

HDFC ERGO General Insurance Company Limited

Policy Wordings



Comprehensive Project Insurance (CPI) - Variant 1

This policy of insurance is made between the insuring party and the insurer

The insuring party has submitted to the insurer a proposal requesting insurance cover to be provided under one or more sections of this policy of insurance and the proposal has been accepted by the insurer. The insurance cover provided by this policy of insurance is only in respect of and subject to the wording of those sections to which the schedule has been completed and which have been signed and dated by the insurer.

Subject to the insuring party having paid the agreed premium to the insurer and subject to the terms, provisions, conditions, warranties and exclusions contained herein or endorsed hereon the insurer shall indemnify the insured in the manner and to the extent stated in the following section(s) forming part of this policy of insurance:

➤	Section 1a	Project works (compulsory)		
➤	Section 1b	Plant, machinery and equipment	Yes	No
➤	Section 2	Third party liability	Yes	No
➤	Section 3	Delay in start-up	Yes	No
➤	Section 4	Marine cargo	Yes	No

The insuring party acknowledges that it has ensured and shall continue to ensure that all parties named as insured in any section of this policy of insurance disclose to it all information required to be provided to the insurer and shall at all times comply with any obligations which are placed upon the insured by any provision of this policy of insurance.

The due observance and fulfillment of the terms of this policy of insurance insofar as they relate to anything to be done or complied with by the insuring party and the insured and the truth of the statements and answers given by or on behalf of the insured in the proposal as well as any statements in the schedules to any section of this policy of insurance shall be a condition precedent to any liability on the part of the insurer.

No alteration of the terms of this policy of insurance which may be agreed as between the insuring party and the insurer shall require the agreement or consent of any other party constituting the insured under any section.

This policy of insurance shall be construed in accordance with the laws of India

The language of communication under this policy of insurance shall be English.

In witness whereof, the duly authorized agent of the insurer signs this agreement on its behalf.

Date _____ Insurer _____

This policy of insurance shall not be effective unless signed above and dated by the insurer. No section of this policy

of insurance shall be effective unless the schedule is both signed and dated by the insurer.

Definitions applicable to all sections

The terms – written in italics – used in this policy of insurance shall have the following meanings unless they are defined differently in any section hereof or the context so requires.

Act of default

means a deliberate act regardless of whether the actual consequences of such an act were anticipated or not or a reckless failure to take the reasonably necessary precautions which a prudent insured would take to prevent loss of or damage to the property insured or any deliberate act of material non-disclosure or breach of any warranty or condition of this policy of insurance.

Actual value

means the cost which in the event of loss of or damage to any item or part of the property insured would be necessary to replace it with one of the same age and capacity and similar make and quality, inclusive of all materials, wages, freight, customs, duties and dues.

Additional insurance cover

means any additional insurance cover the insured may decide to take out in any section of this policy of insurance.

Consequential loss

means any financial loss of any kind or description whatsoever, including loss of profit, loss of opportunity, losses due to delay, lack of performance, loss of contract or penalties.

Deductible

means the amount to be deducted from any payment otherwise to be made by the insurer to the insured.

Insured

means all the parties named as the insured in a section of this policy of insurance and if the context so requires any one of them.

Insured contract(s)

means the contract(s) specified as such in the schedule.

Insurer

means the party named as such in this policy of insurance.

Insurer's agent

means an individual, firm or company appointed by the insurer to act on its behalf.

Insured party(ies)

means an individual, firm, company, corporation or joint venture specified as an insured in this policy of insurance.

Insuring party

means the individual, firm, company, corporation, joint venture or combination of the above named as such in this policy of insurance that has entered into this policy of insurance on behalf of itself and any other party named as an insured in any section of this policy of insurance.

Language of communication

means the language in which communication between the insured and the insurer under this policy of insurance shall take place.

Material change in risk

means any change in the nature, exposure, location, execution and maintenance of the insured contract(s) that a reasonably prudent insurer would consider material to the acceptance of the risk under the terms and conditions of this policy of insurance.

New reinstatement value

means the cost which in the event of the total loss or destruction of the property insured would be incurred to replace it with new property of the same capacity and quality or to re-construct, re-erect and re-test the property insured, including all materials, freight, customs, duties and dues.

Period of insurance

means the period during which cover is provided by this policy of insurance as specified in the schedules.

Policy of insurance

means the proposal, the definitions, the conditions, the exclusions, the schedules and the section(s) of this policy of insurance.

Premium

means the premium payable under this policy of insurance calculated in accordance with its terms.

Premium rate

means the rate referred to as such in the schedules agreed between the insuring party and the insurer.

Property insured

means the property insured as specified in the schedules of this policy of insurance.

Proposal

means the written information submitted to the insurer by the insuring party seeking insurance cover under this policy of insurance.

Representatives

means the directors, officers or any other individuals that have the authority to exercise administrative or executive

control over the execution of a contract or over an operation or business.

Schedule

means the schedule to the section(s) of this policy of insurance in which reference is made to it.

Section

means any section of this policy of insurance including the schedule thereto.

Site

means the places where the works are to be executed and any other places that may be specified in the insured contract(s) as forming part of the site.

Sum(s) insured

means the amount of insurance cover specified in the schedule(s) in respect of any particular item of property insured or interest insured or the total amount of insurance cover specified in a schedule as the context may require.

Territorial limits

means the geographical area in respect of which cover will be provided by this policy of insurance as specified in any schedule.

Terrorism

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

Exclusions applicable to all sections

Unless otherwise stated in any section of this policy of insurance, the insurer shall not indemnify the insured in respect of any loss, damage or liability resulting from or aggravated by

- 1.1. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, conspiracy, strike, lock-out, riot, civil commotion, military or usurped power, confiscation, nationalization, commandeering, requisition or destruction or damage by or under the order of any government de jure or de facto or by any public or local authority;
- 1.2. the acts of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;

- 1.3. any act of terrorism;
- 1.4. ionizing radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;
- 1.5. the radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 1.6. any weapon of war employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter;
- 1.7. an act of default committed by the insured or its representatives;
- 1.8. any partial or total unscheduled cessation of work exceeding four weeks of which the insurer has not been notified.

In any action, suit or other proceeding in which the insurer alleges that by reason of the provisions of exclusions 1.1, 1.2 and 1.3 above any loss, damage or liability is not covered by this policy of insurance, the burden of proving that such loss, damage or liability is covered shall be upon the insured.

Conditions applicable to all sections

1. Payment of premium

- 1.1. Notwithstanding the provisions of clause 3 the payment of the premium by the insuring party is a condition precedent to the insurer's liability towards any insured party under any section of this policy of insurance.
- 1.2. The insurer shall not be liable to indemnify the insured or any insured party in respect of any occurrence happening prior to the receipt of the premium.

2. Reasonable precautions

- 2.1. The insured shall take at its own expense all reasonable precautions and comply with all reasonable recommendations made by the insurer, to prevent loss of or damage to the property insured or any liability arising under this policy of insurance and comply with all relevant statutory requirements and manufacturers' recommendations.

3. Multiple insured clause

- 3.1. If in any section the insured comprises more than one party each operating as a separate and distinct entity, this policy of insurance shall, unless otherwise provided for in this policy of insurance, apply as if a separate policy had been issued to each of these parties provided always that the insurer's overall liability towards the parties that constitute the insured in any section shall not exceed the sum insured and any limits of indemnity specified in the schedule to that section.

