

**ALL INDIA TARIFF**

**ON**

**CONTRACTOR'S PLANT AND MACHINERY**

**INSURANCE**

**TARIFF ADVISORY COMMITTEE**  
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**THE TARIFF ADVISORY COMMITTEE (HEREINAFTER CALLED THE COMMITTEE) HAS LAID DOWN RULES, REGULATIONS, RATES, ADVANTAGES, TERMS AND CONDITIONS, AS CONTAINED HEREIN, FOR TRANSACTION OF CONTRACTOR'S PLANT AND MACHINERY INSURANCE BUSINESS IN INDIA IN ACCORDANCE WITH THE PROVISIONS OF PART II B OF THE INSURANCE ACT, 1938.**

**ANY BREACH OF TARIFF SHALL BE DEALT WITH AS PER THE RELEVANT PROVISIONS OF THE INSURANCE ACT, 1938.**

# CONTRACTOR'S PLANT AND MACHINERY INSURANCE

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# GENERAL REGULATIONS

## 1. JURISDICTION –

This applies to all risks located in India.

CPM Policy can be issued covering equipment on “Anywhere in India basis” with following stipulations.

- a) Full description with identification number etc. of each and every equipment with valuation should be declared.
- b) Transit risks from site to site will be excluded.
- c) Earthquake extra for Zone I will be charged for the entire policy **OR**, alternatively, Earthquake Cover will be excluded for Zones I & II.
- d) Loading of 10% on the Basic CPM Rate shall be charged to cover Floater Risk.

## 2. PROHIBITION TO ISSUE MB POLICY ON CPM EQUIPMENT-

MB risks in case of CPM equipments should not be covered either as an extension of CPM insurance policy or under a separate MB policy.

## 3. SCOPE –

The cover shall be as per the standard policy form in respect of Contractor's Plant & Machinery Insurance.

The Insurance of all types of Contractor's Plant Machinery and Equipments (including those governed by the Motor Vehicles Act or rateable under Motor Tariff) engaged for work at any specified location in India, shall be subject to these General Regulations.

In respect of Machinery/ equipments, whether registered with RTO or not, but engaged at the Project site, the Insured, has an option either to select the Motor/Non-Motor Policy under Motor Tariff or CPM Policy in the Engineering Department.

In case of doubt as to the applicability of Rate Schedule and these General Regulations, the matter should be referred to the Tariff Advisory Committee through Head Office of the Insurers.

## **1. NUMBER OF LOCATIONS IN A POLICY –**

The Policy Schedule will necessarily include a list of all items of Contractor's Plant, Machinery and Equipments, indicating separate value against each item. Any additions or deletions in these items during the Policy period of 12 months can be done on short period basis.

Policy schedule may also include more than one locations (projects sites) with separate list of Contractors Plant , Machinery & Equipment at each location (Project site). Here also any addition or deletion of different locations or any items of CPM equipments may be done on short period basis.

However, if the Insurance is taken for a period shorter than 12 months, premium to be charged will be on the basis of Short Period Scale provided hereafter.

Similarly, the Insurance taken for 12 months initially but cancelled mid-term, before completion of 12 months, will entitle refund on Short Period Scale only.

## **5. SHIFTING OF CONTRACTOR'S PLANT & MACHINERY-TRANSIT RISK –**

Many a times items of Contractor's Plant, Machinery and Equipments require to be shifted from one location (project site) to another location (project site). The risks during transit (any mode) from one location to another location is outside the scope of this policy and should be covered separately, if required, in the Marine Department.

However, the risk during shifting of items of Contractor's Plant, Machinery and Equipments, in connection with work at a project site from one point of the project site to another point in the same project site, is deemed to be covered within the rates prescribed in Table I of Part I - Rate Schedule.

## **6. CONTRACTORS PLANT MACHINERY UNDER EAR/SCE/CAR**

Where the SI on CPM equipments under the project requiring EAR/SCE insurances exceeds 5% of SI for EAR/SCE or Rs.25 lacs whichever is lower, such equipment must be rated under the CPM tariff.

Where the SI on CPM equipments under the project requiring CAR insurances exceeds 5% of SI for CAR, such equipment must be rated under the CPM tariff.

## **7. FLOATER RISKS-**

Loading of 10% on the Contractor's Plant, Machinery & Equipment rate shall be charged to cover Floater Risks.

## 8. RATES AND EXCESS FOR CPM INSURANCE –

Each item of the Contractor's Plant, Machinery & Equipment shall attract separate rates as prescribed in Rate Schedule.

All Acts of God Perils other than Earthquake (Fire and Shock) are taken care of in the rates prescribed in Rate Schedule. However, no reduction in the rates can be allowed for excluding any of these perils.

For any single loss, only one excess would be applicable and that would be the higher of the two applicable to the equipments **OR** for additional covers like removal of debris etc.

The Policy excess will apply in case of claims relating to SURROUNDING Property Damage. A separate excess as per Tariff shall be applicable on Air Freight and Additional Customs Duty.

## 9. DISCOUNT FOR HIGHER EXCESS AMOUNTS –

- A) All rates prescribed in Table I of Rate Schedule are subject to minimum Excess per claim as in Table III.

