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ENGINEERING INSURANCE

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ENGINEERING INSURANCE

MARINE-CUM-STORAGE-CUM ERECTION ALL RISK INSURANCE

As per revised guideline now the marine rate is non-tariff and combine MCE discount of 50 paise is withdrawn.

A distinct advantage of combines marine/transit-cum-erection policy is that the cover starts right from the moment machinery leaves the foreign/ Indian manufacturers warehouse & remained continuously in force during voyage/transit till the factory site, & storage at site of erection, till the erection is over & equipments have been tested & commissioned.

RISK COVERED :

The policy cover accidental physical loss or damage due to any cause except which are specifically excluded.

- a) Act of God Risks : Natural calamities like Subsidence, Landslide, Rockslide, Flood, Inundation, Storm, Cyclone, Collapse, Water Damage for Water Risk (Earthquake and terrorism under extension cover).
- b) Fire, Lightning, Riot & Strike & Sabotage.
- c) Theft & Burglary.
- d) Faults during erection, lack of skill/ carelessness of workers & handling risks.
- e) Short Circuit, Explosions tearing apart on account of Centrifugal forces.

- f) Electrical & Mechanical failure during trial & testing.

RISK NOT COVERED :

- a) War and similar other risks including Nuclear reaction.
- b) Damages falling under manufacturer's guarantee.
- c) Cost of rectification or correction of any error during unless results into physical loss.
- d) Wilful act or gross negligence of the insured.
- e) Consequential loss of any kind and contractor liability.
- f) Normal wear and tear, gradual deterioration due to atmosphere condition resulting into rust, scratching of painted and polished surface, breakage of glass etc.

SUM INSURED :

The sum insured should be clearly specified in the policy for each and every machine stating the FOB/CIF value plus incidental expenses like customs duty, excise duty, octroi, freight, insurance charges etc. Plus cost of Erection, Permanent Civil Engineering Work.

GENERAL REGULATIONS

Jurisdiction : This applies to all Risks located in India.

Subject Matter : All kinds of industrial machines/ Raw material used for production purposes.

Insured Party : The insured party can be manufacturer, supplier, contractor, sub-contractor

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or owner of the machinery. The policy can be taken jointly by the owner covering interests of all other parties.

JURISDICTION : This applies to all Risks located in India.

SUBJECT MATTER : All kinds of Industrial Machines/Raw Materials used for production purpose.

INSURED PARTY : The insured party can be manufacturer, supplier, contractor, sub-contractor or owner of the machinery. The policy can be taken jointly by the owner covering interests of all other parties.

SUB-CONTRACTS FORMING PART OF A PROJECT.

As regards Sub-contracts forming part of a Project, it is clarified that irrespective of whether the Project value has been broken into various sections and orders/ contracts are placed with different suppliers/contractor/sub-contractors or the insureds carry out the work themselves departmentally, the insurances for all such sub-contracts are subject to these General Regulations.

MARINE/TRANSIT RISKS CONNECTED WITH ERECTION ALL RISKS INSURANCE:

Where Marine/Transit Insurance connected with Erection All Risks Insurance of any project (Sum Insured upto Rs. 50 crores) is placed in India simultaneously or later in one combined policy or under separate policies, in one

department or in different departments, the matter relating to both

- i) Marine/Transit Cover and
- ii) Erection All Risks Cover

is required to be underwritten, subject to these General Regulations.

1. RATE FOR MARINE/TRANSIT COVER :

As per revised guideline Marine rates is now non Tariff.

The competent authority would decide the premium rates depending on the merit of each case.

N.B. : The existing Open Policy Marine Rates (if any) will not be applicable to any of the risks falling to be rated under this Tariff.

THESE RATES ARE SUBJECT TO STANDARD EXTRAS FOR

- (i) War, SRCC of Imported Equipments at prevailing scale rates
- (ii) Inland SRCC for indigenous equipments
- (iii) Tariff extra for vessel classification
- (iv) Fragile extra packed in cases or loose
- (v) Cement extra packed in Gunny bags or packed in papers bags.
- (vi) Any other extras as per Marine Tariff.

Due to detariffing, companies are charging premium on case to case basis depending upon experience, claim rates, market consideration. Please refer to your companies manual for rates

Period of Cover :

The period of cover is given according to the requirement of the client, from 1 month to 24 months as may be required and it includes usually 1 month's test period for each machine.

One can select more than 1 month's test period upto maximum of 3 months by paying additional premium.

Condition for Instalment Facilities :

- i) Policy period should be more than 12 months.
- ii) Frequency of instalment either half yearly or quarterly but insured prefer quarterly instalments.
- iii) First Instalment should be paid on/before the inception of cover/policy, and this first instalment premium should be higher by 5% (of total premium) due under the policy than the rest of all equal instalments.
- iv) The last instalment must be paid at least six months prior to expiry of policy period.

STAMP DUTY :

- 1) For SCR - NIL
- 2) FOR MCE :
 - A) Indigenous Eqp. Rs 1/-
 - B) Imported Eqp. Rs 1/- per 15,000(S.I)

Period of Insurance

The period of insurance commences from the date of arrival of first consignment at erection site and ends on commissioning (completion of testing) or handing over of the project to the principal whichever is earlier.

Note :-

1. For Railway electrification works, for rural electrification works and transmission lines the excess for theft and burglary claim will be S. of the claim amount subject to minimum of 75000/-
2. Marine policy is to be taken simultaneously to avoid inspection of the equipment / item
3. The rate for first two months of the project

period (first month plus one month's testing) is the minimum rate. The same rate will apply for EAR Insurances for a period of two months even where the testing cover is not required or when the period is less than 2 months.

4. For claims arising out of AOG perils in any of the above risk DF shall be 10% of claim amount subject to minimum of testing period DF for respective risks.
5. The provision relating to volume discount or any other special discounts allowed in the basic storage cum erection rate (other than the discount for higher excess) is not to be applied in respect of extension rates.
6. The applicable extension rate should be charged on the erected value of the property as well as on the limits of indemnity selected in respect of contingencies like express freight, debris removal, third party liability etc. during the extension period.
7. In respect of escalation amount and the limit of indemnity on surrounding property the premium rate applicable will be at the extension rate applied on half of amount selected for this purpose.
8. If the risk of testing is to be covered for second hand machinery and/or equipment, the additional minimum rate will be 0.50 per mille, per month or part thereof.
9. Testing period available under the policy shall cease to operate with the commencement of the commercial production or with the handing over of the plant to the principal whichever is earlier. In no case, the duration of the testing period shall exceed 12 months.
10. No Fire Policy can be issued during "Testing period" for items covered under MCE policies.
11. Proposal for coverage of second hand plant and machinery must be carefully examined and should be accepted only on purchase cost. Documents regarding both purchases cost and replacement cost are necessarily to be verified.

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Additional Rates for Earthquake (Fire & Shock) & terrorism perils

Additional premium shall be charged for earthquake and terrorism perils. Period shorter than 1 year shall be charged on prorata basis. Earthquake cover cannot be opted for mid term.