Any payment made by the insurer to any insured party as a result of an occurrence of loss or damage

shall reduce, by the amount of that payment, the insurer's liability towards all the insured parties that constitute the insured arising from that occurrence under this policy of insurance.

4. Act of default

- 4.1. In the event of an act of default being committed by an insured party or its representatives the insurer shall not be liable to pay any amount to the insured party under this policy of insurance.
- 4.2. An act of default committed by one insured party or its representatives shall not prejudice the entitlement to indemnity of any other insured party that has not itself (and whose representatives have not) committed an act of default.
- 4.3. In the event of the insurer refusing to indemnify an insured party as a result of any act of default no other insured party shall be entitled to indemnity in respect of the same loss or damage by assuming the rights or obligations of the insured party whose claim for indemnity the insurer has refused or is entitled to refuse.
- 4.4. In the event of an act of default the insurer shall be entitled to claim from the insured party any loss or damage it may have suffered including, without limitation, any sums it may have paid to any other insured party as a result of any loss or damage caused or contributed to by the insured party or its representatives committing an act of default.

5. Subrogation

- 5.1. The insurer shall waive its rights of subrogation against all insured parties provided no act of default committed by any insured party or its representatives has caused any loss or damage to any other insured party.
- 5.2. The insured shall at the insurer's expense do and concur in doing and permit to be done all action that may be necessary or required by the insurer in the interest of any rights or remedies or for the purpose of obtaining relief or indemnity to which the insurer is or would become entitled or which is or would be subrogated to him upon indemnification or rectification of any loss or damage under this policy of insurance, regardless of whether such action is or becomes necessary or required before or after the insured's indemnification by the insurer.

6. Risk inspections

- 6.1. The insurer or the insurer's agent shall have the right to inspect and examine the property insured at any reasonable time and the insured shall provide the insurer or the insurer's agent with all relevant details and information.

7. Material change in risk

- 7.1 As soon as is reasonably possible, any party named as the insured in any section of this policy

of insurance shall notify the insuring party of any material change in risk of which it is aware or ought reasonably to be aware and shall take or cause to be taken at its own expense any additional precautions that may be necessary to prevent loss or damage occurring to the property insured as a result of such material change in risk.

- 7.2 The insuring party shall immediately notify the insurer in writing upon receipt of any notice from the insured.
- 7.3 The insurer shall not be liable for any loss of or damage to property insured which would not have resulted had there not been a material change in risk unless the insurer has agreed to the material change in risk in which case the scope of cover and premium shall, if necessary, be adjusted by the insurer to reflect the material change in risk.

8. Claims notification and the insured's obligations following an occurrence of loss or damage

- 8.1 In the event of any occurrence which might give rise to a claim under this and the insured's policy of insurance, the insured shall
- 8.1.1 immediately notify the insurer in writing as soon as possible, indicating the nature and extent of the loss or damage;
 - 8.1.2 take all such measures as may be reasonable for the purpose of minimizing loss or damage;
 - 8.1.3 ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;
 - 8.1.4 do and concur in doing and permit to be done all such things as may be practicable to establish the cause and extent of the loss or damage;
 - 8.1.5 preserve all parts affected and make them available for inspection by the insurer's representative as long as the insurer may require;
 - 8.1.6 inform the police authorities of loss or damage due to fire, theft or burglary or actions by any malicious person and render all reasonable assistance to the police authorities;
 - 8.1.7 furnish any information and documentary evidence that the insurer may require together with, if required, a statutory declaration of the truth of the claim.
- 8.2 If the insured or anyone acting on its behalf hinders or obstructs the insurer in any way or does not comply with any reasonable recommendations the insurer may make following the notification of any loss or damage, all benefits claimed under any section of this policy of insurance shall be forfeited.

8.3 The insurer shall reimburse the insured for any charges properly and reasonably incurred in pursuance of its duties in relation to clauses 8.1.2 and 8.1.3 above in addition to any loss recoverable under any section of this policy of insurance.

8.4 Upon notifying the insurer, the insured may repair any minor damage or replace any parts of the property insured that have sustained minor damage; in all other cases the insurer's agent shall be given the opportunity to inspect the loss or damage before any repairs are effected and if the insurer's agent does not carry out the inspection within a period of time which could be considered reasonable under the circumstances, the insured shall be entitled to proceed with the repair or replacement.

8.5 The liability of the insurer under this policy of insurance in respect of any lost or damaged part or parts of the property insured shall cease if such part or parts are not repaired or replaced in accordance with the relevant technical standards.

9. Fraudulent claims

- 9.1. If an insured party makes any claim that is fraudulent or any false declaration or statement in support thereof, this policy of insurance between the insurer and the insured party making such a claim shall become void and the insurer shall not be liable to make any payment hereunder to that party.
- 9.2. For the avoidance of doubt, the insuring party shall not be entitled to any return of premium in the event that the policy of insurance is treated as void.

10. Disclaimer of liability

If the insurer disclaims liability in respect of any claim and if conciliation is not commenced within three months of such a disclaimer, all benefits under this policy of insurance in respect of that claim shall be forfeited.

11. Other insurances

11.1. If at the time any claim is made under this policy of insurance there is any other insurance covering the same loss, damage or liability, the insurer shall not be liable to pay more than the rateable proportion of any claim for such loss, damage or liability.

12. Entire agreement

12.1. This policy of insurance shall form the entire agreement between the insurer and the insuring party and any party claiming as an insured and supersedes and replaces all prior communications, representations, undertakings and agreements between the parties whether oral or written.

13. Arbitration

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

14. Policy cancellation

The Company may cancel this policy on grounds of misrepresentation, fraud, non disclosure of material facts, non cooperation by the insured or anyone acting on its behalf by giving 15 days notice and by sending an endorsement in this regard at insured's/insured parties' address shown in the schedule of the policy. In such cases the cancellation will be from the date of inception or extension as the Company deem fit on merit of case and no refund will accrue to the insured/insured parties.

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 the 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.

15. MID-TERM REVISION IN SUM INSURED

If the Sum Insured is required to be increased during the Policy period the premium should be collected on the additional Sum Insured at applicable Policy rate.

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.

16. Condonation of Delay

The Company may condone delay in claim intimation/ document submission on merit, where it is proved that delay in reporting of claim or submission of claim documents, is due to reasons beyond the control of the Insured.

Notwithstanding the above, delay in claim intimation or submission of claim documents due to reasons beyond the control of the Insured shall not be condoned where such claims would have otherwise been rejected even if reported in time.

SECTION 1A – PROJECT WORKS

1. Indemnification

- 1.1. The insurer shall indemnify the insured for any sudden physical loss of or damage to the property insured which the insured could not reasonably

have foreseen and which occurs within the territorial limits at any time during the period of insurance due to any cause not specifically excluded and which results in property insured needing to be repaired or replaced.

- 1.2. The indemnity for each item entered in the schedule shall not exceed the specified sum insured or limit of indemnity that may be applicable.

2. Property insured

- 2.1. The property insured under this section is the permanent and temporary works and any part thereof constructed, erected or tested in the performance of the insured contract(s) specified in the schedule including any free issue material which is to be incorporated therein.

3. Additional insurance cover

If specified in the schedule, the following additional insurance cover shall be provided subject to the terms contained herein:

3.1. Property belonging to or held in the care, custody or control of the insured

The insurer shall indemnify the insured up to the sum insured specified in the schedule in respect of physical loss of or damage to property other than the property insured belonging to or held in the care, custody or control of the insured which the insured could not reasonably have foreseen and which is caused by or arises out of the execution of the insured contract(s).