Discounts for selection of Higher Excess amounts can be allowed in the rates prescribed in Table I, as per the following scale: -

<b>Excess Increased to</b>	<b>Discount (%)</b>
2 times the minimum Excess	10 %
5 times the minimum Excess	20 %
10 times the minimum Excess	30 %
20 times the minimum Excess	42 ½ %

- B) It is permissible to grant discounts as per following in the Earthquake premium alone (for risks in Earthquake Zone I & II), if Higher Excess amounts are selected for claims arising out of AOG perils: -

<b>AOG Excess Increased to</b>	<b>Discount in Earthquake Premium</b>
2 times the minimum Excess	10 %
5 times the minimum Excess	20 %
10 times the minimum Excess	30 %
20 times the minimum Excess	42 ½ %

The selection of Higher Excess for claims arising out of AOG Perils shall qualify for discounts in Earthquake premium alone & not in the premium/rate in Table I of Part I Rate Schedule.

#### **10. ADDITIONAL RATES FOR EARTHQUAKE (FIRE & SHOCK) PERILS –**

Additional rates, as prescribed in Table II of Part I- Rate Schedule, are to be charged in respect of Contractor's Plant, Machinery & Equipments engaged for work at a location/ project site, situated in Earthquake Zone I & II (as defined in the All India Fire Tariff).

These additional rates take care of Earthquake (*Fire & Shock*) Perils only. Earthquake cover is optional in Earthquake Zones I & II.

Earthquake Extra for Zone I & II will be charged for the entire policy or alternatively Earthquake cover will be excluded for Zone I & II.

#### **11. ACTS OF GOD PERILS –**

The Acts of God Perils shall mean -

- a) Earthquake (Fire & Shock)
- b) Landslide, Rockslide, Subsidence
- c) Flood, Inundation
- d) Storm, Tempest, Hurricane, Typhoon, Cyclone.

#### **12. EXCESS FOR CLAIMS ARISING OUT OF AOG PERILS –**

The Excess amount prescribed in Table III of Part I Rate Schedule for claims arising out of Acts of God Perils shall apply separately to each incident giving rise to loss or damage and for this purpose an incident shall not be considered to have terminated until there have been seven consecutive days freedom from the perils concerned and only thereafter will these excess amounts apply afresh.

#### **13. DELETION OF EXCEPTION 'K' OF THE POLICY**

For deletion of Exception 'K' under the Policy regarding Contractor's Plant and or Machinery working underground, applicable tariff rate should be loaded by 50%

#### **14. CONTRACTOR'S PLANT & MACHINERY EQUIPMENTS MOUNTED ON FLOATING VESSEL/CRAFT –**

The Contractor's Plant, Machinery & Equipments mounted on floating vessel/craft and used for the purpose of contract work shall attract the rates prescribed in Table I of Rate Schedule.

However, the Excess applicable for claims on such plant, machinery & equipments mounted on floating vessel/craft shall be the Excess prescribed for 'claims arising out of AOG Perils' in Table III of Part I - Rate Schedule.

**15. ROUNDING OF RATES:-**

It is not permissible to round off the rates in Annual Engg. Policies.

**16. SHORT PERIOD SCALE OF PREMIUM RATES –**

Policies issued or renewed for periods shorter than 12 months must be charged for on the following scale, which must also be applied in calculating the premium where policies are cancelled during currency at the request of the Insured.

<b>Policy Period Required</b>	<b>% of Annual Premium</b>
Not exceeding 1 week	10 % of Annual Premium
Not exceeding 1 month	25 % of Annual Premium
Not exceeding 2 months	35 % of Annual Premium
Not exceeding 3 months	50 % of Annual Premium
Not exceeding 4 months	60 % of Annual Premium
Not exceeding 6 months	75 % of Annual Premium
Not exceeding 8 months	85 % of Annual Premium
Exceeding 8 months	Full Annual Premium

**17. THIRD PARTY LIABILITY –**

A rate of 0.25 % p.a. should be charged on the total limit of indemnity selected to cover the Third Party Liability upto the following limits: -

i) Any one person	Rs.10, 00,000/-
ii) Any one Accident	Rs.25, 00,000/-

Third Party Liability Insurance for limits in excess of those mentioned above should be underwritten in the Miscellaneous Department at the discretion of the Insurer.

The Excesses applicable for TPL Property Damage claims will be the highest of the Excesses applicable to the Machineries insured.



**18. OWNER'S SURROUNDING PROPERTY –**

A rate of 0.25 % p.a. should be charged on the Sum Insured for Owners Surrounding Property.

The Excesses applicable on the Owners Surrounding Property will be the highest of the excesses applicable to machineries Insured.

**19. CLEARANCE AND REMOVAL OF DEBRIS –**

A rate of 0.25 % p.a. should be charged on the Sum Insured for Clearance & Removal of debris.

The Excess applicable on the Clearance and Removal of debris will be highest of the Excesses applicable to machineries insured

**20. ADDITIONAL CUSTOM DUTY –**

The cover for Additional Custom Duty is subject to following:

- i) The cover for ACD will be on First Loss Basis,
- ii) The specific limit for ACD - either in percentage or in amount has to be selected by the Insured at the inception of the policy and can be reinstated in the event of loss.
- iii) The rate and excess will be as under:

<b>Rate</b>	2 % to be charged on ACD amount selected
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**21. EXPRESS FREIGHT-**

Additional rate for express freight (air freight excluded), holiday and overtime rates of wages –

The additional premium for covering express freight (air freight excluded), holiday and overtime rate of wages, will be at the average rate applied on the limit selected.

