

HDFC ERGO General Insurance Company Limited

Policy Wording

MARINE CUM ERECTION INSURANCE

SECTION I / SECTION II: MARINE (INLAND)/ MARINE (IMPORT)

GENERAL PROVISIONS

BASIS OF VALUATION

The shipments insured hereunder are to be valued, premium included, at the amount of invoice including all charges noted in the invoice and including prepaid and/or guaranteed freight, plus 10% unless otherwise declared to the Company prior to shipment and prior to any known or reported loss and then at the amount declared.

LOSS OR DAMAGE PRIOR TO SHIPMENT OR DESPATCH

Should this OPEN POLICY extend to cover the insured interest prior to shipment or dispatch in the event of loss or damage by insured perils as per attached clauses prior to shipment or dispatch the Insured is also bound to declare to the Company the value of the insured interest at risk at the time of the loss or damage and to pay the appropriate premium thereon within 3 days of the loss or damage.

INSPECTION OF RECORDS

By reporting any shipment hereunder the Insured signifies its agreement that the Company or a person appointed by the Company may examine the books and records of the Insured as far as they relate to the subject matter of this insurance at any time while this insurance is in force and for twelve months after termination.

TRANSFER OF INTEREST

Nothing herein shall prevent the transfer of this policy on sale pledge or other transfer of the interest in the Insured goods by the named Insured or Insured's assignee.

FRAUD & MISREPRESENTATION

In case of fraud, misrepresentation or non-disclosure by or on behalf of the Insured, the Company shall be entitled to cancel the policy, immediately upon becoming aware of such fraud, misrepresentation or non-disclosure. All premium paid shall be forfeited in such cases and no refund shall be allowed.

CANCELLATION

This OPEN POLICY may be cancelled by the Company or by the Insured under the following conditions:-

MARINE AND TRANSIT RISKS : By 30 days' notice in writing
STRIKES RIOTS & CIVIL COMMOTIONS RISKS : By 7 days' notice in writing,

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices be used to obtain benefit under this policy or if any loss, destruction or damage be occasioned by the willful act or with the connivance of the Insured, or benefits be claimed on items or due to items specifically excluded and not declared prior to transits, all benefits under this policy shall be forfeited.

Cancellation shall become effective on the expiry of the stipulated period calculated from midnight or the day on which notice of the cancellation is issued by or to the Company, but shall not apply to:

- Any insurance against the said risks which shall have attached in accordance with the conditions of this POLICY before cancellation becomes effective.
- War Risks cover in respect of any Declaration of goods for shipment by a named vessel or of specified goods to be shipped by a vessel to be named later accepted by the company before the time at which the cancellation becomes effective, such goods not having been loaded on board the overseas vessel before that time provided the goods be loaded on board the overseas vessel and the vessel sail within 15 days from midnight of the day on which the cancellation becomes effective, but if the War Risks cover shall have attached and the vessel does not sail within the said 15 days the War Risks cover in respect of such Declaration shall end on the expiry of that period notwithstanding anything to the contrary contained in the provisions in this POLICY.

Nothing in this clause shall operate to cause a Declaration to attach to this POLICY if such Declaration would be excluded owing to the vessel not having sailed within the Period of Insurance stated herein.

IMPORTANT NOTICE

COMMUNICATIONS

All communications with respect to this Insurance are to be addressed to HDFC ERGO General Insurance Company Limited at the address mentioned in the schedule of the policy.

INSTRUCTION FOR SURVEY

In the event of loss or damage which may involve a claim under this Insurance,

immediate notice of such loss or damage, which shall in no case be provided later than 30 days from the date of the event of loss or damage, should be given to and a Survey Report obtained from the Survey Agents named in the Policy certificate issued.

OBLIGATION OF THE INSURED UPON OCCURRENCE OF AN ACCIDENT

In the event of an accident, the Insured shall take all possible steps to minimize any and all losses, which may arise out of such accident

GENERAL AVERAGE

The holder of this Policy is requested not to sign any Average Bond or to pay and deposit on account of General Average without first communicating with the Company.

SUBROGATION

The Insured shall, at the request of the Company or their agents, assign and subrogate to the Company at the time of the payment and to an amount not exceeding the sum paid by the Company all their rights and claims against others and permit suit to be brought in the Insured's name but at the Company's expense. The Insured further agrees to render all reasonable assistance in the prosecution of said suit or suits.

CLAIMS PROCEDURE

It is the duty of the Insured and their representatives/ agents, in all cases to take such measures as may be reasonable for the purpose of averting or minimising loss or damage and to ensure that all rights against Carriers Bailees or other third parties are properly preserved and exercised; in particular, the Insured and/or their representatives/ agents are required:

- To claim immediately on the Carriers and the Port Authorities for any missing packages.
- To apply immediately for survey in the docks by Carrier's representative if any loss or damage be apparent and claim on the Carriers for any actual loss or damage found at such survey.
- In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
- To give notice in writing to the Carriers' representatives within three days of delivery if the loss or damage was not apparent at the time of taking delivery.

