

GENERAL REGULATIONS

1. Jurisdiction -

This applies to all Risks located in India.

2 Scope –

This Tariff applies to “Erection All Risks/ Storage Cum Erection Insurance” Rating of Risks with Sum Insured upto Rs. 100 crores. (Risks with Sum Insured above Rs. 100 crores and upto Rs. 1500 crores shall be rated by Insurers as per guidelines issued vide Circular 2001/7 dated 1st January, 2001, see ‘Annexures I & II’)

3 Marine/Transit Risks connected with Erection All Risks Insurance -

Where Marine/Transit Insurance connected with Erection All Risks Insurances of any project is placed in India simultaneously or later on in one combined or under separate Policies in one department or in different departments, the matter relating to Erection All Risks/Storage-Cum-Erection Cover is required to be underwritten, subject to these General Regulations.

4. Sub-Contracts Forming part of a project -

As regards Sub-Contracts forming part of a Project, it is clarified that irrespective of whether the Project value has been broken into various Sections and orders/contracts are placed with different suppliers/contractors/Sub-Contractors or the Insureds carry out the work themselves departmentally, the Insurances for all such Sub-Contracts are subject to these General Regulations.

5. SUM INSURED – Definition -

For this purpose, the Sum Insured on the following items are to be taken into account -

- a) Marine (Imports) -landed cost at site
- b) Marine (Indigenous) -landed cost at site
- c) Cost of Erection (exclusive of preoperative expenses but inclusive of cost of visits of specialists and supervision charges).
- d) Permanent Civil Engineering Works
- e) Half the escalated value, if escalation is opted for.

DUTY IN CASE OF OVERSEAS CONSIGNMENTS –

In respect of overseas consignments certain additional valuation on account of the following will get added to the CIF value, after the goods are cleared at the docks --

- i) Custom Duty paid on clearance and
- ii) Clearing & forwarding charges to the agents concerned.

In such cases the `Duty' can be covered at full rate applicable for Marine (imports).

6. Storage Risks at the Fabricator's Premises/Workshop

The Storage Risks at the Fabricator's Premises/Workshop can be covered as an extension to the EAR/SCE policies and for such storage the Rate and Excess are as under –

Storage Rate	Rs. 0.30 per mille per month or part thereof
Excess	Rs. 5000 per claim during storage
	10 % claim amount subject to minimum of testing period excess per AOG/Fire/Explosion claim.

7. 'ERECTION ALL RISK' RATES -

- A) 1) Column No.4 of Rate Schedule- Prescribes rate for first two months of the project period (first month plus one month's testing), the same rate will apply for EAR Insurances for a period of two months even where the testing cover is not required.

Similarly, the rate prescribed under column No.4 will apply for EAR Insurances where the policy period (including testing period) is two months or less and the testing period is one month or less.

- 2) EAR/SCE period -

The EAR/SCE period has to commence from the date of arrival of first consignment at the site of erection. However, it may happen that in a few cases the Insured may take EAR/SCE insurance at a much later date. In all such cases irrespective of the date of commencement of the insurance, the SCE rate has to be computed for the total period commencing from the date of arrival of the first consignment at the site of erection.

In all such cases the Insurers should clearly stipulate that any damages which have taken place prior to commencement of the insurance, are not covered by the policy.

- 3) Column No.8 - Rate Schedule prescribes 'Excess' to be applied on 'Normal Period' and 'Testing Period'. Excess should be applied on the net claim amount after adjusting for salvage, depreciation and under insurance.

Note - Excess for Gas Turbine Plants -

- a) For a Gas Turbine Power Station, the excess prescribed will apply to all items.
- b) For a Combined Cycle Power Plant, excess applicable for the Gas Turbine section will be the existing excesses prescribed under 'Gas Turbine/CCPP' item. However for Steam Section the excesses applicable will be as per tariff item 'Steam Power Plant'.

B) VOLUME DISCOUNT UNDER EAR/SCE TARIFF

- i) No Volume discount should be granted for projects with Sum Insured upto Rs. 100 Crores.
- ii) For projects with Sum Insured above Rs. 100 Crores and upto Rs. 1500 Crores, the applicable Volume Discount shall be as per 'Annexure I'.
- iii) Volume Discount will not be applicable for the following extensions:
 - a) Additional Rate for risks situated in Earthquake zone I & II
 - b) Additional Rate for testing of second hand machinery
 - c) Policy Extension Rates
 - d) Maintenance Period Rate
 - e) Air freight
 - f) Additional Custom Duty
 - g) Fabricators premises extension
 - h) Intermediate Storage

8. ADDITIONAL RATE FOR DISMANTLING COVER -

The Additional Rates for Dismantling Cover will be 60 % of the total SCE Rate irrespective of the period for Dismantling.

However, if the risk of testing is to be covered for such second hand machinery and/or equipment, the additional minimum rate will be Re. 0.50 per mille per month or part thereof.

No volume discount is applicable on this additional rate for testing of second hand machinery.

The Dismantling Extra of 60 % should be applied on the total EAR/SCE Rate excluding additional `Testing' and `Earthquake' Extras.

9. ADDITIONAL RATES FOR EARTHQUAKE (FIRE & SHOCK) PERILS -

a) All `Acts of God' perils other than Earthquake (Fire & Shock) are taken care of in the SCE Rates prescribed. However no reduction in the rate can be allowed for excluding any of these perils.

(b) Irrespective of the sum insured for SCE/EAR, the following additional rates are to be charged over the SCE rate for risks located in Earthquake Zones (as defined in Fire Tariff) –

Zones	Rate
Zone I	Rs. 1.00 per mille per annum
Zone II	Re. 0.50 per mille per annum
Zone III	Nil
Zone IV	Nil

c) These additional rates take care of Earthquake (Fire & shock) perils only.

d) These additional rates are to be charged on pro-rata basis for period shorter than one year.

e) Earthquake cover is optional in both the Zones I & II but this cannot be opted Mid-term or for part of the total SCE Period. Thus these extras (viz. Rs. 1.00 ‰ per annum for Risks in Zone I and Rs. 0.50‰ per mille per annum for risks in Zone II) are to be charged for total SCE Period (including all extensions).

(f) For policy for extensions with overall period(including original policy period) in excess of 12 months, the earthquake rate should be reworked.

g) Earthquake rates are subject to Discount in respect of higher excess if opted for.

h) Earthquake cover on first loss basis - Earthquake cover could be granted on first loss basis with Sum Insured limits of 20% (OR 10%) of the total Sum Insured at the rates of 50 % (OR 40 %) of the tariff rate calculated on the total sum insured.

10. EXCESS FOR CLAIMS ARISING OUT OF MAJOR PERILS/ACTS OF GOD PERILS -

The minimum excess for claims arising out of Acts of God Perils (viz. Earthquake-FireandShock, Landslide/ Rockslide/ Subsidence, Flood/ Inundation, Storm/Tempest/Hurricane/Typhoon/Cyclone) shall be as under –

Excess for AOG Perils 10 % of the claim amount subject to a minimum of the Testing Period Excess with an upper limit of Rs. 5 Crores.

e.g: -If excess for Normal and Testing period are Rs.10, 000/- and Rs. 40,000/- respectively then the Excess for claims arising out of the Acts of God Perils shall be 10 % of the claim amount subject to minimum of Rs.40, 000/- with an upper limit of Rs. 5 Crores.

The above excess shall apply separately to each incident-giving rise to loss or damage. For this purpose an incident shall not be considered to have terminated until there have been seven consecutive days freedom from the perils concerned and only thereafter will the above excess amount apply afresh.

In respect of those EAR/SCE risks located in Earthquake Zone I or II where the clients do not require cover for Earthquake Perils, the above excess will be applicable for all Acts of God perils other than Earthquake (Fire & Shock).

Note - The excess should apply on the net claim amount after adjusting for Salvage, depreciation and under insurance.

11. RULES FOR FIRE PROTECTION FOR CONSTRUCTION/ERECTION SITES -

For unprotected construction/erection sites of risks having Sum Insured less than Rs. 50 Crores excess applicable shall be 10% of claim amount subject to minimum of testing period excess with an upper limit of Rs. 2 Crores.

In respect of Risks with Sum Insured of Rs. 50 Crores and above, the excess applicable shall be 20% of claim amount subject to minimum of testing period excess with an upper limit of Rs. 3 Crores.

Insurers may reduce the excess to 10% of claim amount subject to minimum of testing period excess, with upper limit of Rs. 2 Crores wherever requirements under Rule 11A(I) below are complied with within first 25% of the project period **OR** 12 months whichever is less.

Insurers may also grant 2.5% discount on EAR/SCE premium rates and reduce the excess for fire/explosion claims to 5 % of claim amount subject to minimum of testing period excess with an upper limit of Rs. 2 Crores in respect of proposals which comply with the relevant regulations under Rule 11 A(I) & (II) within first 25 % of the project period **OR** 12 months whichever is less.