**22. AIR FREIGHT –**

The rate and excess as under shall be charged exclusively for items of air freight only and subject to the limit selected by the Insured for indemnity against air freight only.

Rate	5 % on the amount of indemnity selected
Excess	5 % of the air freight incurred per claim

### 23. ABANDONMENT

Loss or damage due to abandonment of any plant and/or machinery working in underground mines or tunnels shall be excluded from the cover.

### 24. PAY LOADERS-

Pay Loaders on barges cannot be covered under CPM Policy

### 25. DISMANTLING OF CPM EQUIPMENT AND SHIFTING TO A NEW LOCATION

Equipment covered under the CPM policy at a location are dismantled and shifted to new/other site and re-erected there at, can be covered on payment of additional premium at the rate of Rs. 0.20 % for that equipment.

### 26. APPLICATION FOR SPECIAL RATING –

Application for special rating should be accompanied by an Inspection Report which must invariably contain following information: -

- a) Claim history for last 5 years preceding expiry policy period.
  - i) Total premium received
  - ii) Claims paid and outstanding
- b) Any special remarks.

### 27. SCALE OF CLAIMS EXPERIENCE DISCOUNTS OR LOADINGS –

Average claims ratio in % age for 5 years preceding the expiring policy period	Discount (%)	Loading (%)
Upto 05	30	

Above 05 and upto 15	25	
Above 15 and upto 30	20	
Above 30 and upto 40	15	
Above 40 and upto 45	10	
Above 45 and upto 50	5	
Above 50 and upto 60	Nil	Nil
Above 60 and upto 80		5
Above 80 and upto 100		10
Above 100 and upto 125		15
Above 125 and upto 150		20
Beyond 150 and upto 200		35
Beyond 200		Committee to decide

Loading and Discount will apply for proposals in respect of risks where the Sum insured is in excess of Rs. 5 Crores in their compounds.

In case more than one policy is issued in one compound and if their aggregate sum insured exceeds Rs. 5Cr., all such policies issued in the compound shall attract the loading/discount.

For Sum Insured upto Rs. 5 Crores, there will not be any discount applicable and full Tariff Rates are to be charged. The Proposals with the Sum Insured less than Rs. 5 Crores already rated by TAC shall, however, continue to be guided by the above scale of Discounts/Loading until the Claims Experience during 5 years preceding the expiry policy warrants neither loading nor discounting over the Tariff Rates.

**Notes –**

- i) The loss experience discount will be decided taking into account the claims experience during the 5 years preceding the expiring policy period. To become eligible for earning a discount, the policy should have run continuously for a

period of 3 years. Loading if any, however, shall become applicable from the second year onwards.

- ii) Further if there is any gap between Consequent Renewals, for earning a discount, the minimum waiting period of 3 years detailed in Note (1) shall apply afresh. However, for loading purposes the claims experience under the 5 policy periods preceding the expiring policy period shall be taken into account, if available. Otherwise available claims experience shall be taken into account.

## **28. RULES FOR CANCELLATION –**

For cancellation of insurance policy during the currency either wholly or in part -

- a) at the option of the Insurer, a pro-rata refund of premium may be allowed for the unexpired term on demand ,
- b) at the Insured's request, refund of premium may be allowed after charging premium for the time insurance was in force on short period scale subject to the retention of minimum premium by the Insurer.

However, if, policy is replaced by new annual one, covering identical equipment/machines for Sum Insured not less than the respective Sums Insured under the cancelled policy, refund of premium may be allowed on pro-rata basis subject to retention of minimum premium and subject to no loss.

If the risk is insured under short period scale, refund may be calculated at pro-rata of the short period scale of premium provided such cancellation is followed by an annual policy for Sum Insured not less than the Sum Insured under cancelled policy. Otherwise, retention of premium shall be on short period scale.

For the Sum Insured not replaced in the renewed policy after cancellation, refund must be calculated after charging premium on such sum for the time insurance was in force on short period scale subject to retention of minimum premium by the Insurer.

- c) In case of revision of Tariff rates/excess, it is not permissible to cancel the policy and allow a refund of premium whereby an Insured pays lower premium for an insurance than is payable at the rates applicable at the commencement of the policy.

## **29. MIDTERM INCREASE IN SUM INSURED –**

If the Sum Insured is increased during the currency of the policy.

- i) Short period scale of rates shall apply to increased amounts.
- ii) If the policy is renewed thereafter for 12 months for an amount not less than the increased Sum Insured, the difference of premium between short period scale of rates and pro-rata rate may be refunded.

**30. ESCALATION PROVISION -**

It will be in order for Insurers to allow automatic regular increase in the Sum Insured throughout the period of the policy in return for an additional premium to be paid in advance. The terms and conditions for this extension shall be as follows -

- a) The selected percentage increase shall not exceed 25 % of the Sum Insured.
- b) The additional premium, payable in advance, will be at 50 % of the full rate, to be charged on the selected percentage increase.
- c) The Sum Insured at any point of time would be assessed after application of the Escalation Clause.
- d) Different escalation percentages for different machines may be granted under the escalation clause.
- e) Prorata Condition of Average will continue to apply as usual.
- f) The Automatic increase operates from the date of inception upto the date of operation of any of the Insured Perils.