Note

- The consignees or their representatives / agents are required to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.
- Any claim under this Insurance should be submitted, without delay, together with all correspondence with Carriers or other parties involved.

DOCUMENTATION OF CLAIMS

To enable claims to be dealt with promptly, the Insured is advised to submit all available supporting documents without delay, including when applicable:

When the amount of claim has been established, send the following documents to the office of the insurance company located in the country where the loss was discovered. If there is no local office, send documents to HDFC ERGO General Insurance Company Limited in Mumbai:

- Claim bill in duplicate
- A copy of the bill of lading or other international carrier's receipt.
- A copy of the delivering carrier's receipt, if other than the above showing written exceptions.
- The original or certified copy, of the invoice, and all packing lists.
- The original copy of the Claim Representative's survey report.

Copies of all written correspondence with the responsible carriers, port and customs authorities.

RESOLUTION OF DISPUTES

Any dispute concerning the interpretation of the terms, exclusions or conditions contained herein or in the clauses attached and agreed to by both the Insured and the Company to be subject to Indian Law.

If any difference arises as to the amount to be paid under this Policy (liability being

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otherwise admitted) or the interpretation of a clause under the Policy (including the Schedule Clauses and endorsements), such difference shall be referred to arbitration at Mumbai, India in accordance with the Indian Arbitration and Conciliation Act 1996, as amended, and the making of an award shall be a condition precedent to any liability of the Company to make any payment under this Policy.

INSURANCE OMBUDSMAN

Any person who has a grievance against the Company, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in the Redressal of Public Grievance Rules, 1998. A copy of the said rules shall be made available by the Company upon prior written request by the Insured.

In witness whereof this policy has been signed by a duly Authorized Representative of the Company.

ERECTION ALL RISKS INSURANCE POLICY

WHEREAS the insured named in the Schedule hereto had made to HDFC ERGO General Insurance Company Ltd., 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.
- e. Terrorism Damage Exclusion Warranty:

This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

In any action, suit or other proceedings where the Company, allege that by reason of the provisions of Exclusion (1) 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.

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.

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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 of 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.

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.

Note - 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.

Memo 2. PREMIUM ADJUSTMENT

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

Memo 3. BASIS OF LOSS SETTLEMENT

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

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

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

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

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

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

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

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

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Memo 4. CONSTRUCTION PLANT AND MACHINERY

Loss of or damage to Construction Plant and Machinery excludes loss or damage directly caused by its own explosion or its own mechanical or electrical breakdown or derangement.

Memo 5. SURROUNDING PROPERTY

Loss or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the Principal(s) or the Contractor (s) shall only be covered if occurring directly due to the erection, construction or testing of the items insured under Section I and happening during the period of cover, and provided that a separate Sum therefore has been entered in the Schedule under Section I, Item 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:

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

SECTION II - THIRD PARTY LIABILITY

The Company will indemnify the Insured against -

- 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;
- 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:

- all cost and expenses of litigation recovered by any claimant from the Insured, and
- 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:

- The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage
- Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;
- Liability consequent upon:
 - 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;
 - 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;
 - any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
 - 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

- 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.
- 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.

CONTRACTOR'S ALL RISKS INSURANCE POLICY

WHEREAS the insured named in the schedule hereto had made to HDFC ERGO General Insurance Company Limited.(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 hereto.

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 schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the Company will indemnify the 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-

- 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 defacto or by any Public, Municipal or Local Authority.
- Nuclear reaction, Nuclear radiation or Radioactive contamination
- Willful act or willful negligence of the Insured or of his responsible representative
- Cessation of work whether total or partial
- Terrorism Damage Exclusion Warranty

This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

In any action, suit or other proceedings where the Company, allege that by reason of the provisions of Exclusion (1) 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.

PERIOD OF COVER

Construction Period

The liability of the Company shall commence, (notwithstanding any date to the contrary specified in the Schedule) only from the time of commencement of work after the unloading of the property specified in the schedule from any conveyance at the site specified in the schedule whichever is earlier and shall expire on the date

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specified in the schedule. However, the Company's liability expires also for parts of the insured contract works taken over or put into service by the Principal prior to the expiry date specified in the policy whichever shall be earlier.

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

At the latest, the insurance shall expire on the date specified in the Schedule but if the work of construction 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 rates to be prescribed by the Company.

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 statement 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 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 where by 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 minimise the extent of the loss or damage;
 - c. Preserve the parts affected and make them available for inspection by a representative 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 occurrence.