Extension of cover :

Our Erection Policy can be suitably extended for the various purposes as may be required by the party taking insurance as under.

1. Third party Liability - for property damage and personal injury.
2. Cost of removal of debris.
3. Civil Engineering works connected with Erection of Machinery.
4. Escalation Provision.
5. Surrounding Property.
6. Extended maintenance cover.

(1) Third party liability cover upto Rs. 1 Crore

The rate as applicable for Erection All Risks Cover is to be charged for third party liability cover, upto the following limits :

- a) **For policies with sum insured of Rs. 10 crores.** Any one person / Any one accident/

During the entire period of MCE Cover: TPL limit upto 1 crore.

- b) **For policies with sum insured above Rs. 10 crores.** Any one person/Any One accident/During the entire period of MCE Cover.

10% of the completely erected value or Rs. 10 crores whichever is lower.

(2) Clearance and removal of debris

The rate applicable for Erection all risks cover is to be charged on the limit of sum insured fixed for 'Clearance and Removal of Debris'.

Where the Project is a mix of old and new machinery, the EAR rate as applicable for the new machinery is to be charged on the limit of sum insured selected for Clearance and Removal of Debris.

The policy excess (Normal/Testing Period) should apply for the Clearance and Removal of Debris' claims.

(3) Civil works

The rate as applicable for Erection All Risks cover is to be charged on the limit of sum insured fixed for Civil Works.

The Policy excess (Normal/Testing Period) should apply for Civil Works also.

Claim Experience as on date of extension in %	Discount on extension rate in %	Loading on extension rate in %	Excess
Upto 10	20	-	As per tariff
Above 10 and upto 30	15	-	
Above 30 and upto 60	10	-	
Above 60 and upto 100	Nil	-	
Above 100 and upto 200	-	+10	
Above 200 and upto 300	-	+20	
Above 300 and upto 400	-	+40	1.5 times of normal and testing excess
Above 400 and upto 500	-	+50	2 times of normal and testing excess
Above 500	-	+50	3 times of normal and testing excess

(4) Escalation provision

Sometimes additional sum insured is required for escalation in the values. However the escalation benefit will be limited to maximum of 50 % of the sum insured for MCE (the escalation limit may be expressed either in percentage or in amount) and will be permitted only once at the time of inception of the MCE policy.

Additional premium is to be charged for 'Escalation Provision' at the rates prescribed for MCE (as applicable) but on 50% of the amount of escalation. In a MCE policy, if escalation is chosen only for EAR portion, the EAR rate will be applied on 50% of the amount of escalation. The method of premium calculation will be as under :

- (a) Assume the project sum insured Rs. 4 Crores
- (b) Assume escalation percentage is 10% Rs. 40,00,000
- (c) Additional premium to be charged at the prescribed rate for MCE cover, will be on 50% of the escalation provisional cover i.e. on Rs. 20,00,000
- (d) If the escalation refers to only EAR cover, the EAR rates will applied; on the other hand if the escalation provision applied to MCE cover, combined rate will be applied

(5) Surrounding property of the insured

For covering the specified surrounding property of the insured, the rate applicable will be 50% of the EAR rate to be charged on the limit of sum insured fixed for the surrounding property.

Where the project is a mix of both old and new machinery 50% of the EAR rate as applicable for new machinery is to be charged on the limit of sum insured fixed for the surrounding property.

The policy excess (Normal/Testing) should apply for surrounding property also.

(6) 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 basic EAR rate (excluding extras for Earthquake, Dismantling, etc.) to be applied on the limit selected.

(7) Additional rate for air freight only

The rate and excess as under shall be charged exclusively for items of Air Freight only and subject to the limit selected to the limit selected by the Insured to Indemnity.

against Air Freight only.

Rate : 5% on the amount of indemnity selected.

Excess : 5% on the Air Freight incurred per claim

(8) Additional customs duty

The cover for Additional Custom Duty will be subject to the following rates, terms and condition :

- (a) The cover for additional Custom Duty will be subject to the following rates, terms and conditions.
- (b) The specific limit for additional Customs duty 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.

- (c) The rate and excess will be as under :

Rate : 2% to be charged on the additional Customs Duty amount selected.

Excess : 5% of the additional Customs Duty incurred, in addition to the amount applicable for the affected item under the policy.

(9) Construction plant, machinery and equipment

Many times a separate Sum insured is fixed for Construction Plant, Machinery and Equipment used for such projects.

Where the Sum Insured for Construction Plant,

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Machinery and Equipments does not exceed 5% of S.I. or Rs 25,00,000/- whichever is lower, the same can be covered under the EAR Policy at rates and excesses, as per the CPM Tariff issued by 'TAC' for rating of CPM Insurance.

Where the S.I. for Construction Plant, Machinery and Equipments exceeds Rs.25 lacs, the same should be separately covered under the Contractors Plant and Machinery Insurance Policy and at the rates and excesses as per the Tariff issued by the TAC for rating of CPM Insurance.

(10) Maintenance visits and extended maintenance cover

The policy can be extended to cover the Maintenance Visits and Extended Maintenance. The rates for these will be as under :

1. Limited Maintenance Visits Cover :

In consideration of the payment of an additional premium by the insured (which is included in the total premium set forth in the Schedule), it is hereby declared and agreed that the indemnity provided by this policy is extended to include Maintenance Cover for the period of months to be reckoned from the date of completion to testing provided the policy period has been extended till completion of testing. However, during the Maintenance Period this Insurance shall cover solely loss of or damage to the contract works caused by the insured contractor (s) in the course of the operations under the maintenance provisions of the contract.

2. Extended Maintenance Cover :

In consideration of the payment of an additional premium by the insured (which is included in the Total Premium set forth in the schedule), it is hereby declared and agreed that the indemnity provided by this policy is extended to include Maintenance cover for the period ofmonths it be reckoned from the date of

completion of testing, However during the Maintenance Period this insurance shall cover loss or damage to the contract works.

(i) Caused by the Insured contractor(s) in the course of operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.

(ii) Occurring during the maintenance period provided such loss or damage was caused on the site during the erection period.

The rates and excess applicable for Maintenance cover for 12 months will be under :

Rate Excess

- (i) Maintenance visits cover 0.50 per mile as applicable for testing period
- (ii) Extended Maintenance cover for 12 months 1.00 per mile -do-

The following rates should be charged for extended maintenance and maintenance visit cover for the period of six months.

Extended maintenance	-	0.05%
Maintenance visit cover	-	0.025%

Charging premium on pro-rata basis for period other than 6/12 months is not allowed. These covers should not be granted for periods exceeding 12 months.

In case of deletion of Maintenance visit/Extended maintenance cover availed at the inception of MCE/ EAR policies before attachment of the risk, refund of premium may be given by retaining 25% of the premium under this extension. In case the risk is attached, no refund shall be allowed for deletion of Maintenance visit/Extended Maintenance cover.