3.2. Professional fees

The insurer shall indemnify the insured in respect of professional fees and related costs necessarily incurred to rectify loss of or damage to property insured but not for preparing claims.

The amount payable for such fees shall not exceed that authorized under the scales of the respective institutions or bodies regulating such charges or the sum insured specified in the schedule, whichever is the lower.

3.3. Plans, documents and data

The insurer shall indemnify the insured up to the sum insured specified in the schedule in respect of the costs and expenses necessarily incurred to re-produce plans, drawings, contract and account documents and data lost or damaged but not in respect of the value of the information contained therein.

3.4. Removal of debris

The insurer shall indemnify the insured up to the sum insured specified in the schedule in respect of the costs and expenses necessarily incurred to remove and dispose of debris including foreign

debris, slush removal and other expenses, to dismantle, demolish, shore or prop up property insured in any circumstances giving rise to indemnifiable loss or damage under this section.

3.5. Expediting expenses

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property insured.

3.6. Off-site Storage

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule for loss of or damage to property insured whilst in off-site storage within the territorial limits.

3.7. Inland transit

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of loss of or damage to property insured whilst in transit within the territorial limits including unloading at the site.

This cover shall not extend to loss of or damage to property insured whilst in transit by sea or by air.

4. Sum insured

4.1. It is a requirement of this policy of insurance that at the inception date of this section the sum insured specified in the schedule in respect of the property insured shall not be less than the new reinstatement value at the completion date of the insured contract(s), but excluding professional fees and costs incurred for the reproduction of plans and documents, removal of debris and expediting expenses.

If during the period of insurance the sum insured specified in the schedule in respect of property insured is exceeded by the new reinstatement value, it shall be deemed to be increased by the amount in excess but by not more than the percentage for escalation specified in the schedule.

If additional insurance cover is agreed upon in the schedule, the sum(s) insured shall be increased by the respective amount whenever applicable.

In the event of any indemnification under this section the sum insured of the property insured shall automatically be reinstated.

5. Premium

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.

6. Period of insurance

- 6.1. The period of insurance of this section shall include
 - i. the construction and erection period including the testing period
 - ii. the defects liability period as specified in the schedule.
- 6.2. The insurance cover under this section shall begin upon commencement of physical work or storage on the site or the inception date of this section specified in the schedule, whichever is the later.
- 6.3. The testing period shall commence for each item of property insured with the application of the first test-load or the first introduction of fuel, feedstock or process materials and shall last for the duration specified in the schedule or until the item has passed its tests, whichever is the earlier.
- 6.4. The defects liability period shall commence for each item of property insured on the date it has been taken into use or into occupation or on the date a taking-over certificate has been issued or is deemed to have been issued, whichever is the earlier.
- 6.5. All insurance cover under this section shall cease upon expiry of any defects liability period or on the expiry date specified in the schedule, whichever is the earlier.
- 6.6. Any extensions of the periods of insurance shall be subject to the prior written consent of the insurer.

7. Territorial limits

- 7.1. The territorial limits of this section shall include the site and any additional locations specified in the schedule for inland transit and off-site storage.

8. Deductibles

- 8.1. In respect of each and every occurrence of loss of or damage to items of property insured the insurer shall not be liable for the respective deductible specified in the schedule provided that if more than one item is lost or damaged as a result of any one occurrence, the insured shall not be called upon to bear more than the highest single deductible applicable to any lost or damaged item.
- 8.2. Any loss of or damage to the property insured under this section arising during any one period of 72 consecutive hours caused by acts of God of the same type covered by this section shall be deemed to have been caused by a single occurrence and shall therefore be subject to one deductible.

8.3. For the purposes of the foregoing the commencement of any such 72-hour period shall be decided upon by and at the discretion of the insured, it being understood and agreed that there shall be no overlapping of any two or more such 72-hour periods in the event of damage occurring over a more extended period of time.

9. Exclusions

The following shall be excluded from the cover provided by this section:

- 9.1. any costs rendered necessary to replace, repair or rectify property insured which is defective as a result of any fault, defect, error or omission in design, plan, specification, material or workmanship, but should any part of the property insured containing any such defect become lost or damaged, the costs excluded are those which the insured would have incurred to replace, repair or rectify the original defect if such defect had been discovered before the occurrence of loss or damage;
- 9.2. loss or damage resulting from wear and tear, corrosion, oxidation or deterioration of property insured, but this exclusion shall be limited to the parts immediately affected and shall not extend to liability for loss of or damage to parts of the property insured lost or damaged as a consequence thereof;
- 9.3. loss of or damage to bills, currency, stamps, deeds, evidences of debt, notes, securities or cheques;
- 9.4. loss or disappearance which is discovered only at the time of taking an inventory or which is not traceable to a specific occurrence of loss or damage otherwise indemnifiable under this section;
- 9.5. loss or damage resulting from the use or operation of property insured occurring after the expiry of its testing period, but this exclusion shall be limited to the parts in operation or use and shall not extend to liability for loss of or damage to other parts of the property insured as a consequence thereof;
- 9.6. loss of or damage to property insured or any part thereof
 - 9.6.1. which has been taken into use or operation, or
 - 9.6.2. for which a taking-over certificate has been issued or is deemed to have been issued, unless such loss or damage occurred during the defects liability period specified in the schedule and
 - 9.6.2.1. was caused by an insured contractor in the course of any operations carried out by him for the purpose of complying with his obligations under the defects liability provisions of the insured contract(s) or

9.6.2.2. was caused on the site during the construction and erection period or during the testing period;

9.7. loss of or damage to any part of the property insured which has previously been in use or operation and occurring after the commencement of the testing period of any such property;

9.8. consequential loss.

10. Conditions for loss settlement

In the event of any loss or damage the basis of loss settlement under this section shall be as follows:

- 10.1. In cases where damage can be repaired the insurer shall indemnify the costs necessarily incurred to restore the damaged property to its condition immediately before the occurrence of loss or damage.
- 10.2. If the costs of repairs equal or exceed the actual value of the damaged property immediately before the occurrence of loss or damage, that property shall be deemed to be a total loss.
- 10.3. In the event of a total loss the insurer shall pay the actual value of the property insured immediately before the occurrence, provided all costs have been included in the sum insured.
- 10.4. If, in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the insured under this section shall be reduced in such proportion as the sum insured bears to the amount required to be insured.
- 10.5. The cost of any provisional repairs shall be borne by the insurer if such repairs constitute part of the final repairs and do not increase the total cost of repairs.
- 10.6. The amount payable by the insurer shall be reduced by the value of any salvage.

11. Definitions

Act(s) of God

means an occurrence due to natural causes, directly and exclusively without human intervention and which could not have been foreseen or if foreseen, could not have been resisted by any amount of human care or skill.

Construction and erection period

means a period during which construction and erection work is carried out pursuant to the provisions of the insured contract(s).

Defects liability period

means a period during which the insured contractor(s) comply with their obligations to complete outstanding work and remedy defects pursuant to the provisions of the insured contract(s).

Other causes

means all causes other than acts of God or those occurring during the testing period or the defects liability period.

Taking-over certificate

means a certificate issued under the provisions of the insured contract(s) pursuant to which the employer may take over property insured or any part thereof.