A - Rules for Fire Protection -

- I) **Minimum Compulsory Requirements** applicable to all risks irrespective of Sum Insured -
- 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 **Relevant Section of Fire Protection Manual of TAC** 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/premises.
 - 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 equipments 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 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 m. 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 housekeeping such as -
- Orderly storage;
 - Periodic removal of combustible packing material, either by burning on site at a safe distance of 100 M 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 around 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.
- xii) In addition to above, the following fire prevention measures are recommended:
- a) The site be secured by properly constructed fence.
 - b) Temporary buildings (offices, rest rooms, material stores etc.) be made of non - combustible materials. Safe distances of 15 M be kept between temporary buildings (this applies in particular to material stores).

II) Additional Fire Protection Requirements for earning Discount on EAR/SCE Premium-

- i) 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. (in lieu of item iv above)
- ii) 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 mains 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 be in excess of 1,00,000 litres.

- iii) 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.
- iv) Trained fire fighting squad consisting of atleast 8 persons per shift shall be maintained at the site. (in lieu of Item A I(ii) above)

B – Reduction in Excess and granting of Discount in EAR/SCE Premium for complying with Rules for Fire Protection of construction sites-

For risks with sum insured of **less than Rs. 50 Crores**, no discount in the premium rate and reduction in the excess should be granted even if the risk complies with the additional requirements for qualifying for the discount.

12. HIGHER EXCESS DISCOUNT -

- A) All rates for SCE insurances are subject to minimum excess per claim separately for (a) normal period and (b) testing period as prescribed in the rate schedule.

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 Excess)	Discount
2 Times	5 %
5 Times	10 %
10 Times	20 %
20 Times	30 %

- B) It is permissible to grant discounts as per following scale in the Earthquake premium alone.

<u>Earthquake Excess increased to</u>	<u>Discount in Earthquake Premium</u>
2 times the minimum Excess	5 percent
5 times the minimum Excess	10 percent
10 times the minimum Excess	20 percent
20 times the minimum Excess	30 percent

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 {as explained in (A) and (B) above} 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 .

- D) In respect of some of the Items (like Computer, Railway electrification, Tanks, Transmission Lines etc.) of the Rate schedule and the claims arising out of Acts of God and Fire Perils, the Excess amount is expressed as percentage of the claim amount. For such items, if higher Excess amounts are selected and corresponding discount is enjoyed in the EAR/SCE rate, the minimum amount for the excess expressed in percentage has to be increased in the same proportion of the Normal and testing period Excesses.

13. CLEARANCE AND REMOVAL OF DEBRIS -

The rate applicable for Storage-cum Erection cover is to be charged on the limit of Sum Insured fixed for 'Clearance and Removal of Debris.'

Where the Project is a mix of both old and new machinery, the EAR/SCE Rate as applicable for the new machinery is to be charged on the limit of sum insured selected for Clearance and Removal of Debris.

Note- In case of clearance and removal of debris clause, if no premium is realized, the question of Indemnification of such expenses would not arise. However, if for such damaged property which may have a salvage value, retrieval expenses are incurred, such expenses may be paid for on merits of each case.

The policy Excess (Normal/Testing Period) should apply for the Clearance and Removal of Debris' claims.

No separate excess for debris removal need be applied. Only one excess which shall be the policy excess shall apply on such claims.

14. A) THIRD PARTY LIABILITY COVER -

The rate as applicable for Storage cum Erection Cover is to be charged for Third Party Liability Cover, upto the following limits –

- | | | | |
|---|---|---|---|
| i) For policies with Sum Insured upto Rs. 10 Crores | } | <ul style="list-style-type: none"> ▪ Any one person ▪ Any one accident ▪ During the entire period of SCE/EAR cover | Upto Rs. 1 Crore |
| ii) For policies with sum insured above Rs. 10.0 Crores | } | <ul style="list-style-type: none"> ▪ Any one person ▪ Any one accident ▪ During the entire period of SCE/EAR cover | 10% of the completely erected value of the project or Rs.10 Crores whichever is lower |

Third Party Liability Insurance in excess of the above limits should be underwritten in the Miscellaneous Department at the discretion of the Insurer.

Where the Project is mix of both old and new machinery the EAR/SCE rate as applicable for the new machinery is to be charged on the limit of sum insured selected for Third Party Liability.

The Policy Excesses (Normal/Testing Periods) should apply for Third Party Liability Property Damage Claims.

For Third Party Liability claims arising out of Acts of God Perils, the Excess applicable to AOG claims should apply.

The Sum Insured for TPL Cover cannot be reinstated after occurrence of loss.

The Tariff extension rate shall apply for TPL Cover also during extension period.

When different sections of Project are covered for different extension periods under the policy, the highest of such Tariff extension rates shall be charged for TPL cover during extension.

Third Party Liability Cover cannot be granted during extended maintenance.

B) CROSS LIABILITY COVER -

The Third Party Liability Cover can be modified to offer cover to the insured parties named in the Policy schedule as if a separate policy has been issued to each party. The additional premium for this purpose shall be 50 % of the premium applicable for TPL cover as in (A) above.

15. TERRORISM COVER -

No additional rate is to be charged for this cover.

16. CIVIL WORKS -

The civil works related to machinery foundations should necessarily be covered along with the machinery under EAR/SCE Policies.

The rate as applicable for EAR/SCE cover is to be charged on the limit of Sum Insured fixed for civil works.

The policy excess (Normal/Testing period) should apply for Civil Works also.

17. COST OF ERECTION -

The rate applicable to Cost of Erection would be the EAR/SCE rate.

18. SURROUNDING PROPERTY OF THE INSURED -

For covering the specified surrounding property of the Insured the rate applicable will be 50 % of the EAR/SCE rate and should be charged on the limit of sum Insured selected for surrounding property.

Where the project is a mix of both old and new machinery 50 % of the EAR/SCE Rate as applicable for new machinery is be charged on the limit of sum insured selected for surrounding property.

The policy excesses (Normal/Testing period) should apply for surrounding property also.

Reinstatement of the indemnity limit on payment of additional premium after occurrence of claim can be allowed for this extension.

19. ESCALATION PROVISION -

Whenever additional Sum Insured is required for Escalation in the values, the Escalation Benefit will be limited to a maximum of 50 % of the sum insured for EAR/SCE (the escalation limit shall be expressed in percentage) and will be permitted only once at the time of inception of the EAR/SCE Policy.

Additional Premium should be charged for 'Escalation Provision' at the rates prescribed for EAR /SCE), but on the 50 % of the amount of escalation.

The method of premium calculation will be as under: –

- | | |
|--|---------------------------|
| a) Assume the Project Sum Insured: | Rs. 4 Crores |
| b) Assume Escalation percentage is | 10 % i.e. Rs. 40,00,000/- |
| c) Additional premium to be charged at the prescribed rate for EAR/SCE cover will be on 50 % of the Escalation Provisional Cover | i.e. on Rs. 20, 00,000/- |

20. MID-TERM INCREASE IN SUM INSURED -

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.

21. 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 basic SCE Rate (excluding extras for Earthquake, Dismantling etc.) to be applied on the limit selected.

Reinstatement of the indemnity limit on payment of additional premium after occurrence of claim can be allowed for this extension.

22. 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, in addition to policy Excess.

Reinstatement of the indemnity limit on payment of additional premium after occurrence of claim can be allowed for this extension.

Air Freight cover applies to both Marine and SCE portion of a MCE Policy.

23. ADDITIONAL CUSTOMS DUTY -

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

- a) The cover for Additional Customs Duty will be on first Loss Basis.
- b) The specific amount for Additional Customs Duty has to be selected by the insured at the inception of the policy and **cannot** be reinstated in the event of loss.
- c) The rate and excess will be as under –

Rate	2 % to be charged on the Additional Customs Duty amount selected.
Excess	5 % of the Additional Custom Duty incurred, in addition to the excess amount applicable for the affected item under the policy.

Note -*This extension can also be made available to projects in respect of which the original imports are exempted by the Govt. of India from payment of Custom Duty but the Custom Duty is payable on replacement items. In such cases the basic duty component taken into account in arriving at the sum insured shall be considered as ZERO.*

The provision to grant cover for additional custom duty applies to both Marine and EAR portions if combined MCE Policy is issued. In cases where separate Marine and EAR policies are issued, the Marine policy should be specifically endorsed to this effect.

Under the Endorsement Regarding Customs Duty, only Sea Freight Charges could be taken into account even though the replacement supplies had been air freighted and the policy has been endorsed for 'Air Freight' Cover.

24. CONSTRUCTION MACHINERY PLANTS AND EQUIPMENTS -

A separate Sum Insured is to be fixed for Construction Plant, Machinery and Equipments used for projects Insured.

a) Sum Insured of CPM equipment not exceeding 5 % of EAR/SCE Sum Insured -

Where the Sum Insured for Construction Plant, Machinery and Equipment does not exceed 5 % of the Sum Insured for EAR/SCE Insurances, or Rs. 25 lakhs whichever is lower, the same can be covered under the EAR/SCE Policy at Rates and Excesses, applicable for EAR/SCE.

b) Sum Insured for CPM equipment exceeding 5% of EAR/SCE Sum Insured -

Where the Sum Insured for Construction Plant, Machinery and Equipments exceeds 5 % of Sum Insured for EAR/SCE Insurance or Rs. 25 lakhs whichever is lower, the same should be separately covered under the Contractor's Plant and Machinery Insurance Policy at rates and excesses as per the Tariff for rating of CPM Insurances.