RATE FOR DISMANTLING COVER :

The additional rates for dismantling cover will be 60% of the total SCE Rare. Irrespective of period of Dismantling.

INCREASE IN SUM INSURED :

If the Sum Insured for EAR/SCE is required to be increased during the Policy period the premium should be collected on the additional Sum Insured at applicable EAR/SCE rate. It is not permissible to charge pro-rata premium on such increased Sum Insured.

Mid-term increase in Sum Insured shall be affected only after the same has been recorded in the poi, by the Company, before the occurrence of any claim.

In such cases, no additional volume discount shall be applicable.

ELECTRONIC EQUIPMENTS POLICY

The policy covers sudden and unforeseen material damages to Electronic equipment due to any cause.

Scope of Cover

Fire & allied peril, Explosion, Machinery Breakdown, short-circuit & other Electrical causes such as voltage Fluctuations, Theft, Burglary, Smoke, Soot, Corrosive Gases, WaterDamage, Humidity Faulty Operation, Gross Negligence, Lack of Skill, Natural Calamities, Malicious damage, Falling object & Entry of foreign bodies, etc. sub to certain exclusions.

Section : I

Material damage to hardware is covered under the basic Electronic equipment insurance policy. However as per recent guideline the policy would also cover inbuilt system software without any separate breakup of Sum Insured.

Type of Equipment :

1. Electronic data processing machine.
2. Telecommunication equipment.
3. Transmitting and receiving installation Radio,

T.V. Cinema-sound reproduction and studio equipment.

4. Material testing and research equipment.
 5. Electro Medical Installations.
 6. Signal and Transmitting units.
 7. Office Calculators, duplicating machines & Reproduction machines.
 8. Control and Supervisory units.
- N.B.1. The policy may be taken either by owner or lessor or hirer
2. Machine more than 10 years to be accepted after inspection.
 3. The term Equipment means the entire computer system consisting if CPU, keyboard(s), monitor(s), Printer(s), Stabilizer(s), UPS etc. according loading & excess is applicable.

Insured Party

Electronic Equipment Insurance can be given to any party who may be either owner, lessor or hirer. (Responsible through agreement) The cover is granted after studying the conditions of services contract and fixing the responsibility and liability in each case.

Excluded perils

Significant General Exclusions: Some General Exclusions are loss/damage caused by

1. Inherent Vice
2. Manufacturer's Responsibility
3. Wilful Act
4. Cessation of work whether total or partial
5. War perils 6. Nuclear Perils
7. Derangement not accompanying a damage otherwise covered by this policy

Significant Exclusions to Section 1 (Equipments):

1. Deductible stated in the Schedule
2. Faults/defect existing at the commencement of

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- the present insurance and within the knowledge of the Insured.
3. Wear and tear losses
 4. Cost incurred in connection with the elimination of functional failure
 5. Maintenance Costs
 6. Aesthetic defects
 7. Consequential loss of any kind.
 8. Loss / damage falling under the terms of the Maintenance agreement
 9. Loss / damage where the manufacturer or supplier is responsible
 10. Loss / damage where the owner is responsible (rented equipment)

Sum insured

The Sum Insured must be the present day replacement value of similar new Electronic Equipment including therein all incidental expenses like cost of erection, duty, freight, taxes etc.

N.B : THE LOADING IN PREMIUM MAY BE DELETED PROVIDED COMPETENT IN HOUSE MAINTENANCE FACILITY IS AVAILABLE EXCEPT MEDICAL EQUIPMENT. (AS PER REVISED GUIDELINE)

Equipment covered under "Standard Fire & Special Perils Policy" with all extension & also cover under EEP with EEI 10%. Discount of the applicable rate & Fire Policy 'C' without extension 5% Discount of applicable rate.

Claim Settlement

The Claim is payable as under.

1. Partial Loss : If Equipment is repairable then
 - a. the full cost or replacement of part damaged without deducting depreciation.
 - b. Incidental expenses like cost of dismantling, re-erection, freight, taxes etc.
2. Total Loss : If Electronic Equipment Unit is

totally damaged to such an extent that the cost of repairs more than the actual value of Electronic Equipment Unit immediately before the accident.

Full insured value less depreciation for the period it was in use.

For each and every claim the Deductible Franchise and the salvage value will be deducted.

If the sum insured of Electronic Equipment Unit does not represent its present day replacement cost, the claim will be settled after applying condition of average.

Excess : (For Section-I)

With value up to Rs. 1 Lacs for section 1

- A For equipment other than winchester Drive
5% of claim amount sub. to minimum of Rs. 1000/-
- B Winchester Drive
10% of the claim amount sub. to minimum of Rs. 2500/-

With value above 1 lac for Section 1

- A For equipment other than winchester Drive
5% of claim amount sub. to minimum of Rs. 2500/-
- B Winchester Drive 25% of the claim amount sub. to minimum of Rs. 10,000/-

SECTION : II - EXTERNAL DATA MEDIA

Section : I covers only the material damage to the hardware of equipment the same can be extended to cover : The cost of external data media (Punch Cards, Paper Tapes, Magnetic Tapes, Disc etc.) as also the cost of reconstruction of data on this external data media only if damaged due to indemnifiable peril.

The sum insured shall be the physical value of above item – restoration charges.

The premium rate is as per above rate in addition to section-I rate.

The claim is payable only if it becomes payable in section-I

Excess : (For Section-II)

With value upto Rs. 1 lac

5% of claim amount sub. to minimum of Rs. 1000/-

With value above 1 lac

5% of the claim amount sub. to minimum of Rs. 2500/-

For equipment other than winchester Drive

5% of the claim amount sub. to minimum of Rs. 2500/-

Winchester Drive

25% of claim amount subject to minimum of Rs. 10,000/-

SECTION III - INCREASED COST OF WORKING :

If there is accidental damage to the insured computer and insured will use substitute computer system then increased cost of hiring computer system is insurable.

Additional expenditure incurred as a result of failure of the EDP system necessitating the use of a substitute external system can also be covered, alongwith basic insurance. This insurance is a supplement to the material damage cover on EDP installation.

Sum Insured :

Sum insured shall be amount which the insured would have to pay as additional expenditure for 12 months use of substitute EDP equipment of similar performance to the EDP Equipment insured. The sum insured of similar performance of the amount agreed per day and per month.

The insurer can reimburse for personal expenses and costs for transportation of materials following upon any event giving rise to claim provided separate sum have been fixed for the same.

Indemnity Period

Indemnity period represents the maximum period during which the insurer pay indemnification for increased cost of working.

The indemnity period should be selected in such a way that in the event of worst calamity the maximum time taken to repair the equipment should not exceed the indemnity period.

Time Exclusion :

Insurer are not liable for the amount of loss arising during the time excess, such time excess to commence from the beginning of the interruption or interference with the business resulting in a claim under the policy. Minimum time excess will be 4 days.

