



**PATEL ENGINEERING– NHPC- TEESTA V POWER STATION PACKAGE 6, SIKKIM - CONTRACTORS ALL RISK  
REINSURANCE SLIP**

**1. RISK DETAILS**

<b>TYPE</b>	:	Contractors All Risk Insurance Policy: Section 1 – Material Damage Section 2 – Third Party Liability (TPL)
<b>FORM</b>	:	As Per Original Policy Wordings
<b>REINSURED</b>	:	<b>TBA</b>
<b>ORIGINAL INSURED</b>	:	a) Principal: NHPC Limited - NHPC Office complex, sector-33, Faridabad (Haryana) – 121 003 b) Contractor: Patel Engineering Limited, Patel Estate Road, Jogeshwari (West) Mumbai-400102 and/or as more fully described within the Original Policy Wordings
<b>INSURED's PROJECT</b>	:	Teesta V Package 6, Modification of diversion tunnel into tunnel spillway arrangement - Civil & HM works (Tunnel Spillway, Adit to GOC, GOC gate shaft, Inlet Bellmouth, Outlet concrete dyke and Energy Dissipation arrangement), for Teesta-V power station, Sikkim and/or as more fully described within the Original Policy Wordings
<b>PERIOD OF REINSURANCE</b>	:	18 Months From: Date TBA Plus, 12 Months Maintenance Period and/or as more fully described within the Original Policy Wordings
<b>PROJECT PERIOD</b>	:	From: TBA (00:00:00 Hrs.) To: TBA (24:00:00 Hrs.), Plus, 12 Months Maintenance Period
<b>SITUATION / LOCATION REINSURED</b>	:	Teesta V Power Station Package 6, (510 MW) , Sikkim and/or as more fully described within the Original Policy Wordings
<b>TOTAL SUM REINSURED</b>	:	<b>Section 1 –Material Damage:</b> INR 3,099,705,081 (INR 2,399,764,065 + 25% As per contract- INR 599,941,016 + INR 100,000,000 Temporary works)  <b>Section 2 – Third Party Liability (TPL):</b> INR 250,000,000 with Cross Liability (any one occurrence and in aggregate) including cover to any claim arising during extended maintenance period  and/or as more fully described within the Original Policy Wordings



<b>ORIGINAL POLICY LIMIT OF LIABILITY</b>	:	For Act of God, Natural Catastrophic Perils: INR 600,000,000 Any One Accident & In Annual Aggregate  For Other Perils: Full Sum Insured
<b>ORIGINAL POLICY DEDUCTIBLE (EACH &amp; EVERY LOSS)</b>	:	<ul style="list-style-type: none"> <li>Normal Claims: 5% of the claim amount subject to minimum of INR 12,500,000</li> <li>Act of God / Natural Catastrophic Peril Claims: 10% Claim amount subject to minimum of INR 75,000,000</li> <li>Third Party Liability (PD): INR 12,500,000</li> <li>Design Defect: 5 times of AOG deductible</li> </ul>
<b>ORIGINAL CONDITIONS / ADD-ON COVERS / WARRANTIES</b>	:	<p>Including below &amp; Described in Detail in Original Policy</p> <p><u>Coverage Limits specified are from ground-up:</u></p> <ol style="list-style-type: none"> <li>Third Party Liability with Cross Liability Cross Liability.</li> <li>MR 004: Extended Maintenance 12 months.</li> <li>Owners surrounding property with FLEXA - up to 10% of the sums insured subject to maximum INR 100,000,000 aoa and in aggregate</li> <li>Debris removal including foreign/external debris, drain clearance expenses, dewatering and desilting expenses- 10% of the loss is subject to a maximum of INR 25,000,000 per occurrence and INR 50,000,000 in the period aggregate; Foreign debris cover limited INR 10,000,000, foreign debris is covered for Flood and GLOF only</li> <li>Escalation required – 15% of Project Sum Insured</li> <li>Design Defect cover (LEG 2)</li> <li>Pro-rata construction period extension is allowed only for additional 12 months if loss ratio on the project at the inception of extension period is less than 30%.</li> <li>Riots, Strike, Malicious Damage ( RSMD) Cover</li> <li>50-50 Clause</li> <li>72 Hours Clause</li> <li>Cover for extra charges for overtime, night work, work on public holiday, express freight incl Air freight upto 30% of claim Amount as per MR 006 and MR 007</li> <li>Free Automatic reinstatement clause upto 10% of Project Sum Insured</li> <li>Cover for Temporary Access Road- Cover to cease after road is put to use</li> <li>MR 013: Offsite storage cover and fabrication subject to INR 100,000,000 per location, 50 years return period.</li> <li>On Account Payment Clause – as per Surveyor recommendation</li> <li>Loss Minimization expenses- INR 50,000,000 aoa and INR 100,000,000 in the period aggregate.</li> <li>Local authority clause/ civil / public authority clause- up to INR 100,000,000 in the aggregate.</li> <li>MR 112: Firefighting facilities- Limit INR 100,000,000 per storage location.</li> <li>Primary and Non-Contributory clause.</li> <li>Waiver of contribution clause – restricted between Principal and Contractor. Excluding OEM.</li> <li>Waiver of subrogation clause - agreed but only against named insureds.</li> <li>Agreed Bank Clause</li> <li>Loss of plans and documents- 5% of the claim amount subject to maximum INR 10,000,000 aoa and in the aggregate</li> <li>MRe wet risk endorsement, 50 meters section limit</li> </ol>