Testing period

means a period within the construction and erection period during which the insured contractor(s) must test and commission property insured pursuant to the provisions of the insured contract(s).

SECTION 1B – PLANT, MACHINERY AND EQUIPMENT

1. Indemnification

- 1.1. The insurer shall indemnify the insured for any sudden physical loss of or damage to the property insured which the insured could not reasonably have foreseen and which occurs within the territorial limits at any time during the period of insurance due to any cause not specifically excluded and results in property insured needing to be repaired or replaced.
- 1.2. The indemnity for each item entered in the schedule shall not exceed the specified sum insured or limit of indemnity that may be applicable.

2. Property insured

- 2.1. The property insured under this section is the construction or erection plant, machinery, equipment, camps, stores and offices not forming part of the permanent or temporary works and specified in the schedule.

3. Additional insurance cover

If specified in the schedule the following additional insurance cover shall be provided subject to the terms contained herein:

3.1. Expediting expenses

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property insured.

3.2. Off-site storage

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule for loss of or damage to property insured whilst in off-site storage within the territorial limits.

3.3. Inland transit

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of loss of or damage to property insured whilst in transit within the territorial limits including loading and unloading.

This cover shall not extend to loss of or damage to property insured whilst in transit by sea or by air.

4. Sum insured

- 4.1. It is a requirement of this policy of insurance that at the inception date of this section the sums insured specified in the schedule in respect of the property insured shall not be less than the respective new reinstatement value.
- 4.2. If during the period of insurance additional property is to be added to or deleted from this section, these items shall be declared and the sum insured shall then be deemed to have been increased or decreased accordingly.

5. Premium

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.

6. Period of insurance

- 6.1. The period of insurance for this section shall be either the construction and erection period and the testing period specified in the schedule to section 1a or the period specified in the schedule to this section.
- 6.2. Inception and expiry shall both take effect as of 12 noon on the dates specified in the schedule.
- 6.3. Any extension of the period of insurance shall be subject to the prior written consent of the insurer.

7. Territorial limits

- 7.1. The territorial limits of this section shall include the site and any additional locations specified in the schedule for inland transit and off-site storage.

8. Deductibles

- 8.1. In respect of each and every occurrence of loss of or damage to items of property insured the insurer shall not be liable for the respective deductible specified in the schedule provided that if more than one item is lost or damaged as a result of any one occurrence, the insured shall not be called upon to bear more than the highest single deductible applicable to any lost or damaged item.

- 8.2. Any loss of or damage to the property insured under this section arising during any one period of 72 consecutive hours caused by acts of God of the same type covered by this section shall be deemed to have been caused by a single occurrence and shall therefore be subject to one deductible.
- 8.3. For the purposes of the foregoing the commencement of any such 72-hour period shall be decided upon by and at the discretion of the insured, it being understood and agreed that there shall be no overlapping of any two or more such 72-hour periods in the event of damage occurring over a more extended period of time.

9. Exclusions

The following shall be excluded from the cover provided by this section:

- 9.1. loss or damage resulting from the electrical or mechanical breakdown of property insured, but this exclusion shall be limited to the items immediately affected and shall not extend to liability for loss of or damage to other parts of the property insured as a consequence thereof;
- 9.2. loss of or damage to vehicles licensed for general road use other than when being used as a tool of trade on site;
- 9.3. loss or damage resulting from the wear and tear, corrosion, oxidation or deterioration of property insured, but this exclusion shall be limited to the parts immediately affected and shall not extend to liability for loss of or damage to other parts of the property insured as a consequence thereof;
- 9.4. loss or damage due to any faults or defects that the insured knew or ought to have known existed at the inception date of this section;
- 9.5. loss or damage for which suppliers or manufacturers are liable either by law or ordinance or under any contract or agreement;
- 9.6. loss or disappearance which is discovered only at the time of taking an inventory or which is not traceable to a specific occurrence otherwise indemnifiable under this section;
- 9.7. consequential loss.

10. Conditions for loss settlement

In the event of any loss or damage the basis of loss settlement under this section shall be as follows:

- 10.1. In cases where damage can be repaired the insurer shall indemnify the costs necessarily incurred to restore the damaged property to its condition immediately before the occurrence of loss or damage, including charges for ordinary freight, customs, duties and dues and the cost of erection provided such expenses have been included in the sum insured.

- 10.2. With the exception of parts which are subject to wear and tear and require routine replacement, no deduction shall be made for depreciation.
- 10.3. If the cost of repairs equals or exceeds the actual value of the damaged property immediately before the occurrence of loss or damage, that property shall be deemed to be a total loss and settlement shall be made on the basis provided for in clause 10.3.
- 10.4. In the event of a total loss the insurer shall pay the actual value of the property insured immediately before the occurrence of the loss or damage, provided all costs have been included in the sum insured.
- 10.5. If, in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the insured under this section shall be reduced in such proportion as the sum insured bears to the amount required to be insured.
- 10.6. The cost of any provisional repairs shall be borne by the insurer if such repairs constitute part of the final repairs and do not increase the total cost of repairs.
- 10.7. The amount payable by the insurer in accordance with the above-mentioned provisions shall be reduced by the value of any salvage.

SECTION 2 – THIRD PARTY LIABILITY

1. Indemnification

- 1.1. The insurer shall indemnify the insured up to the limits of indemnity specified in the schedule in respect of any sums the insured shall become legally liable to pay as damages as a result of
 - 1.1.1. accidental death of or bodily injury to or illness of third parties or
 - 1.1.2. accidental loss of or damage to property belonging to third parties
- 1.2. caused by the construction, erection and testing of the property insured or an insured contractor's operation necessary to comply with the provisions of an insured contract and occurring within the territorial limits during the period of insurance.

2. Limit of indemnity

- 2.1. The insurer's total liability under this section for any one occurrence or series of occurrences arising from one event or attributable to a single cause shall not exceed in the aggregate the total limit of indemnity entered in the schedule.

3. Cross liability

- 3.1. The insurance under this section shall apply to the insured named in the schedule of section 1a as if a separate policy had been issued to each party,

provided that the insurer shall not indemnify the insured under this section in respect of any liability for

- 3.1.1. loss of or damage to property insured under sections 1a or 1b of this policy of insurance;
- 3.1.2. death of, bodily injury to or illness of any employee of any insured party;
- 3.1.3. consequential loss resulting from loss of or damage to property belonging to or held in the care, custody or control of any insured party.

4. Cost of litigation

- 4.1. In respect of a claim for compensation to which the indemnity provided herein applies, the insurer shall in addition indemnify the insured for
 - 4.1.1. all costs and expenses of litigation recovered from the insured by any claimant and
 - 4.1.2. all costs and expenses incurred with the insurer's written consent,
- 4.2. always provided that the insurer's liability under this section shall not exceed the limits of indemnity specified in the schedule.

5. Period of insurance

- 5.1. The period of insurance of this section shall be either the period of insurance of section 1a or the period specified in the schedule.
- 5.2. Any extension of the period of insurance shall be subject to the prior written consent of the insurer.

6. Deductible

- 6.1. In respect of each and every occurrence of loss of or damage to items of property belonging to third parties the insurer shall not be liable for the amount of the deductible specified in the schedule.