Note :

1. Room A.C. at the rate of 2.50% can be covered in MB policy if EL. Machine covered in above policy.
2. Disc Antenna & Xerox Machine (Photo copier) to be covered in M.B. section only.
3. EDP System of Rs. 50 lacs and above should be inspected before acceptance.
4. Validity of existence of Maintenance contract should be verified.
5. All Electro Medical equipments should be accepted after inspection irrespective of sum insured.
6. Coverage against restoration of data under section II only to be granted if back up system is available.
7. Short period rate as per Motor Policy.

CONTRACTORS' ALL RISK (CAR)

1. INTRODUCTION

Contractors' All Risk Policy is specially

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designed to expand financial protection to the civil engineering contractors in the event of accident to the civil engineering works under construction. The name of the policy itself indicates that it is specially designed to cater to the needs of the civil engineering contractor in the matter of accidents to works under construction.

Ordinarily a civil engineering contractor tenders for a job on the basis of design specifications provided by the principal or soil conditions, Weather conditions etc. Contractor is required to construct the civil engineering structure on the basis of drawings and specifications for materials prescribed by the architect of structural engineers. It is not within the scope of the contractor to verify the design and specifications. His responsibility is restricted to construct as per the specifications and designs of the architect and/or designer.

Any loss or damage to the contract works during the course of the construction due to ANY CAUSE will result in heavy financial loss to the contractor. The principal/owner normally makes the contractor responsible for accidents due to faulty workmanship, faulty material and other errors of the contractor in the contract conditions. A contractor's margin of profit will not be adequate to reconstruct the work after damage. It is also not a commercial proposition for the contractor to provide funds for such unforeseen and sudden losses. Thus in the event of a claim, contractor will not be in a position to Find resources for reinstating the damaged property at his cost. The contractors All Risk Insurance will come to the contractor rescue of supports him financially to over come heavy losses.

The Insurance Policy can be taken by Principal or the contractor or sub contractor.

GENERAL REGULATION : RELATING TO CONTRACTOR'S ALL RISK INSURANCE FOR RISKS HAVING SUM INSURED UPTO RS. 10 CRORES

1. JURISDICTION :

This applies to all Risks located in India, for which the value of the Civil Works involved is more than 50% of the total contract value.

2. For the purpose of these regulations the Sums insured on the following items are to be taken into account for arriving at total Sum Insured for CAR Insurance :

- a) Marine (imports) - Landed cost at site.
- b) Marine (Indigenous) - Landed cost at site.
- c) Cost of Construction.
- d) Permanent Civil Engineering Works.
- e) Half the escalated Value, if escalation is opted for.

3. MARINE/TRANSIT RISKS CONNECTED WITH CONTRACTOR'S ALL RISKS INS

When Marine/Transit Insurance connected with Contractor's All Risk Insurance of any project (sum Insured upto Rs. 10 Crores) is placed in India simultaneously or later on in one combined policy or under separate policies, in one department or in different departments, the matter relating to both:

- i) Marine/Transit Cover and
- ii) Contractors All Risks Cover

Is required to be underwritten, subject to these General Regulation.

N.B. : The existing Open Policy Marine Rates (if any) will not be applicable to any of the risks, falling to be rated under this Tariff.

4. SUB-CONTRACTS FORMING PART OF A PROJECT

As regards Sub-Contracts forming part of a project, it is claimed that irrespective of whether the Project Value has been broken into various

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sections and orders/contracts are placed with different suppliers/ contractors/sub-contractors or the insureds carry out the work themselves departmentally, the Insurances for all such Sub-Contractors are subject to these General Regulation.

COVERS : Fire, lighting, explosion, theft, Burglary. (Earthquake & Terrorism under extension cover only)

NATURAL CALAMITIES :

Windstorm of any kind, Flood, Inundation. Landsliding, rocksliding & subsidence.

CONSTRUCTION FAULTS :

Defective material, workmanship, collapse-please read exclusions

HUMAN ERRORS :

Lack of skill or negligence of workers

OTHER PERILS :

Malicious damage, Air Crash, Blasting

RIOT & STRIKE :

Optional can be covered at additional premium.

EXCLUSIONS :

Some of the important exclusion are as under

- (1) Loss or damage due to faulty design
- (2) Cost of replacement or rectification of defective material and/or work-manship, but this exclusion shall not be deemed to exclude loss or damage resulting from an accident due to such defective material and or workmanship.
- (3) Mechanical and or electrical breakdown or derangement of constn. plant, equip. and constn. machinery.
- (4) Deductible franchise stated in the schedule to be born by the insured in any one occurrence.

ADDITIONAL COVER FOR CAR POLICY:

1. Third Party Liability Cover :

The rate as applicable for CAR cover is to be

charged for Third Party Liability Cover upto the following limits :

In respect of car policies cover can be granted up to 10% of complete contract works or 10,00,000 which ever is less.

This term implies legal liability arising out of property damage or bodily injury suffered by Third parties & occurring in connection with the contract works on or near the building site. However the insurers will not indemnify any claims from the employees or workmen of the contractor's or the principle or any other firm connected with the contract work or members of their families.

2. Clearance and removal of debris

In the event of accidental damage, there will be lot of debris of damaged plant, which will be required to be cleared before any repairing is carried out and this involves a substantial expenditure.

Insured desires to cover this, he had to specify a limit of indemnity. Maximum limit upto which insured will be indemnified in case of removal of debris will be upto the limit to indemnity provided in the policy.

3. Surrounding property of the Insured

For covering the specified Surrounding Property of the Insured, the rate applicable will be 50% of the CAR rate to be charged on the limit of Sum Insured fixed for the surrounding property. The Policy Excess (Normal & AOG/Collapse Claims) should apply for surrounding Property also.

4. Escalation Provision

Sometimes additional sum Insured is required for Escalation in the values. However, the Escalation Benefit will be limited to maximum of the sum insured for CAR (the escalation limit may be expressed either in percentage or in

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amount) and will be permitted only once at the time of inception of the CAR policy.

Additional premium is to be charged for "Escalation Provision" at the rate prescribed for CAR but on the 50% of the amount of escalation. The method of premium calculation will be as under :

- a. Assume the Project Sum Insured
Rs. 4 Crores
- b. Assume Escalation percentage is 10%
Rs. 40 Lakhs
- c. Additional premium to be charged at the prescribed rate for CAR cover will be on 50% of the Escalation Provisional cover i.e. on
Rs. 20 Lakhs.

5. Express Freight (air freight excluded) Holiday and Overtimes rates of Wages :

The additional premium for covering Express Freight (air freight excluded), Holiday and Overtime Rates of Wages, will be at the basic CAR rate (excluding extras for Earthquake, etc.) to be applied on the limit selected.

6. Construction, Plants and Equipment :

This term implies mobile cranes, tower cranes,

hoists, scrapers, excavators, loaders, jumpers etc.

For Sum Insured not exceeding 5% of the CAR insurance subject to Maximum of Rs. 25 lacs, the Construction Plant Machinery and equipments can be covered separately under the contractors Plant and Machinery Insurance Policy. In both the situations, the rates and excesses applicable shall be as per the Tariff rating of CPM Insurances.