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. 2,500/-. 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, 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 any one acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided therein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefits 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:
 - a. Claims experience under the policy as on date of cancellation should be less than 60 % of reworked premium.
 - b. The unexpired period is not less than 3 months or 25 % of the policy period whichever is less.
 - c. 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 Insurer 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 upto an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in the whole the total sum insured hereby.

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

EXCLUSIONS TO SECTION I

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

1. the first amount of the loss arising out of each and every occurrence shown as Excess in the Schedule;
2. loss discovered only at the time of taking an inventory;
3. normal wear and tear, gradual deterioration due to atmospheric conditions or lack of use or obsolescence or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;
4. loss or damage due to faulty design;

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- the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- the cost necessary for rectification or correction of any error during construction unless resulting in physical loss or damage;
- 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;
- any damage or penalties on account of the Insured's non-fulfillment of the terms of delivery or completion under his Contract of construction or of any obligations assumed there under or lack of performance including consequential loss of any kind or description or for any aesthetic defects or operational deficiencies;
- loss of or damage to vehicles licensed for general road use or water borne vessels or Machinery /Equipment mounted or operated or fixed on floating vessels/craft/barges or aircraft.

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, custom 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 item involved is less than the amount required to be insured, then the amount recoverable by the insured under this policy shall be reduced in such proportion as the Sum Insured bears to amount required to be insured.

Memo 2 - PREMIUM ADJUSTMENT

The Sum Insured under the Policy representing the complete value of the contract works shall be adjustable at completion of the construction on the basis of actual values to be declared by the insured in respect of freight and handling charges, customs dues and construction cost and 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 the Prime cost of materials shall not be the subject matter of premium adjustment.

Memo 3 - REINSTATEMENT OF SUM INSURED

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 on 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 - BASIS OF LOSS SETTLEMENT

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

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

however, only to the extent the cost 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 property immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (2) 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.

Memo 5 - 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 to be prescribed by the Company.

Memo 6 - CONSTRUCTION PLANT AND MACHINERY

Loss of or damage to Construction Plant and Machinery excludes loss or damage directly caused by its own explosion or its own mechanical or electrical breakdown or derangement.

Memo 7 - SURROUNDING PROPERTY

Loss of 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 construction 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, for Principal's specified surrounding property. This cover does not apply to construction/erection machinery, plants and equipment.

Memo 8 - MAJOR PERILS/AOG Perils

The major perils/Acts of God claims shall mean claims arising out of:

- Earthquake - Fire & Shock
- Landslide/Rock-slide/Subsidence
- Flood/Inundation
- Storm /Tempest/ Hurricane/Typhoon/Cyclone/Lightning or other atmospheric disturbances
- Collapse
- Water damage for 'wet' risks i.e. contract involving works in rivers, canals, lakes or sea.

Memo 9 - REINSTATEMENT OF THE INDEMNITY LIMIT

Reinstatement of the indemnity limit on payment of additional premium after occurrence of claim can be allowed for extensions like express freight, overtime, surrounding property, airfreight. However, in respect of Third Party Liability, reinstatement can be allowed upto overall limit of Rs.1 crore during entire Policy period.

Memo 10. THIRD PARTY LIABILITY

Third party liability (TPL) cover cannot be granted during extended maintenance.

SECTION II - THIRD PARTY LIABILITY

The company will indemnify the insured against-

- 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 construction thereon.
- Legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the Insured's own employees or workmen or employees of the owner of the works or premises or other firms connected with any other construction work thereon, or members of the Insured's family or of any of the aforesaid; directly consequent upon or solely due to the construction of any property described in the Schedule.

Provided that the total liability of the Company during the period of Insurance under this cause 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:

- all costs and expenses of litigation recovered by any claimant from the Insured.
- all costs and expenses incurred with the written consent of the Company.

The exclusion contained in paragraphs (4), (6) & (7) in Section I of this Policy shall apply also to this Section.

EXCLUSIONS TO SECTION II

The Company will not indemnify the Insured in respect of:

- The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage.
- Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy.
- Liability consequent upon:
 - 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

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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 proceeding 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 anyone accident/ anyone period, but deducting there from 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.

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:

- Call Centre (Toll free helpline)
 - 1800 2 700 700 (accessible from any Mobile and Landline within India)
 - 1800 226 226 (accessible from any MTNL and BSNL Lines)
- Email: grievance@hdfcergo.com
- Designated Grievance Officer in each branch.
- Company Website: www.hdfcergo.com
- Fax : 022 - 66383699
- 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 Friday.