25. RATES FOR EXTENSION BEYOND POLICY PERIOD -

A) Normal Period -

	Normal Period	Rate per mille
i)	1 month or part thereof	0.30
ii)	Exceeding 1 month but not exceeding 2 months	0.50
iii)	Exceeding 2 months but not exceeding 3 months	0.75
iv)	Exceeding 3 months but not exceeding 6 months	1.20
v)	Exceeding 6 months but not exceeding 9 months	1.75
vi)	Exceeding 9 months but not exceeding 12 months	2.00
vii)	Exceeding 12 months but not exceeding 15 months	2.25
viii)	Exceeding 15 months but not exceeding 18 months	2.50
ix)	Exceeding 18 months but not exceeding 21 months	2.75
x)	Exceeding 21 months but not exceeding 24 months	3.00
xi)	30 months*	3.25
xii)	36 months*	3.50
xiii)	42 months*	3.75
xiv)	48 months*	4.00

and so on for longer extensions.

- whenever extension is sought for periods longer than 24 months, the rate for such extension periods shall be Rs. 3.00 per mille for the first 24 months as tariffed + prorata, the balance extension period bears on a period of 24 months.

Extension rates shall apply on the value on the remaining part of the project, which is yet to be completed (i.e. which have not gone out of EAR/SCE Cover).

Volume Discount is not applicable but higher excess discount is permitted on the extension rate.

Excess will be as per original policy. (ie Higher Excess Discount shall be allowed on the extension rate, if the original policy carried Higher Excess Provision)

Irrespective of the number of extensions availed of by the Insured the above extension rates will apply for each extension.

For the risks located in Earthquake Zones Pro-rata extra of the additional rates for Earthquake will also apply for Extension Periods beyond Policy period, in addition to the Normal extension Rates for EAR/SCE Cover pre scribed above.

26. MAINTENANCE VISITS COVER AND EXTENDED MAINTENANCE COVER –

This cover should be granted at the inception of the policy only. It cannot be granted just prior to commencement of maintenance period.

The policy can be extended to cover the maintenance visits/extended maintenance (Refer Endt. No. 113)

The following rates and excesses should be charged for maintenance cover -

Details of cover	Rate (per mille)		Excess
	for 6 months	for 12 months	
i) Maintenance visits cover	0.25	0.50	As applicable for testing period
ii) Extended maintenance cover	0.50	1.00	-do-

Notes –

- a) Charging premium on pro-rata basis for periods less than 6 months, or 6 to 12 months shall not be allowed.
- b) These covers could be granted for periods exceeding 12 months, as required under the contract at the rate of Rs 1.00 per mille per annum.
- c) In case of deletion of maintenance visit/extended maintenance cover (availed at inception of policy) before attachment of risk, refund of premium may be given by retaining 25 % of the premium under this extension.
- d) In case the risk is attached, no refund shall be allowed for deletion of maintenance visit/extended maintenance cover.

27. TEST RUN DEFINITION IN RESPECT OF THERMAL POWER PLANTS-

The entire Power Station machinery 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.

28. TESTING PERIOD FOR PLANTS OTHER THAN THERMAL POWER PLANTS -

Testing period available under the policy shall cease to operate with the commencement of the commercial production or with the handing over of the plant to the principal whichever is earlier. In no case, the duration of the testing period shall exceed 12 months.

29. SUSPENSION OF TESTING PERIOD -

If testing is suspended after commencement of test run and if such period during which no testing activity is carried on exceeds 7 days in duration, it can be treated as erection period, provided

- i) it is within the policy period,
- ii) it does not fall within testing extension period.
- iii) it is due to fortuitous accident happening anywhere at site and
- iv) situation is beyond the control of insured

In consideration of this, the testing period shall remain reduced by number of days the testing was carried out in the initial test run.

30. COMBINED CYCLE POWER PLANTS-

In those cases, where both GT's & ST's are covered under the same EAR/SCE policy for a common period of insurance, the policy can be extended to cover OPEN CYCLE Mode of GT's at following rates -

- Within policy period - Re. 1.00 per mille per month or part thereof

Note – Gas Turbines, which are covered under separate policies have to be considered operational and the EAR/SCE covers can not be extended to cover such GTs during OPEN CYCLE modes.

31. COVER FOR CATALYST UNDER SCE/EAR POLICY ISSUED TO FERTILISER & CHEMICAL PLANTS-

- a) The Catalyst is automatically covered for storage and Erection risks at the normal EAR/SCE rate if the value of Catalyst is included under the sum insured.

- b) For covering the catalyst during hot testing period the additional rate applicable is Rs. 20/- per mille (to be charged on the value of the catalyst) with an Excess of 5 % of the value of the catalyst subject to a minimum of Rs. 2,50,000/- over and above the excess as applicable under the policy.
- c) If both equipments and catalysts are damaged, the respective excesses on equipments and catalyst shall be applicable separately.

32. REFUND OF PREMIUM FOR EARLY COMPLETION OF THE PROJECT -

Refund of premium for completion of the project earlier than the period mentioned in the policy schedule for any project (including the testing period) may be allowed subject to the undernoted conditions being complied with -

- a) The period of insurance is 18 months and above.
- b) Notice for early completion being given in advance to the insurer i.e. before commencement of testing or in any case not later than 7 days after commencement of testing.
- c) Claims Experience under the policy being less than 60 %.
- d) The minimum period for which refund can be claimed shall be 3 months.
- e) The refund of premium would be allowed only after re-working of the premium on reduced policy period.

33. REFUND OF PREMIUM FOR CANCELLATION OF EAR/SCE POLICY -

Proposals for refund of premium due to cancellation of policies under EAR/SCE Insurances due to abandonment of projects, double insurance etc.; which were rated by the TAC, should be referred to TAC.

34. GROSS RATES -

All rates specified in the Tariff are Gross rates and Agency commission (or discount in lieu of Agency Commission) can be allowed from these Gross Rates, as per Rules prevailing.

35. ISSUE OF FIRE POLICY DURING THE TESTING PERIOD -

No Fire Policy can be issued during 'Testing Period' for items covered under EAR/SCE policy.

ENDORSEMENTS

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 equipments 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.

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 equipments 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 TAC Engineers before sanctioning of above discount.
- vii) Watch and Ward facility shall be provided round the clock at the site.
- viii) Materials and equipments 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.

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'.

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'.

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 idemnifiable 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'.

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 Indemnity for such Additional Custom 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'.

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 6 months'.

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.

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 understood 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 equipments 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.

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 upto a value per storage unit not exceeding the equivalent of Rs._____.

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

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.

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.

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 _____

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.

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.

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 -

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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.

* * * * *

ANNEXURE - I

NORMS FOR RATING OF LARGE MCE/EAR/SCE/CAR PROJECTS WITH SUM INSURED ABOVE Rs.100 CRS. AND UPTO Rs. 1500 CRS.

All proposals in respect of projects valued above Rs.100 Crores and upto Rs.1500 Crores will be rated as per the norms contained below.

1. Compute basic rate as per EAR/SCE/CAR tariffs without application of discounts.
2. Apply Volume discount on the basic rate as per following Scale:-

<u>Sum Insured</u>	<u>discount(%)</u>
Above 100 Crores & upto 350 Crs.	10
Above 350 Crs. & upto 700 Crs.	15
Above 700 Crs. & upto 1500 Crs.	22 ½

'Sum Insured' should be the aggregate of the following items only as is existing in the Committee's EAR/SCE/CAR Tariff.

- A) Marine (Imports) - Landed cost at site
- B) Marine (Indigenous) - Landed cost at site
- C) Cost of Erection/Construction
- D) Permanent Civil Engineering Works
- E) Half the escalation value if escalation is opted for.

3. Apply Voluntary Excess Discount on the net rate arrived as in (2) above, as per the following scale:

<u>Voluntary Excess</u>	<u>Discount</u>
2 times compulsory excess	5%
5 times -do-	10%
10times -do-	20%
20times -do-	30%
30times -do-	35%
40times -do-	40%
50times -do-	45%
100 times -do-	50%
More than 100 times compulsory Excess	55%

N.B: Net discounted EAR/SCE/CAR rate shall not be less than 30% of basic rate so arrived as in (1) above.

4. Adjust the net rate as arrived in (3) above, by addition/subtraction of the following additional extras/reductions corresponding to various additional covers listed in the Annexure - 2 to arrive at the overall net rate.

Extra rates for additional covers:

GROUP CODE	EXTRA RATES
'0'	Nil
'A'	0.05 per mille
'B'	0.10 per mille
'C'	0.15 per mille
'D'	0.20 per mille

5. For any additional cover, not listed in the Annexure-2, reference may be made to Committee.

6. Rating of DSU/ALOP Proposals: All proposals where the sum Insured is above Rs.100 Crs. and upto Rs.1500 Crs should necessarily be rated as per these norms, irrespective of DSU/ALOP covers. Only the rating of DSU/ALOP covers stand outside the purview of the Committee.

