been received by the Company within Fourteen days of its occurrence.

Upon notification of a claim being given to the company the Insured may proceed with the repair of any minor damage not exceeding Rs. 2,500/- provided that the carrying out of such repair is without prejudice to any question of liability of the Company and any damaged part requiring replacement is kept for inspection by the Company but in all other cases a representative of the Company shall have the opportunity of inspecting the damage before any alterations, repair or replacements are effected. Nothing contained herein shall prevent the insured from taking such steps as are absolutely necessary to maintain the operation of the Plant.

The liability of the Company under the Policy in respect of any item of property sustaining damages, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to the satisfaction of the Company.

#### 11. OTHER INSURANCE -

If at the time any claim arises under this Policy there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss, damage or liability.

#### 12. POSITION AFTER A CLAIM -

- a) The insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not.
- b) As from the day of the loss than Sum Insured for the remainder of the period of insurance is reduced by the amount of the compensation. To prevent under Insurance during the remainder or the current period of insurance the amount insured must be reinstated. The premium will be calculated pro rata from the day repaired item is again put to work. For subsequent periods of insurance the original indemnity and premium are again in force unless circumstances justify an alteration.

### 13. TRANSFER OF INTEREST -

The Insurance granted by this Policy shall cease to attach to any items described in the Schedule the interest in which shall pass from the Insured otherwise than by will or operation of law unless the consent of the Company for the continuance of the insurance shall be obtained and signified by endorsement hereon.

### 14. TERMINATION OF INSURANCE -

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

### 15. RECOURSE -

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 endorsing any right 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.

### 16. ARBITRATION -

If any dispute or difference shall arise as to the quantum to be paid under the policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/ difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of The Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitrations as herein before provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

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**PROPOSAL AND QUESTIONNAIRE FOR BOILER AND PRESSURE PLANT INSURANCE -**

(The liability of the Company does not commence until this proposal has been accepted by the Company and the premium paid.)

1. Information given herein will be treated in strict Confidence.
2. Put a (√) mark wherever applicable.

S. No.	Details	Answer
1.	a) Name & Address of the Insured	a)
	b) Work Address (Site of the Property to be Insured)	b)
2.	a) Period of Insurance -	
	b) From _____ to _____	
3.	<b>Total Sum Insured</b>	
4.	<b>A) BOILER AND PRESSURE PLANT -</b>	

S. No.	Location	Description – Maker's Name, Maker's No., Capacity	Registration Number	Year of Make	Sum Insured
<b>B) SURROUNDING PROPERTY OF THE INSURED INCLUDING PROPERTY HELD IN TRUST OR COMMISSION</b>					

**C) LEGAL LIABILITIES TO THIRD PARTIES**

- a) Personal Injury Rs.
- b) Property Damage Rs.

**D)** On payment of additional premium do you wish to cover the following? If Yes provide Limits of Indemnity

- a) Express freight (excluding airfreight), Overtime and Holiday rates of wages. Rs.....  No
- b) Airfreight. Rs.....  No
- c) Owner's Surrounding Property. Rs.....  No
- d) Third Party Liability.  No
  - j) Any one Accident Rs.....
  - ii) Any one Year  No
- e) Additional Customs Duty. Rs.....  No

5. a) In case of Boiler, state if it is Water tube type? a)  Yes  No
- b) If so, what is the evaporative capacity per hour b)

6. State how Boiler is fired, e.g. Oil, Gas Coal or Pulverized fuel.

7. a) Do you wish to include the main steam piping?  Yes  No
- b) If so, state whether cover required within 20 meters or 100 meters radius of the Boiler  20 m  100 m