7. Exclusions

The following shall be excluded from the cover provided by this section:

- 7.1. any liability resulting from any loss of or damage to any property or land or building caused by vibration or by the removal or weakening of any support;
- 7.2. any liability resulting from the ownership or possession of or use by or on behalf of the insured of any waterborne vessel or any aircraft or any vehicle licensed for general road use other than when being used as a tool of trade on site;
- 7.3. any liability resulting from the death of, bodily injury to or illness of employees or workmen of any insured party;
- 7.4. any liability resulting from loss of or damage to property held in the care, custody or control by an insured party or any property on which an insured party is working;

- 7.5. any liability resulting from any contract or any agreement entered into by the insured to pay any sum by way of indemnification or otherwise unless such liability would also have attached in the absence of such agreement;
- 7.6. any liability resulting from pollution or contamination other than that caused by a sudden identifiable unintended and unexpected occurrence, other than those excluded by clauses 1.4 and 1.5 of the exclusions applicable to all sections, which takes place in its entirety at a specific time and place;
- 7.7. any liability for fines, penalties, liquidated damages or damages for breach or non-performance of contract of whatever nature;
- 7.8. any liability for any occurrence which is inevitable having regard to the circumstances and nature of the work undertaken;
- 7.9. any liability arising during the defects liability period specified in the schedule to section 1a other than that which arises solely out of an insured contractor's operations carried out for the purpose of complying with his obligations under the defects liability provisions of an insured contract.

8. Special conditions

- 8.1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the insured without the express written consent of the insurer.
- 8.2. If so desires the insurer shall be entitled at its own expense to take over and conduct in the name of the insured the defense or settlement of any claim or to prosecute for its own benefit in the name of the insured any claim for indemnity or damages or contribution.
- 8.3. The insurer shall also have full discretion in the conduct of any proceedings or in the settlement of any claim and the insured shall give any information and assistance the insurer may require.
- 8.4. Insofar as an accident is involved, the insurer may pay to the insured the limit of indemnity for any one accident less any compensation already paid in respect of the accident or any sum below the limit of indemnity from which claims arising from the accident may be settled.
 - 8.4.1. Thereafter, the insurer shall in either case be under no further obligation in respect of the accident under this section.

9. Definitions

Employees means

- anyone directly employed by the insured
- labour masters or suppliers and persons supplied by them
- persons employed by labour-only subcontractors

- self-employed persons, drivers and/or operators of plant hired by any insured party including drivers and/or operators supplied by any plant hire company who are stated to be or deemed to be employees of the insured pursuant to any terms of any plant hire agreement
- persons gaining work experience or undergoing training
- any other person hired or borrowed by an insured party
- voluntary workers who are working under the direction or control of the insured in connection with the performance of an insured contract under section 1a.

SECTION 3 – DELAY IN START-UP

1. Indemnification

- 1.1. The insurer shall indemnify the insured for a loss of the interest insured unless specifically excluded if at any time during the period of insurance the property insured under section 1a suffers loss or damage indemnifiable under section 1a or which would have been indemnifiable under section 1a but for the application of a deductible, thereby causing an interference in the construction, erection or testing time schedule resulting in a delay in start-up of the business insured.
- 1.2. The indemnity for the loss of interest insured shall be in respect of:
 - 1.2.1. gross profit, the loss actually sustained during the indemnity period resulting from a reduction in turnover including any increased cost of working or
 - 1.2.2. specified standing charges, the amount actually not earned during the indemnity period resulting from a reduction in turnover including any increased cost of working.
- 1.3. The indemnity shall not exceed the sum insured for the maximum indemnity period.

2. Sum insured

- 2.1. The sum insured shall be
 - 2.1.1. the annual gross profit specified in the schedule or
 - 2.1.2. the annual specified standing charges.
- 2.2. Should the maximum indemnity period exceed twelve months, the gross profit or the specified standing charges shall be the *pro-rata* amount for that period.

3. Period of insurance

- 3.1. The insurance cover under this section shall begin upon commencement of physical work or storage on the site or the inception date specified in the schedule, whichever is the later.

- 3.2. All insurance cover under this section shall cease on the scheduled date of commencement of the business insured or on the date of commencement of the business insured, whichever is the earlier.
- 3.3. No extension of the period of insurance under section 1a shall automatically extend the period of insurance for this section.
- 3.4. Any anticipated change in the scheduled date of commencement of the business insured shall be reported to the insurer and be effective for this section only if specifically agreed upon by the insurer in writing.
- 3.5. If as a result of a delay in start-up the period of insurance under this section is to be extended, the time excess and the indemnity period shall be renegotiated and agreed upon in writing.

4. Indemnity period

- 4.1. The indemnity period shall be the period during which the interest insured is affected as a result of the delay in start-up, beginning on the scheduled date of commencement of the business insured and not exceeding the maximum indemnity period specified in the schedule.

5. Premium

1. If the Insured declares (certified by the Insured's auditors) that the gross profit earned during the accounting period of twelve months following the commencement of the insured business or the date on which but for the delay the business would have commenced was less than the sum insured thereon, a *pro-rata* return of premium not exceeding one third of the premium paid shall be made in respect of the difference.
2. If any loss or damage has occurred giving rise to a claim under this Policy, such return shall be made in respect only of so much of said difference as is not due to such damage.

6. Time excess

- 6.1. In respect of a loss of interest insured the insurer shall not be liable for the amount obtained by multiplying the average daily value of the loss of interest insured sustained during the indemnity period by the number of days specified in the schedule as the time excess.

7. Exclusions

The following shall be excluded from the cover provided by this section:

- 7.1. loss of interest insured due to any delay in start-up resulting from
 - 7.1.1. loss or damage covered under section 1a by way of endorsement unless expressly specified as covered in the schedule;

- 7.1.2. earth quake, volcanic eruption or tsunami, unless expressly specified as covered in the schedule;
- 7.1.3. loss of or damage to the employer's property;
- 7.1.4. loss of or damage to fuel or feedstock or any materials necessary for the business insured unless expressly agreed to form part of the property insured under section 1a;
- 7.1.5. redesigning, altering, adding to or improving the property insured or rectifying defects or faults;
- 7.1.6. loss of or damage to the property insured under section 1a or any part thereof
 - 7.1.6.1. which has been taken into use or occupation or
 - 7.1.6.2. for which a taking-over certificate has been issued or is deemed to have been issued;
- 7.1.7. loss of or damage to items of a prototype nature, unless expressly specified as covered in the schedule;
- 7.1.8. any restrictions imposed by a public authority;
- 7.1.9. non-availability of funds;

7.2. the amounts of any fines or damages for breach of contract, for late or non- completion of orders or for penalties of whatever nature;

7.3. loss of interest insured resulting from suspension, lapse or cancellation of a lease, licence, order, contract or agreement other than the loss of interest insured incurred during the delay in start- up.

8. Claims notification and the insured's special obligations following an occurrence of loss or damage

8.1. In the event of any occurrence of loss or damage which might cause a delay in start-up

8.1.1. the insured employer shall immediately notify the insurer and send it written confirmation thereof within forty-eight hours of the occurrence;

8.1.2. the insurer or the insurer's agent shall have unlimited access to the site to establish the possible cause and extent of the loss or damage, its effect on the interest insured, to examine the possibilities for minimizing the delay in start-up and if necessary to make reasonable recommendations for the avoidance or minimization of such delay.

8.2. In the event of a claim being made under this section, the insured shall at his own expense deliver to the insurer not later than thirty days after the delay in start- up or within such further periods as the insurer may allow in writing a written statement setting forth particulars of the claim.