7. Projects valued in excess of Rs.1500 Crs. can be rated on the basis of Re-insurance quotes. In other words, projects valued in excess of Rs.1500 Crs. go out of Tariff.

ANNEXURE II

	Additional Covers	Limits	Rating Group Code	Rate per mille
(1)	(2)	(3)	(4)	(5)
a)	Owners' surrounding property N.B: If the cover is required during the maintenance period also, the extras applicable for each group shall be loaded by 10%	Upto 10% of policy SI without FLEXA risks:---	A	0.05
		Upto 10% of policy SI with FLEXA risks	B	0.10
		Above 10% of Policy SI but without FLEXA Risks	C	0.15
		Above 10% of policy SI but with FLEXA risks	D	0.20
b)	50/50 clause		O	Nil
c)	72 hrs. clause		O	Nil
d)	Free automatic reinstatement clause	Upto 10% of SI....	O	Nil
		Above 10% and upto 50% of SI	A	0.05
		Above 50% and upto full SI	B	0.10
e)	Loss minimisation expenses		O	Nil

f)	Debris Removal limit per occurrence	Upto Rs.50 lacs Above 50 lacs and upto Rs.10 Crs. Above Rs.10 Crores and upto Rs.25 Crs. Above Rs.25 Crs.	O A B C	Nil 0.05 0.10 0.15
g)	Professional Fees		O	Nil
h)	Cover for offsite storage/fabrication		A	0.05
	Additional Covers	Limits	Rating Group code	Rate per mille
(1)	(2)	(3)	(4)	(5)
i)	T.P.L. Cover With or without Cross Liability extension within geographical limits of India <u>TPL Cover during Maintenance period</u>	i)AOA limit upto Rs.10 cr. ii)AOA limit above Rs.10 cr. but upto Rs.25 Cr. iii)Above 25 Cr... separate cover to be issued 25% loading on the above rates	A B --	0.05 0.10 --
j)	Waiver of contribution clause	N.B.:This should be restricted between Principal and the contractor and should not be waived for others.	O	Nil
k)	Escalation costs	Upto 10% of policy Sl... Above 10% of policy SI and upto 50%	A B	0.05 0.10
l)	Waiver of Subrogation Clause		A	0.05
m)	Expediting cost including Air Freight and Express Freight	Upto 30% of net claim amount Beyond 30%	O A	Nil 0.05
n)	Extended maintenance cover	(for every 12 months or part thereof)	A	0.05
o)	Continuity of cover during operational phase for Unit/Plant tested but awaiting integral testing (along with other units/Plants)	(for every month or part thereof)	D	0.20

p)	Design Defect cover as per 'D'4 wording of Munich Re		D	0.20
q)	Amendment in Fire fighting endorsement wording		O	Nil
r)	Additional Custom duty	Upto Rs.10Cr....	O	Nil
		Rs.10 Cr. To Rs.30 Cr.	A	0.05
		Beyond Rs.30 Cr.	C	0.15
s)	Wilful negligence	Not to be covered at any cost	--	--

RATE SCHEDULE FOR ERECTION ALL RISKS/ STORAGE CUM ERECTION INSURANCE

Risk Code	Sl. No.	Description	Rate for 1 st Month + 1 month testing (Rs. %o)	Rate for 1 month or part thereof, for subsequent 10 months (Rs. %o)	Rate for 1 month or part thereof, for period exceeding 12 months (Rs. %o)	Rate for 1 month or part thereof, for testing period extension within policy period (Rs. %o)	Excess per claim is 5 % of claim amount subject to minimum of Rs.		
							Normal	Testing period	
1	2	3	4	5	6	7	8	9	
		'A' ----							
010102	1	Air Compressors	2.25	0.05	0.025	0.30	10,000	30,000	
010202	2	Air Conditioning Plant	2.25	0.05	0.025	0.30	10,000	30,000	
010303	3	Annealing Furnace	2.50	0.05	0.05	0.30	15,000	40,000	
010403	4	Arc Furnace	2.50	0.05	0.05	0.30	15,000	40,000	
010503	5	Asbestos Plant	2.50	0.05	0.025	0.30	10,000	30,000	
010601	6	Ash Handling Plants	2.00	0.05	0.025	0.30	10,000	30,000	
010701	7	Auto Cycles Assembling Plants	2.00	0.05	0.025	0.30	10,000	30,000	
010802	8	Air Separation Plant	2.25	0.05	0.025	0.30	10,000	30,000	
010901	9	a) Aluminium plants (Billets/ingots)	Refer O-1 'Ore preparation plant'						

010902	--	b) Aluminium Manufacturing products	Refer R – 1 'Rolling Mills'					
'B' -----								
020101	1	Baby Food Plants	2.00	0.05	0.025	0.30	10,000	30,000
020201	2	Bakeries	2.00	0.05	0.025	0.30	10,000	30,000
020301	3	Battery Manufacturers.	2.00	0.05	0.025	0.30	10,000	30,000
020401	4	Belt Conveyor Systems	2.00	0.05	0.025	0.30	10,000	30,000
020502	5	Blast Furnace	2.25	0.075	0.05	0.30	15,000	40,000
--	6	Boilers -						
021603	--	a) Industrial	2.50	0.05	0.03	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
--	--	b) Power Boilers -						
021604	--	▪ Upto120 MW	2.70	0.10	0.05	0.30	15,000	40,000
022606	--	▪ 210 MW	3.00	0.10	0.03	0.40	20,000	80,000
023607	--	▪ 300 MW	3.25	0.10	0.03	0.40	50,000	2,00,000
024603	--	c) Other than Power Boilers	2.50	0.05	0.03	0.30	10,000	30,000
020701	7	Bread Factories	2.00	0.05	0.025	0.30	10,000	30,000
020801	8	Breweries	2.00	0.05	0.025	0.30	10,000	30,000
020901	9	Brick Works	2.00	0.05	0.025	0.30	10,000	30,000
021001	10	Butter Plants	2.00	0.05	0.025	0.30	10,000	30,000
'C' ----								
030102	1	Cable Works	2.25	0.05	0.025	0.30	10,000	30,000
030205	2	Cable laying *	2.75	0.10	0.05	0.40	20,000	80,000
030301	3	Canning Plants	2.00	0.05	0.025	0.30	10,000	30,000
030401	4	Cattle Feed Plants	2.00	0.05	0.025	0.30	10,000	30,000
030502	5	Cardboard Factories	2.25	0.025	0.025	0.30	10,000	30,000
034601	6	Cellular Telephone	Refer T – 4 'Telephone Exchange Project'					
030603	7	Cement Factories	2.50	0.05	0.025	0.30	10,000	30,000

030703	8	Cement Pipes Mfg.	2.50	0.05	0.025	0.30	10,000	30,000
035901	9	Ceramic Tiles Manufacturing Plants (Involving pulverising, drying & glazing process)	2.00	0.05	0.05	0.30	10,000	40,000
030801	10	Cereal Products	2.00	0.05	0.025	0.30	10,000	30,000
030903	11	Chalk Factories	2.50	0.05	0.025	0.30	10,000	30,000
031001	12	Chain/Chain links Mfg. Plants.	2.00	0.05	0.025	0.30	10,000	30,000
031102	13	Chilling Plants	2.25	0.05	0.025	0.30	10,000	30,000
0031201	14	Cheese Plants	2.00	0.05	0.025	0.30	10,000	30,000
031303	15	Chemical Plants	2.50	0.05	0.05	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
036163	16	Chemical Recovery Boilers	Refer Item B-6 (C) (Boilers – Other than Power Boilers)					
031501	17	Chocolate Factories	2.00	0.05	0.025	0.30	10,000	30,000
031601	18	Cigarette Factories	2.00	0.05	0.025	0.30	10,000	30,000
031801	19	Clinker Factories	2.50	0.05	0.025	0.30	10,000	30,000
031901	20	Coal Crusher	2.00	0.05	0.025	0.30	10,000	30,000
031901	21	Coal Handling Plants	2.00	0.05	0.025	0.30	10,000	30,000
---	22	Cold Storages -						
--	--	a) Potatoes	2.25	0.05	0.025	0.30	10,000	30,000
--	--	b) Marine Products	2.25	0.05	0.025	0.30	10,000	30,000
--	--	c) Others	2.25	0.05	0.025	0.30	10,000	30,000
032101	23	Coke Oven Plant	2.00	0.05	0.05	0.30	10,000	30,000
		*Subject to Endorsements/Warranties nos. 110, 111, 112, 114. & 115						
032201	24	Computers/Electronic equipments not otherwise provided for	2.00	0.05	0.05	0.30	30,000 FLAT for both normal & testing periods	
032301	25	Confectionery Works	2.00	0.05	0.025	0.30	10,000	30,000
032401	26	Control Panels	2.00	0.05	0.05	0.30	15,000	40,000