**31. GROSS RATES-**

All rates specified in this Tariff are Gross Rates and Agency Commission (or discount in lieu of Agency Commission) can be allowed from these rates, as per the Rules prevailing from time to time.

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**SCHEDULE**

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POLICY No.

Date

Name & Address of the Insured

LOCATIONS OF OPERATION

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Period of Insurance From \_\_\_\_\_ To \_\_\_\_\_

Annual Premium Rs. \_\_\_\_\_

**SPECIFICATION OF INSURED ITEMS**

Item No.	Qty.	Description of items (type, Manufacturer, Capacity)	Year of Manufacture	Sum Insured	Excess
<b>TOTAL SUM INSURED . .</b>					

IN WITNESS WHERE OF the undersigned being duly authorised by directors of the Company has/have hereunder set his/their hand(s) at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

For \_\_\_\_\_ (Co. Ltd.)

Examined \_\_\_\_\_

Entered \_\_\_\_\_

Duly Constituted Authority

\_\_\_\_\_ Company Ltd.

**STANDARD POLICY FORM**

**CONTRACTOR'S PLANT & MACHINERY INSURANCE POLICY -**

\_\_\_\_\_ Insurance Co. Ltd.

Registered, Office \_\_\_\_\_

WHEREAS the insured named in the Schedule hereto by a proposal and declaration, which shall be the basis of this contract and is deemed to be incorporated herein has applied to the \_\_\_\_\_ CO. Ltd. (hereinafter called the Company ) for the insurance hereinafter contained and has paid the premium as consideration for such Insurance in respect of accident or damage occurring during the period of Insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this Policy.

### **NOW THIS POLICY OF INSURANCE WITNESSETH**

THAT subject to the terms, exceptions, exclusions, provisions and conditions contained herein or endorsed hereon, the Company will at its own option by payment or reinstatement or repair indemnify the Insured against unforeseen and sudden physical damage by any cause not hereinafter excluded to any Insured Property specified in the attached Schedule(s) whilst at the location mentioned therein necessitating its immediate repair or replacement. This Policy shall apply to the insured items whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection, but in any case only after successful commissioning. The liability of the Company for any one item of the insured property shall not exceed in the aggregate in any one Period of Insurance the Sum Insured set against such item in the attached Schedule(s). However the sum insured under such item can be reinstated after occurrence of a claim for balance period.

### **EXCEPTIONS –**

THE COMPANY SHALL NOT BE LIABLE UNDER THIS POLICY IN RESPECT OF -

- a) the Excess stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the insured shall not, however, be called upon to bear more than the highest single Excess applicable to such items;
- b) loss or damage due to electrical or Mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage will be indemnifiable.
- c) loss of or damage to replaceable parts and attachment such as bits, drills, knives or other cutting edges, saw blades dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and

- conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, joining and packing material regularly replaced;
- d) loss or damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine;
  - e) loss of or damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction site;
  - f) loss of or damage to Hull and machinery of waterborne vessels or crafts, however this exclusion shall not apply to Contractors Plant and machinery mounted on water borne vessels or crafts for the purpose of use for the contract work.
  - g) loss or damage due to total or partial immersion in tidal waters;
  - h) loss or damage whilst in transit, from one location to another location. (Public Liability will not be payable while Contractors Plant & Machineries are on Public Roads).
  - i) loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions);
  - j) loss or damage occurring whilst any insured item is under- going a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
  - k) loss of or damage to plant and/or machinery working underground.

**Note-** This does not apply to Machineries used in Tunneling works.

- l) War, Invasion, act of foreign enemy, hostilities or war like operation (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 person 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.
- m) loss or damage directly or indirectly caused by, or arising out of, or aggravated by nuclear reaction, nuclear radiation or radioactive contamination.
- n) loss or damage due to any faults or defects existing at the time of commencement of this policy within the knowledge of the insured or his



representatives, whether such faults or defects were known to the Company or not;

- o) loss or damage directly or indirectly caused by, or arising out of or aggravated by the willful act or willful negligence of the insured or his representatives.
- p) loss or damage for which the supplier or manufacturer is responsible either by law or under contract;
- q) consequential loss or liability of any kind or description;
- r) loss or damage discovered only at the time of taking an inventory or during routine servicing.

In any action, suit or other proceeding where the company allege that by reason of the provisions of exclusions (m) to (q) above any loss, destruction or damage is not covered by this policy, the onus of proving that such loss, destruction or damage is covered shall be upon the insured.

## **PROVISIONS**

### **1. SUM INSURED –**

It is a requirement of this insurance that the Sum Insured shall be equal to the cost of replacement of the insured property by new property of the same kind and same capacity, which shall mean its replacement cost including freight, dues and customs duties if any and erection costs.

### **2. BASIS OF INDEMNITY –**

- a) In cases where damage to an insured item can be repaired the Company will pay expenses necessarily incurred to restore the damaged machine to its condition immediately prior to the accident/loss plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair-shop, customs duties and dues if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

- b) In cases where an insured item is totally destroyed the Company will pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties if any, provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for dismantling of the machinery destroyed but the salvage shall be taken into account.