8.3. The insured shall at his own expense produce and furnish to the insurer such books of account and other business books or other evidence as may reasonably be required by the insurer for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

9. Conditions for loss settlement

In the event of a loss of interest insured the basis of loss settlement under this section shall be as follows:

9.1. Loss of gross profit

9.1.1. In respect of loss of gross profit, the insurer shall pay the amount obtained by multiplying the rate of gross profit by the amount by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay in start-up not occurred.

9.1.2. If the annual sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the maximum indemnity period exceeds twelve months, the turnover calculated for the equivalent period, the amount payable shall be reduced proportionately.

9.2. Specified standing charges

9.2.1. In respect of specified standing charges, the insurer shall pay the amount obtained by multiplying the percentage by which the actual turnover during the indemnity period falls short of the turnover which would have been achieved had the delay in start-up not occurred by the amount of specified standing charges incurred during the indemnity period.

9.2.2. If the sum insured hereunder is less than the amount obtained by multiplying the rate of gross profit by the annual turnover or, if the maximum indemnity period exceeds twelve months, the pro rata turnover for that period, the amount payable shall be reduced proportionately.

9.3. Increased cost of working

9.3.1. In respect of increased cost of working, the insurer shall pay the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, without such expenditure, would have occurred during the indemnity period after the time excess.

9.3.2. The indemnity shall not exceed the amount of loss of interest insured thereby avoided.

9.4. Calculation of rate of gross profit and annual turnover

9.4.1. In calculating the rate of gross profit and annual turnover, the following aspects shall be taken into consideration:

9.4.1.1. the results of the business insured for the 12-month period after the date of commencement of the business insured;

9.4.1.2. any circumstances which would have affected the business insured had the delay in start-up not occurred;

9.4.1.3. any circumstances affecting the business insured after the actual date of commencement of the business insured.

9.4.2. The final figures shall represent as closely as may be deemed reasonable the results which the business insured would have achieved after the scheduled date of commencement of the business insured had the delay in start-up not occurred.

9.4.3. If through measures undertaken to avoid or minimize the delay in start-up a financial advantage accrues to the benefit of the insured during the period of the time excess or up to six months beyond the indemnity period, this financial advantage shall be taken into account in determining the indemnity.

9.4.4. Liquidated damage for which any contractor is obliged to indemnify the insured shall be deducted from the loss of interest insured.

11. Progress reports

11.1. The insured shall provide the insurer with updated progress reports at the intervals stated in the schedule.

11.2. The progress report shall show the progress of the work on the insured contract(s) in relation to any contractual programme of work prepared by any contractor.

11.3. The progress report shall identify any delays or potential delays in the progress of work and the effect of such delays in terms of a potential claim under this section and any measures taken or intended to be taken to minimize the effect of any such delays.

12. Definitions

Annual turnover

means the turnover which, had the delay in start-up not occurred, would have been achieved during the twelve months after the scheduled date of commencement of the business insured.

Business insured

means the commercial operation of the property insured specified in the schedule to this section.

Date of commencement of the business insured

means the actual date on which the business insured commenced.

Debt service charges

means the amount of the annual payment(s) of interest and if specified the principal on borrowings due by the insured employer.

Delay in start-up

means a delay in the scheduled date of commencement of the business insured.

Gross profit

means the amount by which the value of the turnover and the value of the closing stock exceeds the value of the opening stock and the amount of the specified working expenses. The value of the opening and closing stocks shall be calculated in accordance with the insured's normal accounting methods, due provision being made for depreciation.

Increased cost of working

means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross profit which, without such expenditure, would have taken place.

Interest insured

means either the gross profit including any increased cost of working or the specified standing charges including any increased cost of working.

Maximum indemnity period

means the maximum period specified in the schedule in respect of which cover is afforded for the interest insured by this section.

Rate of gross profit

means the percentage of gross profit which, had the delay in start-up not occurred, would have been earned on the annual turnover.

Scheduled date of commencement of the business insured

means the date specified as such in the schedule or any revised date upon which the business insured would have commenced had the delay in start-up not occurred.

Specified standing charges

means any fixed costs specified in the schedule which continue to be payable in full during the indemnity period.

Specified working expenses

means any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies unless required for the upkeep of operations and any costs

of packaging, carriage, freight, intermediate storage, turnover tax, purchase, tax, licence fees and royalties, insofar as such costs are dependent on turnover.

Time excess

means the period specified in the schedule for which the insurer is not liable.

Turnover

means the amount of money (less discounts) paid or payable to the insured for goods, products or services sold, delivered or rendered in the course of the business insured.

SECTION 4 – MARINE CARGO

1. Indemnification

- 1.1.** The insurer shall indemnify the insured for loss of or damage to the property insured under sections 1a and 1b during the time in which it is the subject of a contract of affreightment or other contract of carriage in accordance with and subject to the Institute Cargo Clauses listed below:

By Sea

Institute Cargo Clauses (A) 01.01.2009 CL382

Institute Cargo Clauses (B) 01.01.2009 CL383

Institute War Clauses (CARGO) 01.01.2009 CL385

Institute Strikes Clauses (CARGO) 01.01.2009 CL 386

Institute Classification Clause 1.1.2001 CL-354

Cargo ISM Endorsement (JC98-019)

Cargo ISPS Endorsement

Institute Standard Conditions For Cargo Contracts 1.4.82 CL-261

By Air

Institute Cargo Clauses (AIR) 01.01.2009 CL387

Institute War Clauses (AIR CARGO) 01.01.2009 CL388

Institute Strikes Clauses (AIR CARGO) 01.01.2009 CL389

By Rail/Road

Inland Transit (RAIL, ROAD, AIR) CLAUSE A - 2010

Inland Transit (RAIL OR ROAD) CLAUSE B - 2010

Strike, Riot and Civil Commotion Clause - 2010

Limitation Of Liability Clause

By Post/Parcel

Registered Post and Parcel Clause

By Courier

Courier Clause

Other Common Clauses

Institute Extended Radioactive Contamination Exclusion Clause 1.11.2002 CL-356

Institute Chemical, Biological, Bio-Chemical, Electromagnetic Weapons And Cyber Attack Exclusion Clause (01/11/02) CL-365

Termination of Transit Clause (TERRORISM) Important Notice Clause

Sanction Limitation and Exclusion Clause - JC2010/014 DATED 11.08.2010 Institute Cyber Attack Exclusion Clause CL380

Cancellation Clause

This contract may be cancelled at any time by either the insured or insurers by tendering 30 days' notice in writing in respect of Marine Risks or 7 days in respect of War, Strikes, Riots and Civil Commotion Risks, except in the case of Sendings to and/or from the United States of America which shall be subject to 48 hours' Notice of Cancellation at any time.

Such notice, however, shall not apply to any risks which shall have commenced or been declared prior to the termination of the period of notice. "

Institute Replacement Clause 1/1/34

- 1.2.** The indemnity for the loss of or damage to the property insured shall not exceed the amount of the actual value of the insured items specified in the schedule or any limit of indemnity that may be applicable.

2. Additional insurance conditions

2.1. Transshipments

This section also covers the risk of transshipment if and as applicable whether customary or not.

2.2. Rejected or returned shipments

2.2.1. In the event of any item of property insured under this section being rejected or returned for any reason, such items shall continue to be covered, including any time spent in a warehouse or elsewhere until they are finally disposed of.