		<p>25. MR 102: Underground Cables, Pipes and Other Facilities.</p> <p>26. MR 008: Warranty concerning structures in earthquake zone.</p> <p>27. International Tunnelling code of practice to apply.</p> <p>28. Unlined/unprotected section of tunnel - 10 meters.</p> <p>29. MR 103: Crops, forests and cultures.</p> <p>30. MR 104: Dams and Reservoirs.</p> <p>31. MR 106: Sections, 150 meters x 3 unconnected sections, minimum distance between two sections 50 meters.</p> <p>32. MR 107: Camps and Stores, Limit INR 100,000,000 per location, 50 years return period, Maximum 2 location.</p> <p>33. MR 109 Construction material- 50 years return period.</p> <p>34. MR 110 Safety measures with respect to precipitation, flood and inundation, 50 years return period.</p> <p>35. Loss or damage arising out of the same cause to structures, parts of structures, machines or equipment of the same type shall be indemnified according to the following scale after applying the policy deductible for each loss- Serial losses, 1st Loss: 100% / 2nd Loss: 80% / 3rd Loss: 60% / 4th and subsequent loss: NIL. MR 114 (amended)</p> <p>36. MR 121: Piling foundation and retaining wall work.</p> <p>37. Professional Fees, Architect/ Surveyors and Consulting Engineers Fees (also includes foreign expert visit)- Limit 5% of the claim amount subject to a maximum of INR 25,000,000 aoa and in the period aggregate.</p> <p>38. Additional Custom Duty clause- Limit 10% of the claim amount subject to a maximum of INR 20,000,000 aoa and in the period aggregate.</p> <p>39. Cessation of work- 30 days</p> <p>40. Designation of property clause.</p> <ol style="list-style-type: none"> <li>Nominated Loss Adjuster's clause:</li> <li>Bhatawadekar Insurance Surveyors and Loss Assessors Pvt. Ltd.</li> <li>Proclaim Loss Assessors</li> <li>Protocol</li> </ol> <p>41. Free issuance of materials clause (covered if included in material damage sums insured).</p> <p>42. SR40: Dewatering</p> <p>43. Ground water pumping operations – EPI 46.</p> <p>44. No cover for transmission lines and substations/transformers.</p> <p>45. No cover for testing.</p> <p>46. Exclusion of Contractors Plant, Machinery and Equipment.</p> <p>47. EPI 56: Cofferdam, 50 years return period. Washing away of cofferdam not covered if caused by flood with a return period less than 50 years. Loss or damage caused due to failure of the cofferdam and consequences thereof are excluded if return period of the cofferdam is less than 50 years from the start of the project.</p> <p>48. Slope protection warranty clause</p> <p>49. Exclusion of Delay in Startup (DSU) / Advance Loss of Profit (ALOP) and Terrorism.</p> <p>and/or as more fully described within the Original Policy Wordings</p>
<b>WARRANTIES</b>	:	<ol style="list-style-type: none"> <li>Operational pumping capacity of 1000 liter per minute to be available at each tunnel face.</li> <li>Warranted that Tail race and Draft Tube Gates to remain closed for each unit until start of hot testing and commissioning of the Turbine;</li> <li>Warranted that Main Inlet Valve (MIV) to remain closed until start of</li> </ol>



