

## CONTRACTOR'S ALL RISK INSURANCE POLICY - COMMERCIAL - POLICY WORDING

Where the insured named in the schedule hereto had made to Reliance 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 witness 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 here on 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 -

- 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 defacto or by any Public, Municipal or Local Authority;
  - b) Nuclear reaction, Nuclear radiation or Radioactive contamination;
  - c) Wilful act or wilful negligence of the Insured or of his responsible representative;
  - d) Cessation of work whether total or partial.
- In any action, suit or other proceedings where the Company, allege that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liabilities not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.
- 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."

## PERIOD OF COVER

## CONSTRUCTION OF 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 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 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 CONDITION

1. The due observance and fulfilment 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 the 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 responsible 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 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 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.
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) Claimsexperience 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 Company by 15 days notice to that effect being given to the Insured in which case the Companies shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

#### **SECTION 1: MATERIAL DAMAGE**

The Company hereby agrees with the Insured (subject to the exclusions and conditions contained herein or endorsed here on) 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 -

- 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 lack of use or obsolescence or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;
- d) loss or damage due to faulty design;
- e) 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 correctly executed items resulting from an accident due to such defective material and/or workmanship;
- f) the cost necessary for rectification or correction of any error during construction unless resulting in physical loss or damage;
- g) loss of or damage to files, drawing, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques, packing materials such as cases, boxes, crates;
- h) any damage or penalties on account of the Insured's non-fulfilment 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;
- i) loss 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 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 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 -

- a) 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
- b) 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 compiled 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 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.

#### **Memo 5 - Extension of Cover**

Any extra charges incurred for overtime, work on holidays, express freight (excluding 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 surrounding specified property. This cover does not apply to construction/erection machinery, plants and equipment.

#### **Memo 8 - Major Perils/AOG Perils**

The major peril/Acts of God claims shall mean claims arising out of -

- a) Earthquake - Fire & Shock
- b) Landslide / Rockslide/Subsidence
- c) Flood / Inundation
- d) Storm / Tempest / Hurricane / Typhoon / Cyclone / Lightning or other atmospheric disturbances.
- e) Collapse
- f) Water damage for 'wet' risk 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, air-freight. 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 -

- a) legal liability for accidental loss or damage caused to property of other persons including property held in trust by or under custody of the Insured for which he is responsible excluding any such property used in connection with construction thereon.
- b) 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 -

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

The exclusion contained in paragraphs (d), (f) & (g) in Section I of this Policy shall apply also to this Section.

#### **EXCLUSIONS TO SECTION II -**

The Company will not indemnify the Insured in respect of -

1. The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage.
2. Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;
3. Liability consequent upon -
  - a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section - I, or members of their families;
  - b) loss of or damage to property belonging to or held in care custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section - I, or an employee or workman of one of the aforesaid;

- c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
- d) any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

#### CONDITIONS APPLYING TO SECTION II -

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any 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.

#### GRIEVANCES

If the Policyholder has a grievance that the Policyholder wishes the Company to redress, the Policyholder may contact the Company with the details of his grievance through:

Website	<a href="https://reliancegeneral.co.in">https://reliancegeneral.co.in</a>
e-mail	rgicl.services@relianceceada.com
Telephone	022 4890 3009 (paid)
Post/Courier	Any branch office, the correspondence address, during normal business hours
Write to us at (Correspondence Only)	Reliance General Insurance, 6th Floor, Oberoi Commerz, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (E), Mumbai - 400063

For further details on Grievance redressal procedure please refer: <https://reliancegeneral.co.in/Insurance/About-Us/GrievanceRedressal.aspx>

If the Policyholder is not satisfied with the Company's redressal of the Policyholder's grievance through one of the above methods, the Policyholder may approach the nearest Insurance Ombudsman for resolution of the grievance. The contact details of Ombudsman offices are mentioned below:

#### Ombudsman Office

Sr. no	Office of Insurance Ombudsman	Address	Contact Details
1.	AHMEDABAD	Office of the Insurance Ombudsman, Jeevan Prakash, 6th floor, Near S.V. College Relief Road, Tilak Marg Ahmedabad-380 001. Gujarat	Tel.: 079-25501201/079-25501202 Email: oio.ahmedabad@cioins.co.in
2.	BENGALURU	Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No.57-27-N-19 Ground Floor, No. 19/19, 24th Main Rd., 1st Phase J.P. Nagar, Bengaluru- 560 078.	Tel.: 080-26652048/ 080-26652049 Email: oio.bengaluru@cioins.co.in
3.	BHOPAL	Office of the Insurance Ombudsman, LIC of India Zonal Office Bldg., 1st Floor South Wing, Jeevan Shikha, Opp. Gayatri Mandir 60-B, Hoshangabad Road, Bhopal-462011	Tel.: 0755-2769201/ 0755-2769202/ 0755-2769203/ 0755-2769200 Email: oio.bhopal@cioins.co.in
4.	BHUBANESWAR	Office of the Insurance Ombudsman, 62, Forest Park, Bhubaneswar, PIN -751 009.	Tel.: 0674-2596455/ 0674-2596429/ 0674-2596003/ 0674-2596461 Email: oio.bhubaneswar@cioins.co.in
5.	CHANDIGARH	Office of the Insurance Ombudsman, Jeevan Deep, Ground Floor, LIC of India Bldg., SCO 20-27, Sector 17-A, Chandigarh -160 017	Tel.: 0172-2706468/ 0172-2773101/ 0172-2990938/ 0172-2706196/ 0172-2707468/ 0172-2772101/ 0172-2990942 Email: oio.chandigarh@cioins.co.in
6.	CHENNAI	Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th flr, 453 (old 312), Anna Salai Teynampet, Chennai 600 018	Tel.: 044-24333668/ 044-24333678 Email: oio.chennai@cioins.co.in
7.	DELHI	Office of the Insurance Ombudsman, 2/2 A, 1st Floor, Universal Ins. Building, Asaf Ali Road, New Delhi- 110 002.	Tel.: 011-46013992 Email: oio.delhi@cioins.co.in
8.	GUWAHATI	Office of the Insurance Ombudsman, Jeevan Nivesh Bldg., 5th Floor, Near Pan Bazar S. S. Road, Guwahati-781 001	Tel.: 0361-2631307/ 0361-2632204/ 0361-2732937/ 0361-2632205 Email: oio.guwahati@cioins.co.in
9.	HYDERABAD	Office of the Insurance Ombudsman, 6-2-46, 1st Floor, Moin Court Lane Opp. Hyundai Showroom, A. C. Guards, Lakdi-ka-pool, Hyderabad 500 004	Tel.: 040-23376991/ 040-23312122/ 040-23376599/ 040-23328709/ 040-23325325 Email: oio.hyderabad@cioins.co.in

Sr. no	Office of Insurance Ombudsman	Address	Contact Details
10.	JAIPUR	Office of the Insurance Ombudsman, Jeevan Nidhi II, Ground Floor, Bhawani Singh Road, Ambedkar Circle Jaipur -302 005.	Tel.: 0141-2740363 Email: oio.jaipur@cioins.co.in
11.	KOCHI	Office of the Insurance Ombudsman, 10th Floor, LIC Bidg, Jeevan Prakash Opp Maharaj College Ground M.G.Road Ernakulam, Kochi- 682 011	Tel.: 0484-2358759/ 0484-2358734/ 0484-2358336 Email: oio.ernakulam@cioins.co.in
12.	KOLKATA	Office of the Insurance Ombudsman, 7th Floor of Hindusthan Building (Annex), 4, C R Avenue, Kolkata-700 072	Tel.: 033-22124339/ 033-22124341 Email: oio.kolkata@cioins.co.in
13.	LUCKNOW	Office of the Insurance Ombudsman, Jeevan Bhavan, Phase II, 6th Floor, Nawal Kishore Road, Hazratganj, Lucknow- 226 001.	Tel.: 0522-4002082 Email: oio.lucknow@cioins.co.in
14.	MUMBAI	Office of the Insurance Ombudsman, IIIrd Floor, Jeevan Seva Annexe, S.V.Road, Santacruz West Mumbai-400 054.	Tel.:022-69038800/ 022- 69038827/8829/ 022-69038831/8832/ 022-69038833 Email: oio.mumbai@cioins.co.in
15.	NOIDA	Office of the Insurance Ombudsman, Bhagwan Sahai Palace, 4th flr Main Road, Naya Bans, Sector 15, Noida-201301 Dist: G.B.Nagar Uttar Pradesh	Tel.: 0120-2514252/0120-2514253/ 0120-4027589 Email: oio.noida@cioins.co.in
16.	PATNA	Office of the Insurance Ombudsman, 2nd Floor, Lalit Bhawan, Bailey Road, Patna- 800 001	Tel.: 061-22547067/061-22547068 Email: oio.patna@cioins.co.in
17.	PUNE	Office of the Insurance Ombudsman, 3rd Floor, Jeevan Darshan -LIC of India Bldg N.C. Kelkar Road, Narayan Peth, Pune- 411 030.	Tel.: 020-24471175 Email: oio.pune@cioins.co.in
18.	THANE	Office of the Insurance Ombudsman, 2nd Floor, Jeevan Chintamani Building, Vasantrao Naik Mahamarg, Thane (West), Thane - 400 604	Tel.: 022-20812868/022-20812869 Email: oio.thane@cioins.co.in

The updated details of Insurance Ombudsman are available on IRDA website: [www.irdai.gov.in](http://www.irdai.gov.in), on the website of General Insurance Council: [www.gicouncil.in](http://www.gicouncil.in), our website [www.reliancegeneral.co.in](http://www.reliancegeneral.co.in)