032503	27	Continuous Casting Plants	2.50	0.05	0.05	0.30	15,000	40,000
032601	28	Cotton Seed Processing Plants	2.00	0.05	0.025	0.30	10,000	30,000
032703	29	Cranes	2.50	0.05	0.025	0.30	10,000	30,000
032801	30	Cycle Plants	2.00	0.05	0.025	0.30	10,000	30,000
032901	31	Cooling Towers (Induced Draught Type)	2.00	0.05	0.025	0.30	10,000	30,000
033203	32	Colliery Mine (Hopper, load cell, pneumatic cylinder and its control power, above/ under ground shaffing)	2.50	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
--	--	Combined Cycle Power Plant :--- Refer item 'Gas Turbines'						
'D' - - - - -								
040101	1	Dairy Plants	2.00	0.05	0.025	0.30	10,000	30,000
040201	2	Dal Mills	2.00	0.05	0.025	0.30	10,000	30,000
040301	3	Dehydrated Foods (eggs, Onions, Potatoes, Vegetables etc.)	2.00	0.05	0.025	0.30	10,000	30,000
040401	4	Diagnostic Equipments	2.00	0.05	0.05	0.30	10,000	30,000
040503	5	Diesel Engines	2.50	0.05	0.025	0.30	15,000	40,000
040604	6	Diesel Generators and Diesel Power Houses upto 5 MW	2.70	0.05	0.05	0.50	20,000	50,000
---	7	Diesel Generators and Diesel Power Houses above 5 MW	2.70	0.10	0.05	0.50	40,000	1,00,000
040801	8	Distilleries	2.00	0.05	0.025	0.30	10,000	30,000
040903	9	Dyestuff Manufacturers	2.50	0.05	0.05	0.30	10,000	30,000
041001	10	Dyeing Works	2.00	0.05	0.025	0.30	10,000	30,000
'E' - - - - -								
050101	1	Edible Oil Factories	2.00	0.05	0.025	0.30	10,000	30,000

050202	2	Effluent Treatment Plants	2.25	0.05	0.05	0.30	10,000	30,000
050302	3	Electric Motors	2.25	0.05	0.025	0.30	10,000	30,000
---	4	Electrification -						
050402	--	a) Of Roads/Factories/Buildings	2.25	0.05	0.025	0.30	10,000	30,000
051410	--	b) Rural	Refer item No.R-8					
052410	--	c) Railways	Refer item No.R-1					
050501	5	Electroplating Plant	2.00	0.025	0.025	0.30	10,000	30,000
050501	6	Elevating Equipments	2.00	0.05	0.025	0.30	10,000	30,000
050701	7	Engineering workshop	2.00	0.05	0.025	0.30	10,000	30,000
050803	8	EOT Cranes	2.50	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
050903	9	Explosives Factories	2.50	0.05	0.05	0.30	20,000	80,000
051002	10	Electrostatic Precipitators	2.25	0.05	0.25	0.40	15,000	40,000
--	11	Electronic equipment not otherwise provided for	To be rated under 'Computers'					
'F' - - - -								
060101	1	Fire Fighting Systems	2.00	0.05	0.05	0.30	10,000	30,000
060201	2	Flour Mills	2.00	0.05	0.025	0.30	10,000	30,000
060301	3	Forging Shops	2.00	0.05	0.025	0.30	10,000	30,000
060401	4	Foundries	2.00	0.05	0.05	0.30	10,000	30,000
060502	5	Frozen Sea Food Plants	2.25	0.05	0.025	0.30	10,000	30,000
060603	6	Furnace (Oil/Gas Fired)	2.50	0.05	0.05	0.30	15,000	40,000
060703	7	Furnace Transformer	2.50	0.05	0.05	0.30	15,000	40,000
060803	8	Fertilizer plant (Coal, Naphtha/Oil/Gas based)	2.50	0.05	0.05	0.50	* 30,000	5,00,000
		(Subject to Hydro Carbon Endorsement)					** 30,000	1,00,000

		<p>a) * 30,000/5,00,000 for Plants and Equipments involving Hydrocarbon Processing and other equipments installed within the battery limits of such plants.</p> <p>b) ** 30,000/1,00,000 for Plants and Equipments not involving Hydrocarbon processing and also installed beyond the battery limits of plants involving Hydrocarbon processing.</p> <p>c) Excess applicable for AOG claims will be 10 % of claim amount subject to minimum of Rs.5,00,000/- and upper limit of Rs. 5 Crores.</p>						
060901	9	Fertilizer Plant not involving Hydrocarbon processing	Refer item C-15. (Chemical Plants)					
061006	10	Fabrication on land of Drilling & Production Platforms or any sections thereof required in the exploration/ production of Oil and Gas	3.00	0.10	0.10	0.30	1,00,000	4,00,000
1	2	3	4	5	6	7	8	9
061101	11	Flight Simulator (Environmental & Visual)	2.00	0.05	0.05	0.30	30,000 FLAT both for Normal & Testing Period	
'G' -----								
070110	1	Gas Pipe lines *	4.00	0.15	0.20	0.50	1,00,000	5,00,000
		* Subject to endorsement regarding safety measures, damage to crops/forests, storage, warranty concerning underground cables/pipes, warranty concerning extended maintenance Cover, special conditions for open trenches during laying of pipelines, ducts and cables and for leak search caused when laying pipelines.						
070203	2	Gas receiving Terminal /metering Terminal	2.50	0.05	0.025	0.50	50,000	2,00,000
---	3	C) Gas Turbines/Combined Cycle Power Plants: (GT/CCPP) D) Individual capacity of 'Gas Turbines' -						
070306	--	i) Upto 30 MW	2.70	0.10	0.05	0.50	20,000	50,000
070307	--	ii) Above 30 MW and upto 50 MW	3.00	0.10	0.05	0.50	40,000	1,00,000
072308	--	iii) Above 50 MW and upto 100 MW	3.25	0.10	0.10	0.50	1,00,000	3,00,000
073310	---	iv) Above 100 MW and upto 150 MW	3.75	0.10	0.10	0.50	2,00,000	6,00,000

	--	v) Above 150 MW and upto 200MW	4.00	0.10	0.15	0.50	4,00,000	12,00,000
		vi) Above 200 MW	To be referred to TAC					
EXCESS / ENDORSEMENT-								
a) For a Gas Turbine Power Station, the excess prescribed will apply to all items								
b) For a Combined Cycle Power Plant, excess applicable for the Gas Turbine section will be the existing excesses prescribed under 'Gas Turbine/CCPP' item. However for Steam Section the excesses applicable will be as per tariff item (Steam Power Plant)								
c) For test run definition of Gas Turbines in CCPP, Please refer Endt. No. 108.								
070501	4	Gas Works	2.00	0.075	0.05	0.30	10,000	30,000
070603	5	Ghee Plants	2.00	0.05	0.025	0.30	10,000	30,000
070603	6	Glass Fibre Mfg. Plants	2.50	0.05	0.025	0.30	10,000	30,000
070701	7	Glass Works	2.00	0.075	0.05	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
070811	8	Glass lined/ Graphite/ Car bate/Glass vessels	5.00	0.05	0.05	0.30	40,000 FLAT both for Normal and Testing Period	
		'H' - - - -						
080101	1	Hardboard Mfg. Plant	2.00	0.05	0.025	0.30	10,000	30,000
080203	2	Heat Treatment Plant	2.50	0.05	0.05	0.30	15,000	40,000
080301	3	Hospital Equipments Mfg	2.00	0.05	0.05	0.30	10,000	30,000
080408	4	HVDC Transmission system (excluding transmission lines)/ HVDC Back to Back Stations	3.50	0.10	0.05	0.40	1,00,000	4,00,000
080501	5	Hydrant System	2.00	0.05	0.05	0.30	10,000	30,000
	6	E) Hydro Power Plants -						
080603	--	a) Upto 50 MW	2.50	0.10	0.03	0.50	10,000	30,000
081603	--	b) Above 50 MW and upto 100 MW	2.50	0.10	0.03	0.50	15,000	40,000

082603	--	c) Above 100 MW and upto 150 MW	2.50	0.10	0.03	0.50	20,000	80,000
083603	--	d) Above 150 MW and upto 250 MW	2.50	0.10	0.03	0.50	25,000	1,00,000
084603	--	e) Above 250 MW and upto 350 MW	2.50	0.10	0.03	0.50	40,000	1,50,000
080703	7	Hydrocarbon Processing Plant	Refer Item F-8(Fertiliser Plants involving Hydrocarbons)					
'I' - - - -								
090102	1	Ice-cream Plants	2.25	0.05	0.025	0.30	10,000	30,000
090201	2	Ice Works	2.00	0.05	0.05	0.30	10,000	30,000
090303	3	Induction Furnace	2.50	0.05	0.05	0.30	15,000	40,000
090401	4	Instrumentation (All types)	2.00	0.05	0.05	0.30	10,000	30,000
090501	5	Insulator Mfg. works	2.00	0.075	0.05	0.30	10,000	30,000
'J' - - - -								
100103	1	Jib Hoist	2.50	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
100201	2	Jute Mills	2.00	0.05	0.025	0.30	10,000	30,000
'K' - - - - NO ITEMS								
'L' - - - -								
110101	1	Laundries	2.00	0.05	0.025	0.30	10,000	30,000
110201	2	Leather Goods Factories	2.00	0.05	0.05	0.30	10,000	30,000
110301	3	Lifts	2.00	0.05	0.025	0.30	10,000	30,000
110401	4	LPG Bottling Plant, LPG Spheres	2.50	0.05	0.05	0.30	10,000	30,000
110503	5	LPG Plants/Gas Sweetening Plants/ LPG Bullets, Tank Farm	2.50	0.05	0.05	0.30	15,000	40,000
110603	6	Laying of Water Pipelines*	2.50	0.10	0.05	0.30	15,000	40,000
* This tariff item is subject to following endorsements on Safety measures, Damage to Crops, Forests, etc., Storage, Underground Cables & Pipes, open trenches during laying of pipelines. (Endorsement and Warranties 110, 111, 112, 114 & 115.)								