7. Maintenance Visits and Extended Maintenance Cover

The Policy can be extended to cover the Maintenance visits and Extended Maintenance.

Rates to be charged for extended maintenance and limited maintenance visits cover for a period of 6 months.

Extended maintenance cover 0.05% for 12 months

Limited maintenance visit cover

0.025% for 6 months

Premium on prorata basis for periods other than 6/12 months is not allowed.

The rates and excesses applicable for maintenance

CONTRACTOR PLANT & MACHINERY (CPM)

1. Jurisdiction :

This applies to all risks located in India.

2. Scope of Insurance and supplementary cover

The standard contractors plant and machinery insurance introduced in the Indian market covers damage from variety of causes including.

- (a) Burglary, theft, riot and strike and malicious damage.
- (b) Fire and lightning, external explosion, flood, inundation, subsidence, landslide and rockslide.
- (c) Storm, tempest, hurricane typhoon and tornado.
- (d) Accidental damage while at work due to fault, man handling dropping or falling, collapse collision and impact.

Earthquake & terrorism risk are optional and can be covered on payment of extra premium.

Note :

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 engineering Department.

The policy can also be extended to include the following additional risk :

- (a) Third Party personal injury and property risks upto limit of indemnity as may be selected by the insured.
- (b) Expenses incurred for overtime, express freight (excluding air-freight), holiday rates of wages etc.
- (c) Cost incurred in the clearance and removal of debris following an accident.
- (d) Loss or damage to the existing surrounding property.

Exclusions and other exceptions :

The principal exclusions are :

- (a) Loss or damage occurred by war, or war like operation, nuclear risks.
- (b) Loss or damage caused by wilful act or wilful negligence on the part of the insured or his authorised representatives.
- (c) Loss or damage due to electrical or mechanical breakdown or internal explosions.
- (d) Loss or damage to exchangeable parts and tools such as belts, ropes, chains, blades, conveyor belts and similar other parts.
- (e) Loss or damage to exchangeable parts and tools such as belts, ropes, chains, blades, conveyor belts an similar other parts.
- (f) Loss or damage to vehicles licenced for general road use.
- (g) Loss or damage due to total or partial immersion in tide water.
- (h) Loss or damage to the Hull and Machinery of water-borne vessels or craft : however this exclusion does not apply to the Contractors Plant & Machinery mounted on such water-borne vessels or crafts for the purpose of use for the contract works.
- (i) Loss or damage during transit from or project site to another.
- (j) Loss or damage whilst working underground.
- (k) Loss or damage of any kind of consequential loss.

EXTENSION OF COVER :

- 1) THIRD PARTY LIABILITY COVER : A rate of 0.25% p.a. should be charged on the total limit of indemnity selected to cover the TP Liability upto the following limits :

- 1) Any one person Rs. 10,00,000/-
- 2) Any one Accident Rs. 25,00,000/-
- 3) During the policy period Rs. 25,00,000/-

TPL Insurance for limits in excess of Rs. 25 lakhs mentioned above should be underwritten in the Misc. Dept. at the discretion of the Insurers.

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- 2) **OWNERS SURROUNDING PROPERTY** : rate 0.25% p.a. should be charged.
- 3) **CLEARANCE & REMOVAL OF DEBRIS** : rate 0.25% p.a. should be charged.
- 4) **ADDITIONAL RATES FOR EARTHQUAKE PERILS (APS).**

and Shock) are taken care of in the rates prescribed in Table or Part I - Rate Schedule. However, no reduction in the rates can be allowed for excluding any of these perils.

Sum Insured and average :

Sum Insured of each individual item must represent its current replacement value including transportation costs to site, customs dues all installation costs.

Note :

- 1. Many a times Contractors Plant, Machinery & Equip. require to be shifted from one location (Project site) to another location (project site). The risks during transit from one location to another location is out-side the scope, should be covered separately, if required in the Marine Dept.

However the risk during shifting of items of Cont's Plant, Machy & Eqps, 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 Rate scheduled.
- 2. Loading of 10% on the basis of CPM rate shall be charged to cover Floater risk.
- 3. Single equipments exceeding Rs. 50 Lac's should be accepted only after inspection.
- 4. Critical Machinery like Jumbo Driller, Shovels, Excavators, Mobile Crane of capacity above 10 tons should be inspected before acceptance irrespective of sum insured.
- 5. All act of God Perils other than Earthquake (Fire

Contractor's Plant, Machinery under SCE/CAR :

Where the sum insured on Contractor's Plant, Machinery and Equipment under a project requiring MCE/SCE or CAR Insurance (as the case may be) does not exceed 5% of the S.I. for MCE/SCE or CAR subject to maximum Rs. 25 lakhs the provisions of the MCE/SCE or CAR Tariff in regard to the Contractor's Plant, Machinery and Equipments shall apply.

Terrorism cover available, if opted by the insureds as per norms.

SHORT PERIOD SCALE :

Policies issued or renewed for period 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.

Not exceeding	1 week	10% of	annual rate
"	1 month	25% of	-do-
"	2 month	35% of	-do-
"	3 month	50% of	-do-
"	4 month	60% of	-do-
"	6 month	75% of	-do-
"	8 month	85% of	-do-
Exceeding 8 months		Full Annual rate	

MACHINERY BREAKDOWN

Machinery breakdown policy is an ideal cover for plant and machinery, to cover cost of repairs or replacement of damaged parts as a result of accidental Electrical and Mechanical Breakdowns.

Cover The Policy offers cover due to all kinds of accidental Electrical and Mechanical Breakdown due to internal and external causes. Cover is granted during the time machine is in operation or rest or in process of dismantling and overhaul or during subsequent re-erection at the same premises.

Internal Causes	External Causes
1. Damage due to faulty material	1. Lack of skill of operation by workers / operators.
2. Defects in casting, faulty construction	2. Carelessness.
3. Overheating of parts	3. Entry of foreign body
4. Short circuits & short circuit resulting in to fire	4. Electrical over-pressure
5. Faults in erection resulting into damages during operation.	5. Failure of other connected Machinery.
6. Disruption in case of rotating bodies due to centrifugal force.	6. Falling Bodies.
7. Failure of operation of safety devices.	

RISK NOT COVERED

1. Loss of damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives, or exchangeable tools, engraved or impression cylinders or rolls, objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerator, dowtherm) felts, endless conveyor belts, or wires, sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts.
2. Damage due to any cause for which the manufacturer, supplier responsible.
3. War and similar risks.
4. Overloading experiments and tests requiring abnormal condition.
5. Effects due to continuous use, gradually developing crack, defects, flow etc.
6. Wilful act or gross negligence of insured of

his responsible representative.