Any extra charges incurred for overtime, night-work, work on public holiday, express freight, are covered by this insurance only if especially agreed to in writing.

In the event of the Makers' drawing, patterns and core boxes necessary for the execution of a repair, not being available, the Company shall not be liable for the cost of making any such drawings, patterns and core boxes.

The cost of any alteration, improvements or overhauls shall not be recoverable under this Policy.

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.

If the sum insured is less than the amount required to be insured as per Provision- I herein above, the Company will pay only in such proportion as the sum insured bears to the amount required to be insured. Every item, if more than one, shall be subject to this condition separately.

The Company will make payments only after being satisfied, with the necessary bills and documents, that the repairs have been effected or replacement have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the insured is unable to replace the damaged equipment for reasons beyond their control. In such a case claims can be settled on 'Indemnity Basis'.

### **3. CONDITIONS –**

- a) This Policy and the attached Schedule(s) shall be read together as one contract and any words and expressions to which specific meanings have been attached in any part of this Policy or of the attached Schedule(s) shall bear the same meaning wherever they may appear.
- b) 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.

- c) 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 defense or settlement of 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.
- d) The due observance and fulfillment of the terms, provisions and conditions of and endorsement on 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 said proposal shall be conditions precedent to any liability of the Company to make any payment under this policy.

#### **4. MISCELLANEOUS –**

The Insured shall -

- a) take all practicable steps including in the case of machinery lost or stolen or willfully damaged by giving of immediate notice to the Police to recover any property lost or stolen and in the case of theft or willful damage to discover the guilty person or persons.
- b) produce or give access to any property alleged to be damaged and the Insured shall be bound to satisfy the Company by such reasonable evidence as the Company may require that the loss destruction or damage in respect of which a claim is made has actually arisen from one of the risks insured.

#### **5. OBLIGATIONS OF THE INSURED:**

- a) The insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The Insured shall fully observe the manufacturer's instructions for operating, inspection and overhaul, as well as government, statutory, municipal and all other binding regulations in force concerning the operation and maintenance of the insured plant and machinery;

- b) The Company's officials and/or their representatives shall at all reasonable times have the right to inspect and examine any property insured hereunder and the Insured shall provide the officials of the Company with all details and information necessary for the assessment of the risk.
- c) In the event of any;
  - i) Material change in the original risk,
  - ii) Alteration, modification or addition to an insured item,
  - iii) Departure from prescribed operating condition, whereby the risk of loss or damage increases.
  - iv) Change in the Insured's interest (such as discontinuation or liquidation of the business or being placed in receivership) taking place.

The Policy shall be void unless its continuance be agreed by endorsement signed by the Company.

## **6. DUTIES FOLLOWING AN ACCIDENT –**

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 reasonable steps within his power to minimise the extent of the loss or damage or liability;
- c) Preserve the damaged or defective parts and make them available for inspection by an official or surveyor of the Company;
- d) furnish all such information and documentary evidence as the company may require.

The Company shall not be liable for any loss or damage of which no notice and completed claims form have been received by the Company within Fourteen days of its occurrence.

Upon notification of a claim being given to the Company, the Insured may proceed with the repair of any minor damage not exceeding Rs. 7,500/- provided that the carrying out of such repairs is without prejudice to any question of liability of the Company and that any damaged part requiring replacement is kept for inspection by the Company, but in all other cases a representative of the Company shall have the opportunity of inspecting the damage before any alterations, repairs or replacements are effected. Nothing

contained herein shall prevent the Insured from taking such steps as are absolutely necessary to maintain the operation of the plant.

The liability of the Company under this Policy in respect of any item of property sustaining damage, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to the satisfaction of the Company.

#### **7. OTHER INSURANCES –**

If at the time any claim arises under this Policy there is any other insurance covering the same loss damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss damage or liability.

#### **8. POSITION AFTER A CLAIM –**

- a) The Insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not.
- b) As from the day of the loss the Sum Insured for remainder of the period of insurance is reduced by the amount of the compensation. To prevent under insurance during the remainder of the current period of insurance the amount insured must be reinstated. The premium will be calculated pro-rata from the day the repaired item is again put to work. For subsequent periods of insurance the original indemnity and premium are again in force unless circumstances justify an alteration.

#### **9. TRANSFER OF INTEREST –**

The insurance granted by this Policy shall cease to attach to any items described in the Schedule the interest in which shall pass from the Insured otherwise than by will or operation of law, unless the consent of the Company for the continuance of the insurance shall be obtained and signified by endorsement hereon.

#### **10. TERMINATION OF INSURANCE -**

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium calculated at the customary short period rate for the time the policy has been in force. 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 Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

#### **11. RECOURSE –**

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 endorsing any right 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 of 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.

## **12. ARBITRATION -**

If any dispute or difference shall arise as to the quantum to be paid under the 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 arbitrations as herein before 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 award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

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## PROPOSAL FORM

\_\_\_\_\_ COMPANY LIMITED

### PROPOSAL FOR CONTRACTOR'S PLANT & MACHINERY INSURANCE

The liability of the Company does not commence until this proposal has been accepted by the Company and premium paid.

Information given herein will be treated in strict confidence.