2.2.2. The insured shall report to the insurer any such detentions and/or return of such items at the earliest possible time after gaining knowledge of such instances.

2.2.3. These risks shall be held covered at premium rates to be agreed, subject to the details of each individual case.

2.3. Removal of debris

2.3.1. The insurer shall indemnify the insured up to the sum insured specified in the schedule in respect of the costs and expenses necessarily incurred to remove and dispose of debris,

to dismantle, demolish, shore or prop up property insured in any circumstances giving rise to indemnifiable loss or damage under this section, but excluding

2.3.1.1. any expenses incurred as a consequence of or for the prevention or mitigation of pollution or contamination, or any threat or liability for such expenses and

2.3.1.2. the cost of removing cargo from any vessel or craft.

2.3.2. In no case shall the insurer be liable under this clause for more than 5% (per cent) of the proportionate actual value of the damaged property insured removed under this section.

2.4. General average and salvage charges

2.4.1. For the purpose of claims for general average contributions and salvage charges recoverable hereunder, the property insured shall be deemed to be insured for its full contributory value.

2.5. War risks premium adjustment

2.5.1. The premium rates charged under this section may be adjusted at any time following the outbreak of hostilities or civil disturbances or any similar occurrence anywhere in the world.

2.5.2. The premium rates to be applied shall be those that apply at the time of shipment as circulated by the War Risks Rating Committee in London.

2.5.3. In the event of any change in the premium rates pursuant to this clause, the premium payable under this section shall be recalculated and any increase shall be paid by the insured to the insurer.

2.6. Goods on deck

2.6.1. Property insured shipped on deck shall be covered by this section subject to seaworthy packing and rust-proofing.

2.7. Conveyance

2.8.1. All means of conveyance are insured.

2.8.2. The marine cargo premium rate agreed for this section shall apply only to cargoes carried by mechanically self-propelled vessels, which must be of steel construction, must not be older than 15 years, must not be sailing under a flag of convenience or problem flag, must not have single vessel status, and must have an impeccable management.

2.8.3. The vessel must have the highest class of one of the classification societies listed in

the Institute Classification Clause 1.1.2001 CL354.

2.8. Insolvency

2.8.1. The exclusion 4.6 "loss, damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel" of the Institute Cargo Clauses (A) 1/1/2009 CL382 shall be amended to read as follows:

"In no case shall this section cover loss, damage or expenses arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel if the insured is unable to show that, prior to the loading of the property insured on board of the vessel, all reasonable and prudent measures were taken by the insured, its servants and agents, to establish the financial reliability of the party in default."

2.9. Time limitation

2.9.1. any right arising from this section shall be limited to a period of three years commencing at the end of the year in which the right of action accrued.

2.10. Strike cancellation

2.10.1. The cover against strikes as defined in the relevant Institute Strike Clauses may be cancelled by either the insurer or the insuring party except in respect of any cover which has attached in accordance with the conditions of the Institute Strike Clauses before the cancellation becomes effective.

2.10.2. The cancellation shall become effective upon the expiry of 7 days from midnight of the day on which the notice of cancellation is issued by or to the insurer.

2.11. Declaration

2.11.1. The insured shall declare all items of property insured with a value greater than the amount specified in the schedule prior to shipment to enable the insurer to conduct loading or discharge surveys.

2.12. Survey Warranty

The Named Surveyor is :

.....
(and/or their nominated representative)

It is warranted that the Named Surveyor attends and approves all loading, all stowage (Including protection for non containerised Critical Items shipped on deck), and unloading to or from carrying conveyances of all named Project Cargo Critical Items (shown below).

All of the Named Surveyor's recommendations are to be complied with by the insured.

All named Project Cargo Critical Items are to be shipped under deck other than where such critical items are shipped in totally enclosed steel containers per purpose built cellular container vessels, or where on deck stowage has been approved by the Named Surveyor.

Shipments requiring the use of local barges or lightering shall not be regarded as on deck.

However, where local barges or lightering is used the Named Surveyor will approve the tug, barge, fastening and towing operations in accordance with this Survey Warranty.

In respect of Project Cargo Critical Items, it is warranted that where items are not new and not sourced directly from the original manufacturer, packaging is approved by the Named Surveyor.

All fees for the account of the insured unless otherwise agreed. This Survey Warranty does not apply if:

- 1 Any critical items are shipped;
 - a. In full and/or sole use fully enclosed containers door to door.
 - b. By airfreight (other than heavy lift aircraft) and
- 2 The proposed shipping methodologies and/or procedures of any critical items are deemed acceptable by the Named Surveyor for the proposed transportation and in their opinion survey attendance can be waived.
- 3 In the Named Surveyor's opinion any component or sub-assembly of any critical item does not necessitate a survey.
- 4 The Agreement Parties agree to waive survey requirements for any specific shipment or part of the entire transportation.

Failure to comply with this warranty shall not affect this insurance except as respects to the individual shipment(s) concerned. This insurance will continue in full force and effect for all other shipments which comply with the survey warranty.

In the event of a breach of the Survey Warranty the policy coverage will not cease but the insuring conditions under Section 1 of this policy shall be deemed to be no wider than:

Institute Cargo Clauses B dated 01/01/2009 (CL383) with clause 1.3 deleted. Institute War Clauses (Cargo) dated 01/01/2009 (CL385)

Institute Strikes Clauses (Cargo) dated 01/01/2009 (CL386)

In respect of on deck shipments and/or local barges or lightering policy coverage will be deemed to be no wider than

Institute Cargo Clauses C dated 01/01/2009 (CL384)
Institute War Clauses (Cargo) dated 01/01/2009 (CL385)
Institute Strikes Clauses (Cargo) dated 01/01/2009 (CL386)

In the event that the insured subsequently complies with the conditions of the Survey Warranty, then from the date of compliance, as evidenced by the surveyor's inspection certificate, full policy coverage will be reinstated. Where a breach of Survey Warranty has occurred and cover is subsequently reinstated and a loss occurs the onus of proof that any such loss(es) would be recoverable under this policy rests with the insured to prove to the satisfaction of the insurers hereon.

It is further understood and agreed that where the Insured or Companies acting on their behalf have provided the Named Surveyor or their customary notification office with the shipment Estimated Time of Delivery and Estimated Time of Arrival at least 72 hours in advance of estimated load/discharge dates then failure of the Surveyors to actually attend shall be deemed not to be a breach of the above warranty.

Project Cargo Critical Items

A Project Cargo Critical Item shall display one or more of the following characteristics:

All Project Cargo which, in the event of loss or damage during transit, cannot be repaired, remanufactured, replaced, reshipped, installed, tested and commissioned within sufficient time to arrive at the Project Site in time to facilitate the Scheduled Commercial Operating Date.

- Where the unit price of an item of Project Cargo is valued in excess of and will be shipped in break-bulk.
- Any Project Cargo which including packing has dimensions in excess of 12 Meters length and/ or 2.5 Meters wide and/or 2.5 Meters high [or US equivalent] and therefore does not fit inside a standard 40 foot container or equivalent road trailer.
- Any Project Cargo including packing with a weight in excess of Metric Tonnes.
- Ocean barge shipments.