7. Defect existing at the time of taking out insurance known to insured but not known to the insurers
8. Any type of consequential loss

SUM INSURED

The sum insured of each item of machinery must be its present day replacement value of similar new machine including therein all incidental expenses like duties, taxes, excise, freight, insurance, handling etc. If the sum insured is not as defined above, then in the event of claim condition on average is applied for settlement of the claim.

PERIOD OF INSURANCE

Machinery Breakdown Policy is usually issued for a period of 12 calendar months (premium rate is usually annual). If anyone desires shorter period than 12 months as per motor tariff short period rate.

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DEDUCTIBLE FRANCHISE

From each and every claim insured is required to share the loss upto the amount fixed as deductible franchise. The purpose of deductible franchise is to avoid small losses and administrative work. If deductible franchise selected is higher than normal, then certain discount is allowed to premium. Deductible franchise, however, is different for each item of machine covered and is fixed considering

the loss potential in the particular type of machine and its duty/rating.

8. APS OF RISK

1. Damage to foundation of Machinery
2. Express freight, holiday rates, overtime charges in the event of claim.
3. Third party Liability (including bodies injury and property damage.)

MACHINES PLACED ON DECLINED LIST

(TO BE ACCEPTED WITH SPECIFIC APPROVAL OF RO/HO)

1. Stone crushers.
2. Rolling Mill-Stands, Pedestal Bearing etc.
3. Raymond Mill
4. PVC lines, Rubber lined and such other lined vessels.
5. Computers and other Electronic Equipments (To underwrite with permission of Head (Office).
6. Domestic Refrigerators.
7. Radios, Tape Recorders, T.V. sets Electric and Electrical measuring instruments.
8. Electronic Equipment in general.
9. Any imported machinery which cannot be repaired in the country.
10. Cupolas and Oil fired furnaces.
11. Pumps with glass, graphite, rubber impellers.
12. Acid Pipe Lines.
13. Room Airconditioners.

Room A.C. can be covered under M.B. Section only if the computer is covered under electronic equipment policy at the rate of 2.50%.

machines only are insured and as such above indectification details are a 'must' before agreeing to give cover. Full name plate details of the machines should form a part of the policy as well, and should be incorporated in the inventory.

2. Every risk should be accepted after satisfactory inspection.
3. While giving quotation to the proposer, only total annual premium for the entire schedule should be furnished. Machinewise rate should not be made available to the proposer.
4. In a case where there is a doubt as to acceptability in respect of any risk of machine, the Regional Engineer's guidance should be sought and quotation worked out in consultation with him.
5. Machines which are under erection or testing and commissioning should be insured only after successful commissioning.
6. Machinery, Equipments installed in Petro-Chemical Plants, Refineries and Fertilizer Plants should be accepted only after inspection.
7. Critical machineries which are in operation for more than 10 years like D.G/T.G. sets, turbines, high pressure compressors, cement mill equipments, ball mills rolling mill drive, furnace transformers, glass lined vessels, etc., should be inspected before acceptance irrespective of Sum Insured.
8. Items which are not specified in this Tariff should be rated provisionally at minimum rate of 1.00% and a reference is to be made to Head Office for obtaining final rate from TAC.

GENERAL INSTRUCTION

1. Before rating, it is necessary to collect full name plate details of the machine i.e. HP/KW/ PSI/KVA/RPM, manufacturer's name, type, year of manufacture, Serial Number and such other identification details. In Engineering operational insurance Policies specific

9. No Machinery Insurance Policy should be issued to cover Electronic Equipments such as Computers, Medical and Biomedical equipments, Microprocessors, Audio visual equipments. These equipments are to be covered only under Electronic Equipment Insurance Policy.
10. Waste Heat Boiler/Heat Exchanger, Recovery Boiler should be accepted only after inspection.
11. EDP system of Rs. 50 lakhs and above should be inspected before acceptance.
12. Validity or existence of the maintenance contract should be verified.
13. All electro-medical equipments should be accepted after inspection irrespective of Sum Insured.

14. Selection of machines :

Selection of machines by the Insured should be avoided. It should be compulsory for the Insured to insure all the machines that are in the factory except those which are declared as "declined machines" in the tariff. In cases where for practical reasons, it becomes necessary to give cover for a section of the plant or workshop, inspection by the Engineer should be arranged and the quotation given in consultation with him.

15. Sum insured-present day replacement value :

Before applying the tariff, the valuation of machines should be checked individually to ensure that the same represents the present day replacement value of an identical machine if purchased new. If the valuation does not represent so, the value should first be corrected to the present day replacement value and tariff applied on such value for purpose of quotation. The sum insured should include CIF value plus duties if any, inland transit charges, erection charges, etc.

16. Insurance of foundations:

"Foundation" of machines are not taken into account while formulating the tariffs as these are not ordinarily required for insurance. In cases where the proposal specifically provide for covering foundation,

it should be first checked that the Sum Insured includes the cost of foundation and thereafter tariff applied on the total value inclusive of foundation.

17. Express freight

The tariff do not provide for Express Freight. In cases where the proposer requests for Express Freight, and additional premium at an average rate for the policy should be charged.

18. Air Freight :

The tariff do not provided for Air Freight. In cases where the proposer requests for Air ,Freight, an additional premium at 55% of the sum insured selected for Air Freight should be charged with D.F. at 5% of claim amount on account of Air Freight.

19. Additional Custom Duty :

The Additional Custom Duty can be covered on following terms :

- a) The cover for Additional Custom Duty will be on First Loss Basis.
- b) The specific limit for Additional Custom Duty has to be selected by the Insured at the inception of the policy and can be reinstated at the event of loss.

22. Short period policies :

The policies, if to be issued for shorter period than twelve months should be issued on the following basis :-

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

The Insurance Times**BOILER EXPLOSION****SUBJECT MATTER INSURED**

1. All the boilers which are used for industrial production or for the power production purpose.
2. Wasteheat Boilers/Recovery Boilers (used in Chemical/Petrochem/Paper Mill/ Power Plant/ Steel Industry).
3. Fired and Unfired Pressure Vessel used in industry.

INSURED PARTY

1. The insured party can be owner of the Boiler/ Wasteheat Boiler/Pressure Vessel, or must be a party boiler in trust, or having financial interest in the boiler to be insured.

DEFINITIONS

1. Boiler shall mean any fired closed vessel a combined contained piping system in which steam is generated under pressure.
2. Pressure Plant shall mean any unfired closed container under steam gas or fluid pressure.
3. Explosion shall mean the sudden and violent rending or tearing apart of the permanent structure of a boiler or pressure plant or any part or parts thereof by force of internal steam gas or fluid pressure causing bodily displacement of the said structure and accompanied by the forcible ejection of its contents.
4. Collapse shall mean the sudden and dangerous distortion of any part of a boiler or pressure plant by bending or crushing caused by steam gas or fluid pressure whether attended by rupture or not, it shall not mean any slowly, developing deformation due to any cause.
5. Fluid Gas Explosion shall mean an explosion of ignited gases in the furnace or fuels of the furnace or fuels of the boilers, economiser and superheaters.
6. Chemical Explosion shall mean an explosion arising out of chemical reaction in any plant.