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 Ltd.
6th Floor, Leela Business Park,
Andheri Kurla Road,
Andheri, Mumbai – 400059

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 at the following address

To the Principal Grievance Officer
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri Kurla Road,
Andheri (E), Mumbai – 400059
E-mail: principalgrievanceofficer@hdfcergo.com

You may also approach the nearest Insurance Ombudsman for resolution of your grievance. The contact details of Ombudsman offices are mentioned below if your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of your insurance document

Names of Ombudsman and Addresses of Ombudsmen Centres
Office of the Insurance Ombudsman, 2nd Floor, Ambica House, Nr. C. U. Shah College, Ashram Road, AHMEDABAD - 380 014. Tel.: 079 - 27545441 / 27546139 Fax: 079 - 27546142 Email: bimalokpal.ahmedabad@gbic.co.in
Office of the Insurance Ombudsman, 62, Forest Park, BHUBANESHWAR - 751 009. Tel.: 0674 - 2596455 / 2596003 Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@gbic.co.in
Office of the Insurance Ombudsman, Fatima Akhtar Court, 4 th Floor, 453 (old 312), Anna Salai, Teynampet, CHENNAI - 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: bimalokpal.chennai@gbic.co.in
Office of the Insurance Ombudsman, 'Jeevan Nivesh', 5 th Floor, Near Panbazar Overbridge, S. S. Road, GUWAHATI - 781 001 (ASSAM). Tel.: 0361 - 2132204 / 5 Fax: 0361 - 2732937 Email: bimalokpal.guwahati@gbic.co.in
Office of the Insurance Ombudsman, 2nd Floor, Janak Vihar Complex, 6, Malviya Nagar, Opp. Airtel, Near New Market, BHOPAL (M.P.) - 462 003. Tel.: 0755 - 2769201 / 9202 Fax : 0755 - 2769203 Email: bimalokpal.bhopal@gbic.co.in
Office of the Insurance Ombudsman, S.C.O. No.101-103, 2 nd Floor, Batra Building, Sector 17 - D, CHANDIGARH - 160 017. Tel.: 0172 - 2706468 / 2705861 Fax: 0172 - 2708274 Email: bimalokpal.chandigarh@gbic.co.in
Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, NEW DELHI - 110 002. Tel.: 011 - 23237539 / 23232481 Fax: 011 - 23230858 Email: bimalokpal.delhi@gbic.co.in
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 - 65504123 / 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@gbic.co.in
Office of the Insurance Ombudsman, 2nd Floor, CC 27/2603, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, ERNAKULAM - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@gbic.co.in
Office of the Insurance Ombudsman, Jeevan Bhawan, Phase - 2, 6 th Floor, Nawal Kishore Road, Hazaratganj, LUCKNOW - 226 001. Tel : 0522 - 2231331 / 2231330 Fax : 0522 - 2231310 Email: bimalokpal.lucknow@gbic.co.in
Office of the Insurance Ombudsman, Ground Floor, Jeevan Nidhi II, Bhawani Singh Road, JAIPUR - 302 005 Tel : 0141 - 2740363 Email: bimalokpal.jaipur@gbic.co.in
Office of the Insurance Ombudsman, 24th Main Road, Jeevan Soudha Bldg. JP Nagar, 1 st Phase, BENGALURU - 560 025. Tel No: 080 - 22222049 / 22222048 Email: bimalokpal.bengaluru@gbic.co.in

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Office of the Insurance Ombudsman, Hindustan Building, Annexe, 4 th Floor, C. R. Avenue, KOLKATA - 700 072. Tel : 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@gbic.co.in
Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S.V. Road, Santacruz (W), MUMBAI - 400 054. Tel : 022 - 26106928 / 26106552 Fax : 022 - 26106052 Email: bimalokpal.mumbai@gbic.co.in
Office of the Insurance Ombudsman, 2nd Floor, Jeevan Darshan, N. C. Kelkar Road, Narayanpet, PUNE - 411 030. Tel: 020 - 32341320 Email: bimalokpal.pune@gbic.co.in
Office of the Insurance Ombudsman, Bhagwan Sahai Palace, 4 th Floor, Main Road, Naya Bans, Sector 15, Dist. Gautam Buddha Nagar, NOIDA (U.P) - 201 301. Tel.: 0120 - 2514250 / 2514251 / 2514253 Email: bimalokpal.noida@gbic.co.in
Office of the Insurance Ombudsman, 1 st Floor, Kalpana Arcade Building, Bazar Samiti Road, Bahadurpur, PATNA - 800 006. Email: bimalokpal.patna@gbic.co.in
OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL Smt. Ramma Bhasin, Secretary General, Shri Y.R. Raigar, Secretary, 3 rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), MUMBAI - 400 054 Tel : 022 - 26106889 / 6671 Fax : 022 - 26106949 Email- inscoun@gbic.co.in