Schedule of Named Project Cargo Critical Items

CLAIMS PROCESS

Claim Intimation

In the event of loss of an insured event the Company must be informed through anyone of below means immediately-

1. Relationship officer / channel partner
2. Contact us - 022 6158 2020/ 022 6234 6234
3. E-mail at care@hdfcergo.com

Contact details for the Company are as follows:

HDFC ERGO General Insurance Co. Ltd.
Corporate Claims Department
6th Floor, Leela Business Park,
Andheri Kurla Road, Andheri (E),
Mumbai – 400059
Call Centre - 022-6234 6234

While Intimation of claim, Insured has to provide relevant information which includes Policy details and Loss details (viz. Loss Location, Contact Details, Details of Loss / Accident, Insured's estimate of loss)

Based on the details provided Claim will be registered and Claim No. will be generated and provided to the Insured.

After registration, Claims officer will appoint the Surveyor within 24 hrs.

In general, primarily, the following basic documentations are required for taking the claim forward:

- Claim Intimation letter by the insured with respect to the claim or made against them by the third party or circumstances which would give rise to the claim (against the insured) as per the policy.
- Detailed description of the acts in chronological order which has resulted in the loss (details of the quantum of loss to be mentioned and the basis at which it is arrived) giving rise to a claim.
- First Information Report/charge sheet filed by the police
- Internal Investigation report, if any, from the Insured giving an Insight into the loss.
- Newspaper cutting where the incidence of terrorist attack has been reported – (Wherever Terrorism is opted)
- Any other documents which would be construed as material information to the case.

Our Claim process:

- An acknowledgment with respect to the claim intimation is given to the insured, once we are in receipt of any claim intimation from the insured.
- Based on the information submitted in the claim intimation letter, if required, we may procure more information from the insured depending on the facts mentioned therein. Upto the satisfaction of the Company.
- Surveyor / Investigator may be appointed, if required

The documents generally required for processing of claims are:

1. Policy/Underwriting documents.
2. Survey Report with Photographs wherever applicable
3. Claim Form, duly completed.
4. Log book / Asset register / Capitalized item list
5. Repair / Replacement invoices with receipt

6. All Applicable valid Certificates
7. Production / Generation / Revenue data
8. Duly certified financial account statements
9. Any other relevant documents required based on type of loss
10. KYC documents are compulsory where settlement amount is over 1 lac

Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.

Surveyor shall within 7 days of the claim intimation, inform the insured / claimant of the essential documents. Surveyor shall, submit his final report to the Company within 30 days of final submission of documents by insured. On receipt of the final survey report or the additional survey report, Insurer within a period of 30 days offer a settlement of the claim to the insured/claimant.

Grievance Redressal Procedure

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Contact us - 022 6158 2020/ 022 6234 6234
- Emails – grievance@hdfcergo.com
- Designated Grievance Officer in each branch.
- Company Website – www.hdfcergo.com
- Courier : Any of our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Cell at any of our branches with the details of your grievance during our working hours from Monday to Saturday.

If you are not satisfied with our redressal of your grievance through one of the above methods, you may contact our Head of Customer Service at

The Complaint & Grievance Cell ,
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West) Mumbai-400078,

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to the Principal Grievance Officer of the Company (underwriter) at the following address

To the Principal Grievance Officer

HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West) Mumbai-400078,
e-mail: cgo@hdfcergo.com

The contact details of the Insurance Ombudsman offices are as below-

NAMES OF OMBUDSMAN AND ADDRESSES OF OMBUDSMEN CENTERS	
Office Details	Jurisdiction of Office (Union Territory, District)
AHMEDABAD Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02 Email: bimalokpal.ahmedabad@cioins.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu
BENGALURU Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@cioins.co.in	Karnataka
BHOPAL Office of the Insurance Ombudsman, 1st floor,"Jeevan Shikha", 60-B,Hoshangabad Road, Opp. Gayatri Mandir, Bhopal – 462 011. Tel.: 0755 - 2769201 / 2769202 Email: bimalokpal.bhopal@cioins.co.in	Madhya Pradesh, Chattisgarh
BHUBANESHWAR Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 /2596455 Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@cioins.co.in	Orissa
CHANDIGARH Office of the Insurance Ombudsman, Jeevan Deep Building SCO 20-27, Ground Floor Sector- 17 A, Chandigarh – 160 017. Tel.: 0172-2706468 Email: bimalokpal.chandigarh@cioins.co.in	State of Punjab, Haryana (excluding 4 districts viz Gurugram, Faridabad, Sonapat and Bahadurgarh), Himachal Pradesh, Union Territories of Jammu & Kashmir, Ladakh and Chandigarh.
CHENNAI Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24333678 Fax: 044 - 24333664 Email: bimalokpal.chennai@cioins.co.in	Tamil Nadu Puducherry Town and Karaikal (which are part of Puducherry).
DELHI Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23237539 Email: bimalokpal.delhi@cioins.co.in	Delhi, 4 districts of Haryana viz Gurugram, Faridabad, Sonapat and Bahadurgarh)

NAMES OF OMBUDSMAN AND ADDRESSES OF OMBUDSMEN CENTERS	
Office Details	Jurisdiction of Office (Union Territory, District)
GUWAHATI Office of the Insurance Ombudsman, JeevanNivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2632204 / 2602205 Email: bimalokpal.guwahati@cioins.co.in	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura
HYDERABAD Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Email: bimalokpal.hyderabad@cioins.co.in	State of Andhra Pradesh, Telangana and Yanam – a part of Union Territory of Puducherry
JAIPUR Office of the Insurance Ombudsman, JeevanNidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 – 2740363/2740798 Email: bimalokpal.jaipur@cioins.co.in	Rajasthan
KOCHI Office of the Insurance Ombudsman, Office of the Insurance Ombudsman, 10th Floor, Jeevan Prakash,LIC Building, Opp to Maharaja's College Ground,M.G.Road, Kochi - 682 011. Tel.: 0484 - 2358759 Email: bimalokpal.ernakulam@cioins.co.in	Kerala Lakshadweep, Mahe - a part of Union territory of Puducherry
KOLKATA Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 Fax : 033 - 22124341 Email: bimalokpal.kolkata@cioins.co.in	States of West Bengal, Sikkim and Union Territories of Andaman & Nicobar Islands
LUCKNOW Office of the Insurance Ombudsman, 6th Floor, JeevanBhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 4002082 / 3500613 Email: bimalokpal.lucknow@cioins.co.in	Districts of Uttar Pradesh :Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur,Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar

NAMES OF OMBUDSMAN AND ADDRESSES OF OMBUDSMEN CENTERS	
Office Details	Jurisdiction of Office (Union Territory, District)
MUMBAI Office of the Insurance Ombudsman, 3rd Floor, JeevanSevaAnnexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 69038800/27/29/31/32/33 Email: bimalokpal.mumbai@cioins.co.in	Goa, Mumbai Metropolitan Region excluding Areas of Navi Mumbai & Thane
NOIDA Office of the Insurance Ombudsman, BhagwanSahai Palace 4th Floor, Main Road, Naya Bans, Sector 15, Distt: GautamBuddh Nagar, U.P-201301. Tel.: 0120- 2514252 / 2514253 Email: bimalokpal.noida@cioins.co.in	State of Uttaranchal and the Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farukkabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.
PATNA Office of the Insurance Ombudsman, 2nd Floor, Lalit Bhawan, Bailey Road, Patna 800 001. Tel.: 0612-2547068 Email: bimalokpal.patna@cioins.co.in	Bihar, Jharkhand
PUNE Office of the Insurance Ombudsman, JeevanDarshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020- 24471175 Email: bimalokpal.pune@cioins.co.in	Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.