PUT A (✓) TICK MARK WHEREVER APPLICABLE AND ANSWER IN FULL, NO ABBREVIATIONS SHOULD BE USED.

a) Proposer's Name	
b) Proposer's Trade or Business	
c) Proposer's Postal Address	
d) Location of Operation (site of property to be insured)	

e) Nearest Railway station and Distance	
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1. Do the items listed represent the entire machinery used by you at the above location.  Yes  No
2. a) Are you at present Insured?  Yes  No
- b) If so, with whom? b)
3. Has any company -
- a) Declined to insure any of the Machinery now proposed  Yes  No
- b) Required an increased premium or imposed special conditions  Yes  No
- c) Requested for repairs or made other special stipulations for risk improvement?  Yes  No
4. a) Are you aware of any defects/damages existing in the machinery.  Yes  No
- b) If so, give details thereof b)
5. Do you own or use any equipment other than that described above working on the same site?
6. Is any of the equipment now proposed ;
- a) Licensed for road use? If so, give details a)
- b) Covered by any other insurance? If so give details b)



7. a) Are you the owner of the proposed equipment? If yes, will you be hiring out? a)
- b) If the equipment is hired;
  - i) Is Insurance your responsibility i)
  - ii) Is maintenance and operation your responsibility? ii)
8. Are the premises where the equipment operates well guarded?
9. a) What is the site condition where the equipment will be utilized? a)
- b) Are the equipment likely to operate on reclaimed or soft ground? b)
- c) Are the equipments likely to operate underground? c)
- d) Are ground condition such that equipment are exposed to the risk of toppling over? If so, give details? d)
- e) Is the site susceptible to flood, sea damage, storm, cyclone or other natural calamities? If so, give detail and safety precautions taken. e)
10. Will equipment belonging to other contractors operate on the same site?

11. Do you have trained and qualified operators? Are there any statutory rules governing the appointment?
12. Which of the equipments are required to be inspected and certified for operation by statutory rules?
13. a) Has your machinery sustained any damage from breakdown or other cause during last 3 years?  Yes  No
- b) If so, give details of damage/s and Repairing cost b)
14. a) Is regular periodical inspection of the machinery carried out?  Yes  No
- b) If so, by whom and at what intervals?
15. On payment of additional premium do you wish to cover - If Yes, provide limits of indemnity -
- a) Express Freight (excluding Airfreight), overtime and Holiday rates of wages Rs. \_\_\_\_\_  No
- b) Air Freight Rs. \_\_\_\_\_  No
- c) Owners surrounding property Rs. \_\_\_\_\_  No
- d) Clearance & Removal of Debris Rs. \_\_\_\_\_  No
- e) Additional Custom Duty Rs. \_\_\_\_\_  No
- f) Escalation Rs. \_\_\_\_\_  No

g) Third Party Liability -

i) For any one accident Rs. \_\_\_\_\_

ii) For all accident during the period Rs. \_\_\_\_\_

16. Period of Insurance From To

**SCHEDULE OF MACHINERY TO BE INSURED -**

S. No.	Quantity	Description Capacity of Machine/ No. HP/ KVA	Type, Model, Serial Volts, AMPS, RPM	Maker's Name and Country of Origin	Year of Make	Sum Insured
(1)	(2)		(3)	(4)	(5)	(6)

**GUIDE NOTES -**

I. Each Machinery should be entered separately with necessary specifications as mentioned in schedule column No. 3.

Full description with identification no. Etc. of each and every equipment with valuation should be declared.

II. The Sum Insured must be calculated on the present day new replacement value of the Machinery to be insured including provision for packing, freight and also value of foundations, erection costs, customs duty, etc., to afford full protection under the Policy.

III. If any of the Machines is a `Stand by' this fact should be mentioned.

IV. All Portable Machines must be so designated.

V. All items in the open must be so described separately.

VI. Transit risks from site to site will be excluded.

VII. The proposals with Sum Insured more than Rs.5 crores **shall be referred** for finalization of special rates, terms and conditions.

I/We, the undersigned hereby declare that the above statements and particulars are true and complete and I/We declare and agree that this declaration and answers given above shall be held to be promissory and shall be the basis of the contract between me/us and the Company.

Place \_\_\_\_\_

Dated \_\_\_\_\_

Proposer's Signature \_\_\_\_\_

## Section 41 of Insurance Act 1938

### PROHIBITION OF REBATES –

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
2. Any person making default in complying with the provision of this Section shall be punishable with fine, which may extend to five hundred rupees.

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## CONTRACTOR'S PLANT AND MACHINERY INSURANCE TARIFF -

### RATE SCHEDULE

TABLE – 1, RATES

Group of Machinery	Rates (Rs) (Inclusive of all 'Acts of God Perils' except earthquake)	Plus Earth quake Extras as shown in Table II below
I	0.60 %	
II	0.80 %	
III	1.00 %	

<b>IV</b>	<b>2.00 %</b>	
<b>V</b>	<b>0.20 %</b>	

**Note:** Plants and or Machineries working underground/tunnels should be rated at a loading of 50 % over the above rates.

### TABLE 2 - EARTHQUAKE EXTRA

The following additional rates shall be charged over the rates mentioned in the above table for risks located in Earthquake Zones I & II (as defined in the Fire Tariff) -

**Note-** In case of short term policies, the premium will be calculated on pro rata basis, and in the case of cancellation of policies, refund will be calculated on pro rata basis.