		<p>hot testing and commissioning of the turbine.</p> <ol style="list-style-type: none"> <li>All Equipment's exceeding individual value of INR 50,000,000 needs to be maintained as per OEM specification and shall be hot tested in presence of manufacturer's presence at site, foregoing not limited to Turbines and Transformers</li> <li>Manufacturer to uphold their original warranty as stipulated in original contract post testing and commissioning.</li> <li>No cover for electro-mechanical works.</li> <li>No cover for hydro-mechanical works (<i>other than part Hydromechanical scope for Diversion Tunnel Gates</i>)</li> <li>Penstock/Head Race/Tail Race tunnel will be 100% radiographed or ultra-sonic tested and records maintained. Those components not being tested in a foregoing manner will be tested at 125% design pressure.</li> <li>No storage of material on the river bed.</li> <li>Failure of diversion tunnel leading to loss or damage to cofferdams, main dam and any works in the downstream are excluded.</li> </ol> <p>and/or as more fully described within the Original Policy Wordings</p>
<b>PREMIUM (100%)</b>	:	<b>INR 50,000,000</b>
<b>PREMIUM PAYMENT TERMS</b>	:	Premium Payment Clause LSW 3001 (120/30 days) & in adherence to IRDA India Regulations as per IRDAI/REIN/MSTCIR/MISC/87/5/2024 dated 31/05/2024 regarding "Collateral requirements for placement of reinsurance business with Cross Border Reinsurers (CBRs)".
<b>REINSURANCE CONDITIONS</b>	:	This reinsurance will follow the terms and conditions of the original policy (ies) in all respect.
<b>OTHER CONDITIONS</b>	:	<ul style="list-style-type: none"> <li>NMA 464 – War and Civil war exclusion.</li> <li>NMA 2921 – Terrorism exclusion endorsement.</li> <li>Political Risk Exclusion Clause.</li> <li>Nuclear Energy Risks Exclusion 1994 – NMA 1975(a) (Worldwide excluding USA/Canada).</li> <li>Institute Radioactive Contamination, Chemical Biological, Biochemical and Electromagnetic weapons exclusion clause</li> <li>– CL370.</li> <li>Radioactive Contamination Exclusion – NMA 1622.</li> <li>LMA 5401 – Property Cyber and Data exclusion.</li> <li>Sanction clause (LMA 3100).</li> <li>Fraudulent Claims Clause – LMA 5062</li> <li>Claims control clause.</li> <li>Pollution Exclusion – NMA 1685</li> <li>Total Asbestos exclusion.</li> <li>Reinsurers Liability Several and Not Joint (LMA 3333).</li> <li>Communicable Disease exclusion clause – LMA 5394.</li> <li>Toxic Mold Exclusion clause.</li> </ul>



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201, Hubtown Solaris, N.S. Phadke Road  
Near East West Flyover, Andheri (East)  
Mumbai - 400 069. India  
Tel. No.: +91 22 6153 9000  
Fax. No.: +91 22 6153 9001

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		<ul style="list-style-type: none"> <li>Civil commotion excluded.</li> </ul> <p>and/or as more fully described within the Original Policy Wordings</p>
<b>LAW &amp; JURISDICTION</b>	:	<p>This account shall be governed by and construed in accordance with Indian Law. Arbitral award shall be a condition precedent for any action in court.</p> <p>The seat of arbitration shall be Mumbai, India and provisions of the Indian Arbitration and Conciliation Act 1996 shall apply. The language of arbitration shall be English.</p>



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## 2. INFORMATION

Teesta V Package 6, Modification of diversion tunnel into tunnel spillway arrangement - Civil & HM works (Tunnel Spillway, Adit to GOC, GOC gate shaft, Inlet Bellmouth, Outlet concrete dyke and Energy Dissipation arrangement), for Teesta-V power station, Sikkim

### Information seen and noted by reinsurers:

1. Project Brief
2. Letter of Award



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## **PREMIUM PAYMENT CLAUSE (Amended)**

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.

The (Re)Insured undertakes that 50% of the premium will be paid to (Re)Insurers by due date

If the above premium due under this contract has not been so paid to (Re)Insurers by due date (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 30 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001 Amended  
September 2008

## **PREMIUM WITHHELD CLAUSE**

To be endorsed



### 3. SECURITIY DETAILS

<b>REINSURER'S LIABILITY:</b>	<p>LMA 3333 - (RE)INSURER'S LIABILITY CLAUSE</p> <p>(Re)insurer's liability several not joint</p> <p>The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.</p> <p>The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.</p> <p>In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.</p> <p>Proportion of liability</p> <p>Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".</p> <p>Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.</p> <p>Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.</p>
<b>BASIS OF WRITTEN LINE</b>	<p>Percentage of Whole</p> <p>Lines Clause NMA2419, if applicable</p>
<b>SIGNING PROVISIONS</b>	<p>Proportionate Signing:</p> <p>In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers,</p> <p>However:</p>





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	<p>a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;</p> <p>b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.</p> <p>Disproportionate Signings: The (re)insured may elect for the disproportionate signing of (re)insurer's lines, without further specific agreement of (re)insurers, provided that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers; the signed lines resulting from the application of the above provision can be varied, before or after the commencement date of the period of (re)insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.</p>



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#### 4. SLIP DEDUCTIONS

**TOTAL SLIP  
DEDUCTIONS** : 22.5%