8. a) Are all the items in good condition?  Yes  No

- b) Give particulars of any defects. b)
9. a) Which items of Plant are subject to periodical inspection? a)
- b) By whom are they inspected, and at what intervals? b)
- c) Date of last inspection, working pressure approved, and period of such approval (attach copy of last report). c)
10. a) What is the maximum load on safety valve per square inch? a)
- b) What is the working pressure? b)
11. a) Are the Boiler Attendant solely employed on the Boiler Plant?  Yes  No
- b) What are their qualifications? b)
- c) What proportion of their time is given to other duties, if not solely employed on the Boiler Plant? c)
12. a) Is the Boiler Plant now Insured?  Yes  No
- b) If so, state name of Insurer, and date policy expires. b)
13. a) Has the Boiler Plant at any time been insured by you? a)  Yes  No
- b) If so, state name of Insurer, and date of policy expired? b)
14. In respect of Boiler Insurance, has any Insurer -

a) permitted withdrawal of or declined any proposal from you? a)  Yes  No

**OR**

b) cancelled or refused to renew your policy? b)  Yes  No

**Note** - Name of Insurer to be stated.

15. a) Have you ever had an accident to your Boiler Plant? a)  Yes  No

b) If so, give full particulars on separate sheet. b)

16. Have you any Boiler Plant in use other than that specified in the schedule?  Yes  No

17. a) Are any of the Boilers shown in the proposal automatically controlled? a)  Yes  No

b) If so, which ones? b)

18. a) Is any of the automatically controlled Boilers not under continuous supervision by person competent to operate it? a)  Yes  No

b) If so which ones b)

19. Is Boiler under regular and frequent supervision whilst working?  Yes  No

I/We the undersigned hereby declare that the above statements and particulars are true and complete and I/We declare and agree that this declaration and the answers given above shall be held to be promissory and shall be the basis of the contract between me/us and the Company.

Proposer's Signature

Place \_\_\_\_\_

Date \_\_\_\_\_

**Note -**

- i) The term 'Boiler' where used in the above schedule includes fittings, integral super heaters and integral economisers but does not include steam or feed water piping, separate super heaters, separate economisers, such items being covered by the Policy only if specifically listed in the schedule.
- ii) Value of the Boiler and/or Pressure Plant older than 20 years must be indicated separately.

## **Section 41 of Insurance Act 1938**

### **PROHIBITION OF REBATES -**

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy; nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
2. Any person making default in complying with the provisions of this Section shall be punishable with fine, which may extend to five hundred rupees.

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## RATING SCHEDULE FOR BOILER AND PRESSURE PLANT INSURANCE

Minimum premium rates for insurance of steam boiler explosion and collapse including flue gas explosion are as follows -

The rates are also applicable to the fittings, super heaters, and built-in-economisers –

Group	Type of Boiler	Basic Premium rate (Rs. Per mille)	Stipulated age for basic rate (Years)
1	<b>a) Coal or Oil or Pulverized Coal, Fired boilers:</b>  i) Furnace-flue and fire tube boilers of the Lancashire, Scottish and locomotive type as well as vertical boilers, water tube boiler.  ii) Combined fire-tube and water tube boilers, other fired vessels including package boilers.  <b>b) Bagasse Fired Boilers</b>	1.20   1.20  1.20	25
2	Recovery boilers, waste heat boilers, gas fired boilers.	1.80	20
3	Unfired vessels	0.60	20
4	Steam pipes	0.30	--

### NOTES –

1. For recovery boilers, the basic rate is including explosion due to smelt water reaction.
2. The basic rate is applicable upto the age stipulated
3. The basic rate will have to be increased @ 0.005 per mille per year for each year in excess of the stipulated age.

*Example for (1) age of boiler at the time of insurance is say 30.*

$$\begin{aligned}
 \text{Rate} &= 1.20 + 0.005 \times (30-25) \\
 &= 1.20 + 0.025 \\
 &= 1.20 + 0.025 = 1.225 \text{ per mille}
 \end{aligned}$$

4. For boilers not certified by the boiler inspectorate the rate to be loaded by 50 %
5. For TPL and surrounding property the rate applicable will be 25 % of the rate applicable as in 3 & 4 above.
6. Boilers, which may be fired by oil or gas alternatively, shall be rated as gas-fired boilers.

