

## INSURANCE REQUIREMENTS

**(I) Insurance to be taken by the Contractor :**

In accordance with the provisions of GCC Clause 34, the Contractor shall at his expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurances set forth below in the sums and with the deductibles and other conditions specified herein. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

Insurance	Amount insured	Deductible	Conditions
A. Marine Cargo	<ul style="list-style-type: none"> <li>(i) 110% of Ex-works value in case of plant &amp; equipment and Type Tests Charges including all spare parts manufactured within the Employer's Country. Not applicable</li> <li>(ii) Applicable taxes and duties</li> <li>(iii) Escalation 5% on (i) &amp; (ii)</li> </ul>		<ul style="list-style-type: none"> <li>(i) Employer to be named as co-insured</li> <li>(ii) Open policy</li> <li>(iii) All risk institute cargo clause 'A'</li> <li>(iv) War, SRCC, terrorism.</li> <li>(v) Institute replacement clause, special replacement clause (Air duty) and deferred unpacking clause</li> <li>(vi) Insurers right of subrogation against all parties (excluding carrier) waived.</li> <li>(vii) Warehouse to warehouse basis.</li> </ul>
B. Installation all risk	<ul style="list-style-type: none"> <li>(i) 110% of Ex-works value of plant &amp; equipment including Type Test Charges</li> <li>(ii) Applicable taxes and duties</li> <li>(iii) Cost of indigenous procurement and free issue materials</li> <li>(iv) Cost of erection works</li> <li>(v) Cost of Civil, Structural &amp; Allied works</li> <li>(vi) 10% escalation on (i) (ii), (iii), (iv) &amp; (v)</li> </ul>	Minimum as per insurance policy	<ul style="list-style-type: none"> <li>(i) Installation risk, RSMTD, including Earthquake cover</li> <li>(ii) Air freight cover.</li> <li>(iii) Extra charge cover.</li> <li>(iv) Maintenance cover</li> <li>(v) Contractor's plant &amp; machinery - Rs. 100 lakhs.</li> <li>(vi) Cross liability.</li> <li>(vii) Additional custom duty for imported machine (if any) for adequate value.</li> <li>(viii) Employer &amp; Contractor's Sub-Contractor to be named as co-insured.</li> </ul>
C. Third Party liability (Extension of MCE/EAR Policy)	For any one occurrence Rs. 50.00 lakhs	Nil	<ul style="list-style-type: none"> <li>(i) Contractors, sub-contractors to be named as co-insured.</li> </ul>



Insurance	Amount insured	Deductible	Conditions
D. Automobile liability			
(i) M.V. policy for motor vehicles, private cars & commercial vehicles			As per local M.V. Act.
(ii) CPM policy for heavy construction equipment	Anything above Rs.100 lakhs covered under erection all risk policy		
E. Workmen's Compensation	As per statute		
F. Employer's liability	As per statute		Cumulative to workmen's compensation to cover liability not covered thereby.
G. Group personal insurance, for contractor's & sub-contractor's employees			

**Note :**

1. The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC 34.1 except for Third Party Liability, Workman's Compensation and Employer's Liability Insurances and the Contractor's Sub-Contractors shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC 34.1, except for the Cargo insurance during transport, Workman's Compensation and Employer's Liability Insurances. All insurers rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.
2. Notwithstanding the insurance requirements mentioned above, it would be the Contractor's responsibility to take adequate insurance cover as may be pertinent to protect his interest and interest of the Employer. If at any point of time during execution of the Contract, the insurance policies are found to be inadequate, the Contractor shall take fresh insurance policies meeting aforesaid requirements. The Employer reserves the right to make suitable recovery from the Contractor, if any.

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3. Any loss or damage to the plant and equipment during handling, transportation, storage, installation, commissioning, and all activities to be performed till the "Completion of Facilities" shall be to the account of the contractor. The contractor shall be responsible for preference of all claims and make good the damages or loss by way of repairs and/or replacement of plant and equipment damaged or lost. Notwithstanding the extent of insurances cover and the amount of claim available from the underwriter, the contractor shall be liable to make good the full replacement/rectification of all the equipment/materials and to ensure their availability as per project requirement without additional financial liability to the Employer.

The insurance should be in the Indian currency and insurance policy to be taken should be on replacement value basis and/or incorporating appropriate insurance clause.

The Contractor shall follow local acts and laws as may be prevalent for insurance.

4. Upon grant of extension of time for completion by Employer, the Contractor shall promptly furnish documentary evidence to Project Manager towards extension of insurance policies for the period of time extension.

**II) Insurances to be taken by the Employer.**

The Employer shall take the insurance for its own employees, its stores and its machinery.

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