--	7	LPG Pipeline from Port to erection site	2.50	0.05	0.05	0.30	15,000	40,000
'M' - - - -								
120101	1	Machine Tools	2.00	0.05	0.025	0.30	10,000	30,000
120201	2	Marble Works	2.00	0.075	0.05	0.30	10,000	30,000
120303	3	Match Factories	2.50	0.05	0.025	0.30	15,000	40,000
120401	4	Material Handling Equip-ments (other than all types of cranes)	2.00	0.05	0.025	0.30	10,000	30,000
120502	5	Meat Processing Plants	2.25	0.05	0.025	0.30	10,000	30,000
120601	6	Medical Treatment Equipments	2.00	0.05	0.05	0.30	10,000	30,000
120701	7	Metal Fabrication	2.00	0.05	0.025	0.30	10,000	30,000
120801	8	Mica Products Mfg.	2.00	0.05	0.025	0.30	10,000	30,000
120901	9	Milk Powder Plants	2.00	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
121001	10	Mineral Water Works	2.00	0.05	0.025	0.30	10,000	30,000
121103	11	Mini Steel Plants	2.50	0.05	0.05	0.30	10,000	30,000
121203	12	Mobile Cranes	2.50	0.05	0.025	0.30	10,000	30,000
121301	13	Mushroom Units	2.00	0.05	0.05	0.30	15,000	40,000
'N' - - - -								
130102	1	Nylon Plant	2.25	0.025	0.025	0.30	10,000	30,000
'O' - - - - - - - -								
140102	1	Ore Preparation Plant with Smelters and Furnaces	2.25	0.05	0.025	0.30	15,000	40,000
140201	2	Ore Preparation Plant without Smelters and Furnaces	2.00	0.05	0.025	0.30	10,000	30,000
140308	3	Oil/ Liquid Chemical/ Liquid Petroleum products Pipelines	3.50	0.15	0.20	0.50	1,00,000	5,00,000
'P' - - - - -								

150103	1	Paint Factories	2.50	0.05	0.05	0.30	10,000	30,000
150202	2	Paper Factories	2.25	0.025	0.025	0.30	10,000	30,000
150303	3	Pharmaceuticals	2.50	0.05	0.05	0.30	10,000	30,000
150403	4	Photo Film Mfg.	2.50	0.05	0.05	0.30	10,000	30,000
150503	5	Plastic Products Factories	2.50	0.025	0.025	0.30	10,000	30,000
150601	6	Plywood Factories	2.00	0.05	0.025	0.30	10,000	30,000
150702	7	Polyester Fibre Plant	2.25	0.025	0.025	0.30	10,000	30,000
150801	8	Pottery	2.00	0.075	0.05	0.30	10,000	30,000
150907	9	Power Boilers	Refer item No.-B6 (b) – 'Boilers'					
--	10	Power Plants-						
151004	--	a) Diesel based	Refer Item No. D-7 - 'Diesel Generators & Diesel Power houses above 5 MW'. For extended testing period, rate applicable shall be Re. 0.50 %o per month.					
152010	--	b) Gas based	Refer item No. G-1 – 'Gas Turbo Sets'.					
1	2	3	4	5	6	7	8	9
153006	--	c) Steam based	Refer item No. S-11 – 'Steam Power Plant'.					
15400	--	d) Nuclear	Refer to the TAC					
151102	11	Printing Press	2.25	0.025	0.025	0.30	10,000	30,000
151201	12	Producer Gas Plants	2.00	0.075	0.05	0.30	10,000	30,000
151302	13	Pulp Factories	2.25	0.025	0.025	0.30	10,000	30,000
--	14	Petrochemical Plants -	For extended testing period, rate applicable shall be Re. 0.50 %o per month.					
15403	--	a) Involving Hydro-carbon processing	Refer Item F-8 – 'Fertiliser Plants involving Hydrocarbons'.					
152407	--	b) Not involving Hydro-carbon Processing	Refer Item C-15 – 'Chemical Plants'.					
---	15	Petroleum Refineries -						
151503	--	a) Involving Hydro-carbon Processing	Refer Item F-8 – 'Fertiliser Plants involving Hydrocarbons'.					

152501	--	b) Not involving Hydro-carbon Processing.	Refer Item C-15 – 'Chemical Plants'.					
151601	16	Petroleum products Pumping station	2.50	0.05	0.025	0.50	20,000	80,000
151703	17	Pig Iron Plants	2.25	0.075	0.05	0.30	15,000	40,000
	18	Precious Metals (Platinum, Gold, Silver etc.) Refining & Fabrication Plants.	2.25	0.05	0.025	0.30	15,000	40,000
'Q'----- NO ITEMS								
'R'-----								
160110	1	Railway Electrification Works *	4.00	0.05	0.05	0.30	10,000	30,000
		* Excess for Theft & Burglary claims shall be 25 % of claim amount subject to minimum of Rs.15, 000						
160202	2	Rayon Plant	2.25	0.025	0.025	0.30	10,000	30,000
160302	3	Refrigeration Plant/ Equipments	2.25	0.05	0.025	0.30	10,000	30,000
160401	4	Rice Mills	2.00	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
160501	5	Rinks Works	2.00	0.05	0.05	0.30	10,000	30,000
160603	6	Rolling Mills	2.50	0.025	0.025	0.30	10,000	30,000
160703	7	Rubber Factories	2.50	0.025	0.025	0.30	10,000	30,000
160810	8	Rural Electrification *	4.00	0.05	0.05	0.30	10,000	30,000
		* Excess for Theft & Burglary claims shall be 25 % of claim amount subject to minimum of Rs.15, 000.						
'S'-----								
170101	1	Saw Mill	2.00	0.05	0.025	0.30	10,000	30,000
170201	2	Slaughter Houses	2.00	0.05	0.025	0.30	10,000	30,000
170301	3	Smoke Detector System	2.00	0.05	0.05	0.30	10,000	30,000
170401	4	Soap Factories	2.00	0.05	0.025	0.30	10,000	30,000
170501	5	Soft Drinks Plant	2.00	0.05	0.025	0.30	10,000	30,000
170601	6	Solar Water Heating System	2.25	0.05	0.025	0.30	10,000	30,000

170701	7	Solvent Extraction Plant	2.00	0.05	0.025	0.30	10,000	30,000
170801	8	Spinning Mills	2.00	0.05	0.025	0.30	10,000	30,000
170901	9	Stationery Factories	2.25	0.025	0.025	0.30	10,000	30,000
171003	10	Sponge Iron Plants -						
	--	a) Gas based Plants	2.50	0.05	0.05	0.30	Excess for Normal/Testing Periods as per (a) & (b) below	
		<p>a) For plants and equipments involving hydrocarbon processing and other equipment installed within the battery limits of such plants Rs.30, 000/Rs. 5,00,000.</p> <p>b) For plant & equipment not involving hydrocarbon processing and also installed beyond the battery limits of plants involving hydrocarbon processing Rs.15, 000/Rs. 40,000.</p> <p>c) Excess for AOG claims, shall be 10 % subject to minimum of Rs. 5,00,000 and maximum Rs. 5 Crores.</p>						
171013	--	b) Others	2.50	0.05	0.05	0.30	15,000	40,000
171106	11	Steam Power Plant* (Complete with TG Sets, Boiler and all Auxiliaries)		Refer Item T-12 – 'Turbo Generator Sets'				
		*Note - Subject to Endorsement for Test Run Definition prescribed under 'Endorsements' (No.107).						
171201	12	Steel Furniture Plant	2.00	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
171301	13	Steel Structure for Factories & Buildings.	2.00	0.05	0.025	0.30	10,000	30,000
171401	14	Stone Works	2.00	0.075	0.05	0.30	10,000	30,000
171501	15	Studio Equipments	2.00	0.05	0.025	0.30	10,000	30,000
--	16	Sub Station Equipments -						
171601	--	a) Excluding Transformers	2.00	0.05	0.05	0.30	10,000	30,000
171601	--	b) Including Transformers Upto 50 MVA	Refer item T-9 (a) – 'Transformers upto 50 MVA'.					
171603	--	c) Including Transformers Upto 150 MVA	Refer item T-9 (b) – 'Transformers upto 150 MVA'.					
171701	17	Sugar Factories	2.00	0.05	0.025	0.30	10,000	30,000
171801	18	Surgical Equipments Manufacturing Plant	2.00	0.05	0.025	0.30	10,000	30,000