WARRANTIES

As the Boiler and Pressure Vessels are covered as per statutory regulations, the following warranties are applied :

1. The Boiler and pressure plants described in the Schedule are annually inspected by Inspectors appointed by the appropriate Government except where there is the statutory requirement for Government Inspection, the inspections are to be carried out by an independent competent person.
2. The boiler and pressure plant described in the schedule shall only be operated by Attendants holding a valid certificate of competency issued under the appropriate Boiler Act.
3. The insured shall be in possession of the unqualified permission in writing of the competent inspecting authority to operate the said boiler and pressure plant. If the maximum pressure of load upon the safety valve immediately prior to any explosion or collapse was in excess of that stipulated by the said authority the insured shall not be entitled to any compensation or indemnity under the Policy in respect of such explosion or collapse.

PERILS COVERED

1. Explosion
2. Collapse-implosion
3. Fuel Gas Explosion

GENERAL EXCLUSIONS

Explosion/Collapses due to following :

1. Fire and allied perils
2. War and nuclear risk
3. Loss arising out of overload experiments or tests requiring imposition or abnormal condition.
4. Gradually developing flaws, defects, cracks, or partial fractures.
5. Gradually wearing away of parts resulting into leakage or corrosion or by the action of fuel, development of cracks, blisters, laminations,

flaws, fractures, bulging deformation unless it results in explosion or collapse.

6. Failure of Individual tubes unless such defects result in explosion or collapse.
7. Loss or damage arising out of hydraulic tests or any other test specified by statutory inspecting authority.
8. Loss due to chemical explosion other than fuel gas explosion.
9. Wilful act or gross negligence.
10. Explosion/Collapse due to faults existing at the time of commencing the insurance, known to the insured or his responsible representatives.
11. Any consequential loss resulting from Explosion/Collapse.
12. Loss due to manufacturer's / repairers responsibility.
13. Contractual liability of any kind.

SUM INSURED

The sum insured of each item of Boiler/Pressure Vessel must be its present day replacement value of similar new boiler including therein all incidental expenses like duties, taxes, excise, freight, insurance, handling etc. If the sum insured is not as defined above then in the event of claim condition of average is applied for the settlement of the claim.

PERIOD OF INSURANCE

Boiler Explosion Policy is usually issued for a period of 12 months (Premium rate is usually annual). If anyone desires shorter period than 12 months special premium rates are charged, called short period rates which are usually some percentage of annual premium rate.

BASIS OF CLAIM SETTLEMENT

1. **Partial Loss Basis (damaged machine repairable)**
If the damaged Boiler/Pressure Vessels can be repaired then expenses incurred for repairs/ replacement of spare parts without deducting depreciation plus incidental expenses like cost

of dismantling, re-erection, freight, duty, taxes, insurance etc. to the extent included in sum insured.

2. Total Loss Basis

If the damaged Boiler/Pressure Vessels cannot be repaired and is completely destroyed then the company will pay actual value of the Boiler/ Pressure Vessel insured immediately before occurrence of accidental expenses to the extent they are included in the sum insured. If repair charges are more than actual value of Boiler Pressure Vessel before occurrence of loss then claim will be settled subject to total loss basis.

EXTENSION OF COVER

- | | |
|-----------------------------------------------|-----|
| 1. Owners Surrounding Property, of Basis Rate | 25% |
| 2. Third Party Liability of Basic Rate | 25% |

GENERAL NOTE FOR ALL ENGG. DEPT. :

The terrorism extra (which is optional cover) rate to be charged for all Engg. Dept.

Deterioration of stocks in cold storage (DOS) or Refrigeration plant policy (RFP)

Subject : Stock of Potato, sea food, fruit, vegetables, medicines

Insured Party:

- a) Owner
- b) User of cold storage
- c) Financial institutes

Sum Insured:

Value of stocks obtained by multiplying the full storage capacity of chambers by average price of items including storage charges or the S.I. shall be calculated on the value of maximum stock stored on any 1 day during the policy period. Agreed

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price shall include storage charges for the whole season.

Scope of cover:

Loss or damage to the stock only as a result of rise in temperature in the cold storage chambers due to accidental failure of electric supply at the terminal ends of the electricity service feeders at the said premises directly due to sudden and unforeseen damage to property at a power station, receiving station, sub-station or other parts of the electricity distribution system of public electricity occasioned by or happening through or in consequence directly or indirectly subject to valid licence of the insured, maintenance of rock book, purchase, logbook, temperature record etc.

Exclusion:

- 1) Fire, Riot & Strike, Terrorism & allied perils including natural calamities.
- 2) Wear & Tear & Over loading.
- 3) Consequential loss
- 4) Damage due to rise in temperature (fall in temperature below 40°F) caused by stoppage

of plant/part for less than 24 hours due to an accident following FOES.

- 5) Damage due to inherent defect / natural deterioration.
- 6) Damage due to improper storage, packing material insufficient air circulation, non-uniformity of temperature and collapse of rack.
- 7) Any loss / each failure up to 8 hours
- 8) Drought & or fuel storage / shortage of water due to climatic condition.
- 9) Deliberate act of the supply undertaking for whatever reason subject to terms / condition / exception of this policy.

Excess :

- a) 20% of the amount of loss subject to minimum of Rs.10,000/- for cold storage who have opted for FOES extension.
 - b) 10% of the amount of loss subject to minimum of Rs.10,000/- for cold storage who have not opted for FOES extension.
-

Engineering Insurance Policies - Applicable Excesses

1. The detailed schedule of minimum deductibles and excesses adopted by the underwriters in line with the prudent underwriting norms and globally accepted best practices for policies incepting or being renewed with effect from 01/04/2010. The Excess stated in the Schedule of the Policy to be borne by the Insured in any one Occurrence / Event per Policy per Insured related to property damage.
 - 2.1 Machinery Breakdown-
1% of sum insured for each machine subject to a minimum of Rs 2,500/-
Earlier as per MB tariff there were separate excess against items like glass lined vessels, glass and graphite equipments, furnace transformers, photocopiers. The minimum excess against such items are being linked to the above minimum amount and thus revised at Rs.2500/-. However, the percentage of the sum insured as shown against the above items remains as it is in the MB tariff.
Note:
Sum Insured of the machine should be declared as a whole and should not be apportioned towards parts of machine.
 - 2.2 Machinery Breakdown Loss of Profits (Standalone policy with MI cover) - 14 days of Standard Gross profit. This is applicable for all type of plants.
For Mega Risk: 21 days of Standard Gross profit. This is applicable for all type of plants
 - 2.3 EXCESSES for Contractors Plant & Machinery- For all Machinery under Group I,II,III,IV, including cranes above 10 tone capacity under Group III
2. The position of the revised minimum deductibles in all Engineering Insurance w.e.f. 01/04/2010 and the interpretation of the same vis-à-vis their application under Engineering policies as follows:

EXCESSES

Value of equipments	For claims arising out of AOG perils	For claims arising out of perils other than AOG
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/-
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/-
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/-
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/-
Individual value over Rs. 25 lakhs upto Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1 % of S.I. Subject to a minimum of Rs. 50, 000/-
Individual value over Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1 % of S.I. Subject to a minimum of Rs. 50, 000

Boom Section- 20 % of claim amount subject to minimum of Rs. 25, 000/-

For Machinery under Group V - Rs.2, 500/- is the Flat. Excess.