**ADDITIONAL RATES -**

1. Additional rate for express freight (air freight excluded), holiday and overtime rates of wages –

The additional premium for covering express freight (air freight excluded), holiday and overtime rate of wages, will be at the average rate applied on the limit selected.

2. Additional rate for air freight only –

The rate and excess as under shall be charged exclusively for items of air freight only and subject to the limit selected by the Insured for indemnity against air freight only.

Rate	5 % on the amount of indemnity selected
Excess	5 % of the air freight incurred per claim

3. Additional rate for surrounding property -

Additional premium for covering surrounding property will be at an Additional premium of 25 % of the gross average MB rate applied on the limit of liability selected with excess of 1% of the limit of liability selected.

4. Additional rate for Third Party Liability –

Third Party Liability could be covered at an additional premium of 25 % of the gross average rate applied on the limit of liability chosen for third party liability. The excess applicable will be 1% of the TPL limits selected.

5. Additional Rate for Custom Duty –

The cover for Additional Custom Duty will be subject to the following rates, terms and conditions -

- a) the cover for Additional Custom Duty will be on first Loss Basis,
- b) the specific limit for Additional Custom Duty - either in percentage or in amount - has to be selected by the Insured at the inception of the Policy and can be reinstated in the event of loss,
- c) the rate and excess will be as under –

Rate	2 % to be charged on the Additional Custom Duty amount selected
Excess	5 % of the admissible Custom Duty increased, in addition to the Excess amount applicable for the affected item under the Policy.  Subject otherwise to the terms conditions and exceptions of the policy.

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## ENDORSEMENTS

### 1. OWNER'S SURROUNDING PROPERTY –

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of insured having paid extra premium amounting to Rs. \_\_\_\_\_ it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belongings to or held in care custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in views for construction or erection during period of policy.

The Company pays to the insured the value of the damaged property at the time of accident or at its ---- reinstate or replace such damage property or any part thereof provided that -

The liability of the Company shall in no case exceed Rs. \_\_\_\_\_ for any one accident or series of accidents arising out of any one event and in the whole the total indemnity of Rs. \_\_\_\_\_ during the currency of the Policy.

The insured shall bare the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

### 2. THIRD PARTY LIABILITY –

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of the payment of the additional premium of Rs. \_\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary stated in this policy, the Company will indemnify the insured:

- a) against legal liability for the accidental loss or damage caused to the property of other persons.
- b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the works/site/premises/location or employees of the other firms/connected with any other work site/ premises/ location or members of the family of the insured or any of the aforesaid.

**EXCLUSIONS UNDER THE TPL EXTENSION -**

The Company will not indemnify the insured, under this extension in respect of -

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.
- c) Liability consequent upon -
  - i) bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.
  - ii) loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/site/premises/location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
  - iii) any accident cost by vehicles licensed for general road or by waterborne vessels or used aircraft.
  - iv) 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.

**CONDITIONS APPLYING TO TPL EXTENSION -**

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if any 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 proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

### **3. EXPRESS FREIGHT –**

Attached to and forming part of the Policy No. \_\_\_\_\_

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 extra charges for 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 demand 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.

Extra Premium Rs. \_\_\_\_\_

### **4. AIR FREIGHT –**

Attached to and forming part of the Policy No. \_\_\_\_\_

'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'.

### **5. ADDITIONAL CUSTOMS DUTY –**

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 the policy, towards the additional Customs Duty, amount of Rs. \_\_\_ which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured the affected item.

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

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.  
Subject otherwise to the terms, conditions and exceptions of the Policy.

**Note-**

- i) For computation of indemnity under the Additional Customs Duty extension, exchange rate applicable on date of occurrence shall be considered.
- ii) Under this only Sea Freight charge would be taken into account even though the replacement supplies had been air freighted and the policy has been endorsed for airfreight cover.

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