Zone	Rate (% per annum)	
Zone I	0.10 %	To be charged on pro-rata basis for periods less than one year
Zone II	0.05 %	
Zone III	Nil	
Zone IV	Nil	

### TABLE 3 – EXCESSES

**A) For Machinery under Group I, II, III and IV -**  
(Except for cranes above 10 tonnes capacity)

EXCESSES		
Value of equipments	For claims arising out of AOG perils	For claims arising out of perils other than AOG
a. Individual value upto Rs.1 lakh.	10 % of S.I. Subject to a minimum of Rs. 5,000/-	2 % of S.I. subject to minimum of Rs. 1,500/-

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b. Individual value over Rs. 1 lakh and upto Rs. 5 lakh.	5 % of S.I. Subject to a minimum of Rs.10, 000/-	1.5 % of S.I. subject to minimum of Rs.2, 000/-
c. Individual value over Rs. 5 lakh and upto Rs.10 lakhs.	3 % of S.I. subject to a minimum of Rs. 25, 000/-	1.25 % of S.I. subject to minimum of Rs. 7,500/-
d. Individual value over Rs. 10 lakhs upto Rs. 25 lakhs	2 % of S.I. subject to a minimum of Rs. 30, 000/-	1.00 % of S.I. subject to minimum of Rs. 12, 500/-
e. Individual value over Rs. 25 lakhs upto Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	Rs. 25, 000/- (Flat excess)
f. Individual value over Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	Rs. 35, 000/- (Flat excess)

**B) For Cranes above 10 tonnes capacity under Group III -**

Value of Equipment in Rs.	Main Section		Boom Section
	AOG claim	Normal	
a) Over 5 lakhs & upto 10 lakhs	1.5 % of S.I. Subject to a minimum of Rs. 10, 000/-	0.8 % of S.I. Subject to a minimum of Rs. 5, 000/-	20 % of claim amount subject to minimum of Rs. 25, 000/-
b) Value over Rs. 10 lakhs & upto 25 lakhs	1 % of S.I. Subject to a minimum of Rs. 20, 000/-	0.5 % of S.I Subject to a minimum of Rs. 10, 000/-	-do-

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c) Value over 25 lakhs & upto 50 lakhs	0.7 % of S.I. Subject to a minimum of Rs. 25,000/-	Rs. 15, 000/-	-do-
d) Value over 50 lakhs	0.5 % of S.I. Subject to a minimum of Rs. 25,000/-	Rs. 25, 000/-	- do -
<p>Note:- Excess for Boom section of cranes of above 10 tonnes capacity -</p> <p>In case damages occur to the crane body as well as boom arising out of the same incident, the respective excess will be applicable. In case one of the two is damaged, the corresponding excess only will apply</p>			

**C) For Machinery under Group V -**

Rs.1000/- Flat. Excess

**GROUPS OF MACHINERY –**

**Classification of Construction Plant, Equipment and Machinery**

<b>Risk Code</b>	<b>Group I (Rate Re. 0.60 % + EQ Extra)</b>
101	Chain Blocks and Pulley Blocks
102	Compressor, Air tools
103	Conveyor belts, site hoists, jacks, screws
104	Cranes upto 10 tonnes capacity (except Turner and Derrick cranes)
105	Concrete pumping plant
106	Cement silos, water containers, Surveying Equipment
107	Electrical/Electronic Equipment used for Non-destructive testing
108	Fork Lift Trucks (upto 10 Tonnes Capacity)
109	Mixing Machines, Mixing Plants
110	Pavers for asphalt or concrete finishing
111	Permanent way plant (track-laying machinery, track shifters, tempers)

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112	Portable protection tents
113	Pumps, Transformers, Electric Motors
114	Road rollers
115	Railway trackage
116	Rendering Plant
117	Scrapers, scales
118	Vibrators (vibrating compacting rollers, vibration and Mechanical tamping equipment, concrete vibrating equipment)
119	Workshop Machines, woodworking Machines, Reinforcement bar benders, drying plant.
120	Welding set.
121	Surveying equipments
122	Tractor 144D
123	Mosaic Polishing Machines
<b>Risk Code</b>	<b>Group II (Rate: 0.80 % + EQ Extra)</b>
201	Aggregate plant
202	Air locks
203	Gas power-generating plant
204	Graders, pan scrappers, rippers
205	Hauling equipment (dumpers, dump cars, dump trucks)
206	Locomotives, field and steam generating engines, track-shifting machines.
207	Mobile mixing plant
208	Mechanical sweepers
209	Site power-generating plant (gasoline or diesel engines)
210	Stone crushers, screens, separating plant.
211	Tractors/Trailers
212	Seismic Data Collection Equipment Note - Transformer Oil Filtration Unit (Vehicle carrying this unit) to be covered under 'Mobile Mixing Plant' under this Section
<b>Risk Code</b>	<b>Group III (Rate: 1.00 % + EQ Extra)</b>
301	Bulldozers
302	Cranes above 10 tonnes capacity, Turner cranes and Derrick Cranes
303	Diving equipments
304	Excavators (Caterpillar shovels, drag-shovels, power shovels, self-propelled excavators, truck-shovels, bucket excavators, Bucket trenches).
305	Loaders