171901	19	Switchgear-H.T.& L.T	2.00	0.05	0.05	0.30	10,000	30,000
172002	20	Synthetic Fibre Plant	2.25	0.025	0.025	0.30	10,000	30,000
172101	21	Sintering Plant	2.00	0.05	0.05	0.30	10,000	30,000
172203	22	Salt refinery plant	2.50	0.05	0.05	0.30	10,000	30,000
'T' - - - -								
180103	1	Tanks	2.50	0.05	0.025	0.30	10,000	30,000
180201	2	Tanneries	2.00	0.05	0.05	0.30	10,000	30,000
180303	3	Tea Factory and Tea Packing/Blending Factory	2.50	0.05	0.025	0.30	15,000	40,000
180401	4	Telephone Exchange	2.00	0.05	0.05	0.30	10,000	30,000
180501	5	Textile Mills Machinery (excluding turbines, engines & electrical equipments)	2.00	0.05	0.025	0.30	10,000	30,000
180601	6	Tobacco Factories	2.00	0.05	0.025	0.30	10,000	30,000
180703	7	Tower Cranes	2.50	0.05	0.025	0.30	10,000	30,000
180801	8	Tractor Mfg. Plant	2.00	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
--	9	Transformers -						
180902	--	a) Upto 50 MVA	2.25	0.05	0.025	0.30	15,000	40,000
180903	--	b) Above 50 mVA Upto 150 mVA	2.50	0.05	0.025	0.30	20,000	80,000
180905	--	c) Above 150 mVA & upto 400 mVA	2.75	0.05	0.025	0.30	50,000	2,00,000
180906	--	d) Above 400 mVA & upto 500 mVA	3.00	0.05	0.025	0.30	1,00,000	4,00,000
--	--	e) Above 500 mVA	Refer to TAC					
181010	10	Transmission Lines *	4.00	0.05	0.05	0.30	10,000	30,000
* Excess for Theft & Burglary claims shall be 25 % Of claims amount subject to minimum Rs.15000								
181103	11	Turbines in Industries	2.50	0.10	0.05	0.30	10,000	30,000
--	12	F) Turbo Generator Sets -						

181204	--	a) Upto 120 mW	2.70	0.10	0.03	0.50	15,000	40,000
181206	--	b) Upto 210 mW	3.00	0.10	0.03	0.50	20,000	80,000
181207	--	c) Upto 300 mW	3.25	0.10	0.03	0.50	50,000	2,00,000
181217	--	d) Above 300 mW	3.25	0.10	0.03	0.50	*For Excess, see below	
		<ul style="list-style-type: none"> • Excess – i) For Boiler, TG Set and Power Transformer Rs. 1,00,000/Rs. 4,00,000 ii) For other equipments Rs.15,000/Rs. 40,000 						
		'U' -----						
190101	1	Ultrasonic Non-destructive Testing Equipments	2.00	0.05	0.05	0.30	10,000	30,000
		'V' -----						
200101	1	Vanaspati Plant	2.00	0.05	0.025	0.30	10,000	30,000
200203	2	Varnish Factories	2.50	0.05	0.05	0.30	10,000	30,000
200301	3	Vehicle Assembly Plants	2.00	0.05	0.025	0.30	10,000	30,000
200401	4	Veneer Factories	2.00	0.05	0.025	0.30	10,000	30,000
200501	5	Video Tape & Pan Cakes Mfg. Plant	2.50	0.05	0.025	0.30	10,000	30,000
1	2	3	4	5	6	7	8	9
		'W' -----						
210101	1	Water Pumping Station	2.00	0.05	0.05	0.30	10,000	30,000
210201	2	Water Treatment Plant	2.00	0.05	0.05	0.30	10,000	30,000
210301	3	Water Works	2.00	0.05	0.05	0.30	10,000	30,000
210401	4	Weaving Mills	2.00	0.05	0.025	0.30	10,000	30,000
210501	5	Weigh Bridge	2.00	0.05	0.025	0.30	10,000	30,000
--	6	G) Wind Turbine Generators -						
210606	--	a) Individual capacity not exceeding 250 kW	3.00	0.10	0.05	0.40	20,000	50,000
210608	--	b) Above 250 KW & upto 400 kW	3.50	0.10	0.05	0.40	40,000	1,00,000
210610	--	c) Above 400 kW	4.00	0.10	0.05	0.40	80,000	2,00,000

210702	7	Wire Drawing Units	2.25	0.05	0.025	0.30	10,000	30,000
210802	8	Wood Pulp Plants	2.25	0.025	0.025	0.30	10,000	30,000
210901	9	Wood Works	2.00	0.05	0.025	0.30	10,000	30,000
'X' -----								
220101	1	X-Ray Equipments	2.00	0.05	0.05	0.30	10,000	30,000
'Y' ----- NO ITEMS								
'Z' ----- NO ITEMS								
230103	--	Risks not covered above	2.50	0.05	0.025	0.30	10,000	30,000

ERECTION ALL RISKS/STORAGE CUM ERECTION INSURANCE POLICY

SCHEDULE

Policy No. _____ Issued at _____ Date _____

Name & Address of Insured _____

Site of erection _____

H) Period of Insurance

i) _____ From _____ To _____

(Including _____ month/s Testing)

ii) _____ Maintenance period, if opted
_____ month/s

Premium (Subject to adjustment on completion of the project) -

Rupees _____

I) Nature of Project -

Insured Items

Sum Insured

Section I - Material Damage -

1. Plant & Equipments to be erected (Brief details) -

- a) Landed Cost of Imported machinery as at Factory site at exchange Rate _____ (sub divided as under) -
- i) Invoice Cost Rs. _____
 - ii) Freight insurance, handling, Clearing & forwarding charges upto factory site. Rs. _____
 - iii) Customs duty Rs. _____
- b) On machinery fabricated or manufactured in India (sub divided as under) -
- i) Invoice cost including insurance, handling clearing and transport, upto Factory site. Rs. _____
 - ii) Freight Rs. _____
- c) On Cost of Erection including salaries of all Foreign and Indian Technicians and Wages of all skilled and unskilled labour employed at Factory Site during erection. Rs. _____
- d) On Building in which the above Plant and Machinery is to be erected -
- i) Permanent Civil Engineering Works Rs. _____
 - ii) Temporary Works Rs. _____
- Completely erected value** Rs. _____
2. Clearance & Removal of Debris Rs. _____
3. Value of Surrounding Property to be covered Rs. _____
4. Construction Plant and Machinery to be used at the Project Site (Detailed as per attached list) Rs. _____
5. Extra charges for express freight (excluding Air Freight), overtime, Sunday and Holiday rates or wages Rs. _____
6. a) On increased replacement value (including duty on such additional replacement value) which may have to be paid on replacement of imported Plant and Machinery as per Item 1-(a) above. Rs. _____
- b) On increased replacement value which may have to be paid on replacement of Indigenous Plant and Machinery as per Item 1-(b) above. Rs. _____

Total of Section I

Rs. _____

7. Do you wish Air Freight to be covered? -

Yes No

If so, amount of indemnity

Rs. _____

8. Do you wish Additional Custom Duty to be covered? -

Yes No

If so, amount of indemnity

Rs. _____

Section II Third Party Liability

Limit of Indemnity

a) For any one accident

Rs. _____

b) For all accidents during the period

Rs. _____

J) EXCESS for Section I and II -

A) For Storage & Erection Claims . . .

_____ % of the claim amount subject to a minimum of Rs _____

B) For Testing Period Claims. . .

_____ % of the claim amount subject to a minimum of Rs _____

C) For Acts of God Claims (as per Memo 6)

_____ % of the claim amount subject to a minimum of testing period excess and a maximum of Rs _____

D) For Fire/Explosion Claims

_____ % of the claim amount subject to a minimum of testing period excess and a maximum of Rs _____

In witness whereof the undersigned acting on behalf and under the Authority of the Company that hereunder set his hand at _____ on this _____ day of _____.

Examined

For _____ to this

Tariff Advisory Committee
EAR/1-1-01

Entered

ERECTION ALL RISKS INSURANCE POLICY

WHEREAS the insured named in the Schedule hereto had made to -----
----- Co. Ltd., (hereinafter called 'the Company') a written proposal by
completing a Proposal Form which together with any other statements made in
writing by the insured for the purpose of this Policy, is deemed to be
incorporated herein.

NOW THIS POLICY OF INSURANCE WITNESSETH

that subject to and in consideration of the Insured having paid to the Company,
the premium mentioned in the said Schedule and subject to the terms,
exclusions, provisions and conditions contained herein or endorsed hereon
the company will indemnify the Insured against sudden and unforeseen physical
loss of or damage to the property insured in the manner and to the extent
hereinafter provided.

GENERAL EXCLUSIONS -

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 de jure 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.

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.

K) PERIOD OF COVER –

The liability of the Company shall commence, (notwithstanding any date to the contrary specified in the Schedule) only from the time after the unloading of the property specified in the Schedule from any conveyance at the site specified in the schedule and shall continue until immediately after the first test operation or test loading is concluded (whichever is earlier) but in no case beyond four weeks from the day on which after completion of erection a trial running is made and/or readiness for work is declared by the erectors/contractors, whichever is earlier. If however, a part of a plant or one or several machine/s is/are tested and put into operation the cover and consequently the liability of the Company for that particular part of the plant or machine ceases whereas it continues for the remaining parts which are not yet ready.

