

Ref.: 240623361618 -M2024-MSA-EAR-QTNE  
26/06/2024

M/s Authorized Policy Insurance Broker  
Riyadh  
Kingdom of Saudi Arabia.

Dear Sirs,

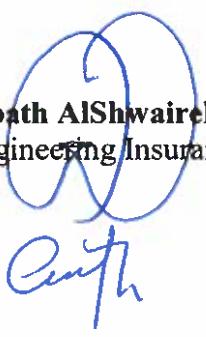
**SUBJECT: Erection All Risks Insurance**

We thank you for your e-mail regarding the captioned account.

Based on the information provided, we are pleased to attach herewith our quotation for your kind review and consideration with the validity of 15 days starting today.

We hope you find our terms to your satisfaction and await your further instructions in due course.

Yours faithfully,

  
**Moath AlShwairekh**  
Engineering Insurance Manager

Encl: As above: total number of pages 6 inclusive of this cover page

## ERECTION ALL RISKS INSURANCE

<b><u>TYPE:</u></b>	Erection All Risks including Third Party Liability						
<b><u>POLICY WORDING:</u></b>	MedGulf standard EAR policy wording based on Munich RE EAR Standard Policy Wording						
<b><u>ORIGINAL INSURED:</u></b>	<b>Advance Pharmaceutical Industries Ltd.</b> as Principal &/or <b>TBA</b> as Contractor &/or their Subcontractors &/or Consulting Engineers & any other party having insurable interest for their respective rights & interests for onsite physical activities only.						
<b><u>TITLE OF PROJECT:</u></b>	TBA						
<b><u>LOCATION</u></b>	Jeddah - Kingdom of Saudi Arabia						
<b><u>TERRITORIAL LIMITS:</u></b>	Kingdom of Saudi Arabia (Onshore locations only)						
<b><u>PERIOD OF INSURANCE:</u></b>	<b>12 Months</b> From date to be advised followed by 12 months Maintenance visit cover subject to no known or reported losses till date of final confirmation of cover						
<b><u>SUM INSURED:</u></b>	<ul style="list-style-type: none"> <li>• <b><u>Section I - Material Damage:</u></b>  <b>Contract Value:</b> <table border="0"> <tr> <td>- Erection work</td> <td>SR.426,598,441.20/-</td> </tr> <tr> <td>- Removal of debris</td> <td>SR.1,000,000/-</td> </tr> <tr> <td>- Property located on the Principal's premise or on the site, belonging to the principal or held in care, custody or control</td> <td>NOT COVERED</td> </tr> </table>   <b>Total Sum insured</b> <b><u>SR.427,598,441.20/-</u></b> </li>   <li>• <b><u>Section II - Third Party Liability</u></b>            SR.5,000,000/- any one occurrence and SR.10,000,000/- in the aggregate in respect of death / Bodily Injury and Property Damage.</li> </ul>	- Erection work	SR.426,598,441.20/-	- Removal of debris	SR.1,000,000/-	- Property located on the Principal's premise or on the site, belonging to the principal or held in care, custody or control	NOT COVERED
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- Removal of debris	SR.1,000,000/-						
- Property located on the Principal's premise or on the site, belonging to the principal or held in care, custody or control	NOT COVERED						
<b><u>DEDUCTIBLES:</u></b>	<p><b>Section I – Material Damage</b></p> <ul style="list-style-type: none"> <li>- 1% of claim with minimum SR. 1,000,000/- each and every loss under section</li> </ul> <p><b>Section II – Third Party Liability</b></p> <ul style="list-style-type: none"> <li>- Death &amp; Bodily Injury : Nil</li> <li>- Property Damage : SR. 35,000/- E.E.L</li> <li>- Underground Property/Vibration: 20% of claim min SR. 50,000 E.E.L</li> </ul>						


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## CONDITIONS:

As per **MedGulf** standard EAR policy wording based on Munich RE EAR Standard Policy Wording including but not limited to:

- Subject to no known or reported losses from date of bidding coverage
- **MR 001** Strike Riots and Civil Commotion as per Medgulf wording - Limit-SR.1,000,000/- any one occurrence and in the aggregate
- **MR 002** Cover for Cross Liability
- **MR 00** Maintenance visit cover – 12 months
- **MR 008** Structures in Earthquake Zones
- **MR 109** Construction Material Storage Warranty
- **MR 208** Special Conditions concerning Underground Cables, Pipes and other facilities- Limit SR. 1,500,000 any one occurrence and in the aggregate
- **MR 209** Exclusion of loss of or damage to crops, forests and cultures
- **MR 121** Special conditions concerning piling foundation and retaining wall works
- **MR 202** Warranty of Construction/Erection Machinery.
- **MR 217** Open Trenches (Limit 200 Per section & 4 sections in aggregate)
- **MR 221** Special Conditions concerning safety measures with respect to Precipitation, Flood and Inundation
- **72 Hours Clause**-Storms, Earthquake, Flood, Tempest
- **Cutting clause**
- **Removal of Debris**- limit 10% of valid claim amount with maximum of SR.1,000,000/- any one occurrence / aggregate.
- **Claims preparation clause** – SR.200,000/- any one occurrence / aggregate
- Absolute exclusion Dewatering expenses
- Warranted 24 hours security services at site
- Excluding losses or damage caused by differential ground settlement
- Warranted site storage is with adequate safety and protection measures at all times
- Warranted maximum liability of insurer is up to total sum insured under section 1 & 2 as indicated above.
- Warranted that the manufacturer's prescribed techniques for all relevant and related machinery / equipment are to be fully complied with
- Warranted no bridges/ tunneling works from part of insured's scope of work.
- Warranted all installation works to be done strictly in line with manufacturer's instructions
- Warranted all recommendations by surveyor to be fulfilled within agreed time frame



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- Warranted that manufacturer's warranty in place and Medgulf retain rights of recourse against manufacturers
- Warranted Guidance Signs , Flasher Lights & barriers are placed on and around the Construction Site
- No retroactive Cover
- Excluding Existing property or property belonging to or held in care, custody or control by the insured
- Excluding blasting activities / resultant damages
- Excluding Pre-Existing inherent Faults and Defects/manufacturing defects.
- Excluding Horizontal Drilling Works/ micro tunneling works
- Excluding work taken over or put in to service
- Excluding all losses pertaining to mechanical or electrical breakdown due to manufactory fault after having been fully commissioned
- Excluding Employer's Liability and WC, Professional Indemnity.
- Absolute exclusion Dewatering expenses
- Excluding cover for transmission and distribution lines in operational phase
- Excluding loss or damage while the plant is operational
- Excluding thrust boring machines.
- Excluding Prototype Equipment / Technology
- Excluding third party liability during maintenance period
- Excluding contractor's plant & equipment during maintenance period
- Excluding property that is being worked on except the ones included in the contract value
- Excluding losses arising out of commercial operations
- Excluding wet works/ offshore works/ Marine liability
- Excluding loss or damage attributable and/or arising out of failure to follow recognized techniques / standards
- Excluding consequential losses of any kind
- Political Risks Exclusion clause
- Nuclear, Chemical & Biological Exclusion Clause.
- Seepage and Pollution exclusion clause
- Total Asbestos exclusion clause
- War & Terrorism Exclusion Clause
- Cyber Risks Exclusion Clause
- Infectious or Contagious Disease Exclusion Clause
- Radioactive Exclusion Clause.
- Nuclear Energy Risks Exclusion Clause
- Toxic Mold Exclusion Clause
- Electronic Exclusion clause
- Sanction & Embargo Clause
- Cancellation as per policy terms
- Pandemic Exclusion Clause
- TAX clause

- Profit Sharing Clause (Concept of Co-operative insurance)

**JURISDICTION:** Kingdom of Saudi Arabia

**RATE/PREMIUM:** EAR/ 1.15% on SR.427,598,441.20/- Plus 15%VAT  
Premium : SR.491,738/- Plus 15%VAT

**PAYMENT TERMS:** 60% at inception  
 40% within two months

**SUBJECTIVITIES:** **To be submitted prior binding the cover:**

- Survey to be conducted upon receipt of firm order in line with Insurance Authority requirement and recommendation to be implemented within agreed time frame
- 5 working days upon receiving firm order to issue the policy
- Copy of full Contract
- Detailed Scope of work
- Time
- Copy of Project Contingency plan
- Insurance Authority compliance documents (CR, NA, VAT, KYC, ID)
- Time bar chart
- Medgulf reserves its right to amend the terms upon receipt & review of all above information

The Mediterranean & Gulf Cooperative Insurance and Reinsurance Company will not be held liable for and will not be called upon for contribution towards any loss(s), damage or claim(s), which was caused and/or occurred prior to the date of binding cover

**\*\* No Cover Is Given\*\***