306	Pile driving and pile extracting equipment.
307	Bridge Inspection Machines.
308	Mobile diving Rig.(ON Shore)
309	Pipe jacking M/c
310	Rail Mounted Gantry Crane (RMG)
311	Ballotis
312	Top lift Truck (TLT)
313	Break down vehicle
314	Hydraulic Twin Boom Jumbo Drilling Machine
315	Electro Hydraulic Digging Arm Loader

<b>Risk Code</b>	<b>Group IV (Rate: 2.00 % + EQ Extra)</b>
401	Drilling Machine for Water Supply
402	Tunnel Boring Machines
<b>Risk Code</b>	<b>Group V (Rate: 0.20 % + EQ Extra)</b>
501	Other miscellaneous item with individual value upto Rs. 10,000/-

## Rating of General Items

1. **Alimak Raise Climber** - to be rated at Rs.1.50 %

2. **Merry Go Round Systems** -

### Locomotives and Bottom Discharge Wagons -

Contractors Plant and Machinery Insurance cover for Merry-go-Round arrangement (in respect of locomotives and wagons only) may be granted as an extension of CPM Policy. The applicable tariff rates should be loaded provisionally by 20 % and such cases must be referred to the Tariff Advisory Committee for finalizing rates and terms.

The limit for TPL extension under such cover should not exceed Rs. 1 crore for any one accident as well as the entire policy period. Also, re-instatement of sum insured after a loss shall not be allowed.

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## ENDORSEMENTS

### 1. ESCALATION CLAUSE –

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing  $1/365^{\text{th}}$  of the specified percentage increase per annum.

Item Number	Specified Percentage Increase per annum

Unless specifically agreed to the contrary the provisions of the Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers:-

(i) the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance upto that renewal date, **and**

(ii) the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

## **2. OWNER'S SURROUNDING PROPERTY –**

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of insured having paid extra premium amounting to Rs. \_\_\_\_\_ it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belongings to or held in care custody, control of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in views for construction or erection during period of policy.

The Company pays to the insured the value of the damaged property at the time of accident or at its ---- reinstate or replace such damage property or any part thereof provided that -

The liability of the Company shall in no case exceed Rs. \_\_\_\_\_ for any one accident or series of accidents arising out of any one event and in the whole the total indemnity of Rs. \_\_\_\_\_ during the currency of the Policy.

The insured shall bare the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured with the relevant authorities about the exact locations or positions of

such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

### **3. THIRD PARTY LIABILITY –**

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of the payment of the additional premium of Rs. \_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary stated in this policy, the Company will indemnify the insured:

- a) against legal liability for the accidental loss or damage caused to the property of other persons.
- b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the works/site/premises/ location or employees of the other firms/connected with any other work site/ premises/ location or members of the family of the insured or any of the aforesaid.

#### **EXCLUSIONS UNDER THE TPL EXTENSION -**

The Company will not indemnify the insured, under this extension in respect of -

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.
- c) Liability consequent upon -
  - i) bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/premises/ location or of any other firm/contractors connected with any other work at the works/site/premises/location.
  - ii) loss of or damage or property belonging to or held in trust by or under custody of the owner of the works/site/premises/location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
  - iii) any accident cost by vehicles licensed for general road or by waterborne vessels or used aircraft.
  - iv) 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 TPL EXTENSION -**

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who

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shall be entitled, if any 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.

- b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

#### **4. EXPRESS FREIGHT –**

Attached to and forming part of the Policy No. \_\_\_\_\_

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the demand item(s) is/are less than the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

Extra Premium Rs. \_\_\_\_\_

#### **5. AIR FREIGHT –**

Attached to and forming part of the Policy No. \_\_\_\_\_

'It is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

In consideration thereof an additional premium of Rs. \_\_\_\_\_ is charged hereby.

Limit of indemnity shall be Rs. \_\_\_\_\_ during currency of the Policy.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

Subject otherwise to terms, conditions and exceptions of the Policy'.

## **6. ADDITIONAL CUSTOMS DUTY –**

In consideration of the Insured having paid an additional premium of Rs. \_ it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the policy, towards the additional Customs Duty, amount of Rs. \_\_\_ which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured the affected item.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Subject otherwise to the terms, conditions and exceptions of the Policy.

### **Note-**

- i) For computation of indemnity under the Additional Customs Duty extension, exchange rate applicable on date of occurrence shall be considered.
- ii) Under this only Sea Freight charge would be taken into account even though the replacement supplies had been air freighted and the policy has been endorsed for airfreight cover.

## **7. INSURANCE OF ALL TYPES OF CRANES –**

The following Endorsement wording is to be used for covering Cranes of any type -

'It is understood and agreed that the Insurance by this Policy shall include sudden and unforeseen damage to ropes/slings resulting in their actual and complete severance. It shall not include breakage or abrasion of wires or strands of rope/slings although replacement is necessitated thereby'.

## **8 FOR INSURANCE OF IMPORTED MACHINERY –**

The following endorsement wording is to be used: -

'The indemnity provided by this policy does not extend to include cost incurred/time involved in the movement of the machinery and/or any other

property and/or personnel out side territorial limits of India other than the cost of delivery of replacements for machinery lost or damaged'.

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