In case after the expiry of four weeks of trial running, approval of the plant or any part thereof is not given by the concerned Authorities the cover for the extended period of further trial running can be covered at extra premium to be arranged before hand.

If the actual erection period is shorter than the period indicated in the Schedule, no refund of premium shall be allowed, unless specifically allowed by Insurers.

In the case of second-hand/used property, the insurance hereunder shall however, cease immediately on the commencement of the testing.

At the latest, the insurance shall expire on the date specified in the Schedule but if the work of erection and test operations included in the insurance is not completed within the time specified hereunder, the company may extend the period of Insurance but the Insured shall pay to the Company additional premium at agreed rates.

GENERAL CONDITIONS -

1. The due observance and fulfillment 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 telegram 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 telegram 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. If any dispute or difference shall arise as to the quantum to be paid under this 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 arbitration as hereinbefore 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 the award by such Arbitrator/Arbitrators of the amount of the loss or damage shall be first obtained.

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.

This insurance may also at any time be terminated at the option of the Insurer by 15 days notice to that effect being given to the Insured in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

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.

L) EXCLUSION 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- fulfillment 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.

PROVISIONS 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.

M) 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.

N) 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.

O) 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 5 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.

EXCLUSIONS TO SECTION II -

The Company will not indemnify the Insured in respect of -

Tariff Advisory Committee
EAR/1-1-01

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.

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.

* * * * *

ALL INDIA TARIFF

ON

ERECTION ALL RISKS INSURANCE

&

STORAGE CUM ERECTION 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 ERECTION ALL RISKS INSURANCE AND STORAGE CUM ERECTION 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.

**ERECTION ALL RISKS INSURANCE
&
STORAGE CUM ERECTION INSURANCE
POLICY**

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PROPOSAL FORM

_____ Co. Ltd.

PROPOSAL AND QUESTIONNAIRE FOR ERECTION ALL RISKS/ STORAGE-CUM-ERECTION INSURANCE.

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

Information given herein will be treated in strict Confidence.

Put a (√) mark wherever applicable.

S. No.	3 Details	3 Answer			
1.	a) Name & Address of the Principal Trade or business	a)			
	b) Name & Address of the Contractor Trade or business	b)			
	c) Name & Address of the Sub Contractor, if any, Trade or Business	c)			
	THE INSURED INTERESTS -				
	Whose Interests are to be Insured?	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 10px;">Principal</td> <td style="padding: 2px 10px;">Contractor</td> <td style="padding: 2px 10px;">Sub-contractor</td> </tr> </table>	Principal	Contractor	Sub-contractor
Principal	Contractor	Sub-contractor			
3.	D) THE CONTRACT WORKS -				
	a) Type of main plant				
	b) Full description of the plant & Machinery to be erected, including Capacity. (Please attach separate sheet, if necessary)				
4.	a) Is this a contract/sub-contract forming part of an over all erection project.	<input style="width: 40px; height: 20px;" type="checkbox"/> Yes <input style="width: 40px; height: 20px;" type="checkbox"/> No			
	b) If yes, give name of the project.				
	c) Whether to be commissioned independently or with the main plant.	<input style="width: 40px; height: 20px;" type="checkbox"/> independently <input style="width: 40px; height: 20px;" type="checkbox"/> With Main Plant			

-
5. a) Have the Plans, Designs and Materials been already tested in any previous erection? Yes No
- b) Is the installation or part thereof built for the first time Yes No
- c) Are you the manufacturer, importer, buyer or contractor of the installation?

Mfrer	Importer	Buyer	Contra ctor
-------	----------	-------	----------------
- d) Is the property brand new or is it second hand or used one?

Brand New	Second Hand	Used
-----------	-------------	------
- e) If second hand or used, state age
6. a) Will the erection be carried out by your own personnel? Yes No
- b) If not, by whom?
- c) Past experience of the Erector
7. a) Will any sub-contractors be taking part in the work of erection? Yes No
- b) If yes, what is their position as regards this insurance?
- 8. THE CONTRACT SITE -**
- a) Location of site where the Plant is to be erected?
- b) Nearest Port &/or Railway Station and distance.
- Note** - A complete lay out of the Factory and Site may be enclosed.
9. a) i) Are any special risks of floods, fire or explosion involved? Yes No
- ii) If yes, give details
- b) Distance from nearest river or sea - the names and particulars to be given.
- c) Elevation of Erection Site above normal River or sea level.
-

d) Is there any record of the Erection site ever having been submerged during floods? Yes No

e) Do you wish to cover earthquake (fire & shock) for risks in Earthquake Zones I & II Yes No

10. STORAGE ARRANGEMENTS -

a) Brief description of the arrangements made for storage of equipments –

whether in open or closed premises.

b) i) Will there be a watchman on duty round the clock?

ii) If not, what precautions will be taken against theft, malicious damage etc.?

11. E) THE INSURANCE PERIOD -

a) Probable date of first shipment or dispatch

b) Expected date of **first** arrival at site.

c) Expected date of **last** arrival at site.

d) Probable date of commencement of erection of Plant & machinery

e) Probable date on which erection of Plant & Machinery is expected to be completed finally.

f) Duration of testing period included in (g) below. _____ months

g) Period of Insurance required including test run _____ months from _____ to _____

F) SUM INSURED –

12.1 a) On landed cost of imported machinery as at Factory Site -
i.e. @ Exchange rate _____ Rs. ____
(sub divided as under)

i) Invoice Cost	Rs. ____
ii) Freight, Insurance, Handling, Clearing and Transportation charges upto Factory Site.	Rs. ____
iii) Customs Duty	Rs. ____
12.1 b) On machinery fabricated or manufactured in India (sub divided as under)	
i) Invoice Cost including insurance, handling and clearing and transporting upto factory Site.	Rs. ____
ii) Freight	Rs. ____
12.1 c) Cost of Foundation relating to (a) & (b) above	Rs. ____
12.1 d) On Cost of Erection, including salaries of all Foreign and Indian Technicians and wages of all skilled and unskilled labour employed at Factory Site during erection.	Rs. ____
12.1 e) On Civil Works	
i) Permanent Civil Engineering Works	Rs. ____
ii) Temporary works	Rs. ____
Completely Erected value	Rs. ____
12.2 Clearance and Removal of Debris	Rs. ____
12.3 Construction Plant and Machinery to be used at the Project Site. (Details as per attached list)	Rs. ____
12.4 Insured's own Surrounding Property	Rs. ____
12.5 a) On increased replacement value (including duty on such additional replacement value) which may have to be paid on replacement of imported Plant and Machinery as per item 12.1 (a) above.	Rs. ____

b) On increased replacement value which may have to be paid on replacement of indigenous Plant and Machinery as per item 12.1 (b) above. Rs. ____

c) Escalation on 12.1 (d) -

- On increased replacement value Rs. ____

- On reconstruction of -

- Permanent Civil Works Rs. ____

- Temporary Works Rs. ____

12.6 Extra charges for Express Freight (excluding Air Freight) Overtime, Sunday and Holiday rates of wages viz., Expediting cost Rs. ____

12.7 Additional Customs Duty Rs. ____

12.8 Air Freight Rs. ____

12.9 A). Third Party Liability -

a) For any one accident Rs. ____

b) For all accidents during the period Rs. ____

TOTAL SUM INSURED Rs. ____

B). Cross Liability, if required Yes No

13. Do you wish to opt for Higher amounts of deductible excess? Yes No

If yes, (specify)

14. a) Have you approached any other Insurance Co. for Insurance Cover in respect of this Proposal? Yes No

b) If yes, please state the name of the Insurance Co.

15. Has any such proposal been -

- a) declined? Yes No
- b) withdrawn? Yes No
- c) accepted subject to an increased rate or special conditions? Yes No

16. Do you require **MARINE/TRANSIT** Insurance cover Yes No

If yes, the following questions are to be answered -

- a) Are there any fragile items like Refractory materials, Asbestos Cement Sheets, Porcelain materials, Glass equipments, Fire Bricks, Graphite Electrode etc. Yes No

If yes, please give their value, description and mode of packing (whether packed in cases or loose)

17. a) Do you want cement to be covered? Yes No
- b) If yes, give its value and mode of packing (whether packed in gunny bags or paper bags)

18. Please give particulars of voyage for imports.

19. What is the limit required -

- a) Per any one shipment? (In case of imports)
- b) Per any one dispatch? (In case of indigenous materials)

20. Please state (for Inland Transit) -

- a) How the goods will be transported to site of erection?

By Rail	By Steamer	By Lorry	By Country Craft
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- b) How many Transhipments will be there?
-

c) Special hazards, if any, in transporting goods from nearest Station/Port to erection site.

21. Do you require War & S.R.C.C. Risk to be covered during Overseas/inland transits? Yes No
22. Do you wish to opt for excess under marine/transit losses 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.

Place _____

Dated _____

Proposer's Signature _____

Section 41 of Insurance Act 1938

P)

Q) 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.