For Group VI machineries -i.e. Merry-go-round & toy train with rails in Amusement

/ Children's Parks - the excess will be as per other groups.

2.4 Electronic Equipment Insurance- As detailed below [No change from EEI (TAC) Tariff] :-

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Excess Amount for Electronic Equipment Insurance Policy

- a) For equipments with values up to Rs.1 lakh -
 - i) Equipments (other than Winchester Drive) 35 % of the claim amount subject to a minimum of Rs.1, 000/-
 - ii) Winchester Drive - 10 % of the claim amount subject to minimum of Rs. 2, 500/-
- b) For equipments with values more than Rs.1 lakh-
 - i) Equipments (other than Winchester Drive) 5 % of the claim amount subject to a minimum of Rs.2, 500/-

- ii) Winchester Drive - 25 % of the claim amount subject to minimum of Rs. 10,000/-
- 2.5 Boiler Insurance- 5% of claim amount subject to a minimum of Rs 10,000/- and all the extensions of BPP policy will have similar excess as per the basic policy.
- 2.6 Erection All Risk Insurance / Contractors All Risk Insurance - All deductible amounts appearing in EAR & CAR Tariff would be increased to 5 times of the minimum amount. The percentage of claim amount as shown in the respective tariffs under the column 'excess' remain as it is.

2.7 Excess applicable for EAR policy:-

Excess per claim is 5 % of claim amount subject to minimum of Rs. as applicable - distinctly being different in two following cases-	
Normal	Testing period
5 times of various excess amounts (as per specific risk as given alphabetically in EAR Tariff)	5 times of various excess amounts (as per specific risk as given alphabetically in EAR Tariff)

Excess for AOG Perils - If excess for Normal and Testing period are Rs.10, 000/- and Rs. 40,000/- respectively then the Excess for claims arising out of the Acts of God Perils shall be 10 % of the claim amount subject to minimum of Rs.40, 000/- with an upper limit of Rs. 5 Crores.

Excess for Theft Claims for laying of the cables in Transmission Towers & High Tension supply line: -15% of Claim Amount subject to minimum of Testing Excess.

Excess for AOG Perils:-
10 % of the claim amount subject to a minimum of Testing Period Excess with upper limit of Rs. 5 Crores.

Excess as Applicable for Various Extensions (Add-on Covers):

1. **Surrounding property of the insured -**
The policy excesses (Normal/Testing period) should apply for surrounding property also.
2. **Storage risks at the fabricator's premises/ workshop -**
Excess for Fire & Accident claims:-
Rs. 5000/- per claim during storage and during fabrication process the applicable excess will be 10 % claim amount subject to minimum of testing period excess per Fire/ Explosion claim.

3. **Additional excess for air freight only -**
Excess: 5 % of the Air Freight incurred per claim, in addition to policy Excess.
4. **Additional customs duty excess -**
Excess: 5 % of the Additional Custom Duty incurred, in addition to the excess amount applicable for the affected item under the policy.
5. **Excess for construction plants & machinery and related equipments -**
Sum Insured of CPM equipment not exceeding 5 % of EAR/SCE Sum Insured Or Rs. 25 lakhs whichever is lower - Policy at Rates and Excesses, applicable for EAR/SCE.
Sum Insured for CPM equipment exceeding 5% of EAR/SCE Sum Insured Or Rs. 25 lakhs whichever is lower -separate CPM Policy to be issued and excess applicable in that case will be applicable as per CPM Tariff.

6. Excess for maintenance period claims:-

Details of cover	Excess
i) For Maintenance Visit / Limited Maintenance cover	As applicable for testing period
ii) For Extended Maintenance cover	-do-

7. Cover for catalyst under SCE/EAR policy issued to fertiliser & chemical plants-

Excess applicable is 5 % of the value of the catalyst subject to a minimum of Rs. 2, 50, 000/- over and above the excess as applicable under the policy. If both equipments and catalysts are damaged, the respective excesses on equipments and catalyst shall be applicable separately.

2.8 Excess Applicable for Car Policy:-

Excess per claim is 5 % of claim amount subject to minimum of Rs. as applicable - distinctly being different in two following cases-	
Normal	AOG/Major Perils/ Collapse
5 times of various excess amounts (as per specific risk as given alphabetically in CAR Tariff)	5 times of various excess amounts (as per specific risk as given alphabetically in CAR Tariff)

Excess for claims arising out of 'Acts of God perils' -

Column No. 7 of the Part- I - Rate Schedule prescribes minimum excess amount for Collapse Claims and Claims arising out of AOG Perils (viz. Earthquake/Fire and Shock/Landslide/Rock-lide/Subsidence, Flood/ Inundation/ Storm/ Tempest/ Hurricane/ Typhoon /cyclone).

For risks situated in Earthquake Zone I and II the minimum excess for claims arising out of AOG perils shall be as under during the entire policy period (including all extensions) -

Zone - I Rs. 25,000/- per claim

Zone - II Rs. 10,000/- per claim

Note - Vide Circular No. Engg/Gen-24/2000-2 dated 29-3-2000 - By this decision, it is allowed to cover the 'Exclusion-C-Section-1' which excludes losses arising out of 'Breakage of Glass' among other things (as indicated in the exclusion-c of CAR Policy) by payment of additional premium (CAR rate for the Project Policy so worked out as per tariff provisions should be loaded by 25 %).

Here the applicable excess on glass items shall be 10% of aggregate Sum Insured of all glass items.

Excess as Applicable For various extensions (Add-on Covers):

1. For Surrounding Property: The Policy Excesses (Normal & AOG/Collapse Claims) should apply for Surrounding Property also.

2. For all the following three CAR Policy Extensions the excesses applicable under CAR Policy will be absolutely same as detailed out above in EAR Policy Excesses specifically under item no. 2.7:-

1. Additional excess for air freight only;
2. Additional customs duty excess;
3. Excess applicable for construction plants & machinery.

3. For both EAR & CAR policies:

Section II Third Party Liability Property Damage Claims: For this section the Policy Excesses (Normal / Testing Periods) should apply.

3.1 For EAR & CAR policies for risks other than specialized risks: -

Advance loss of profits time excess- 30 days for first year+ 1 day for each erection month in addition to 12 months not exceeding 60 days.

3.2 For EAR & CAR policies for specialized risk:

- the following risks would be termed as specialized risks - All works in water, dams, canals, hydro power projects, tunnels, irrigation systems, caverns.

Advance loss of profits time excess - 45 days for first year+ 1 day for each erection month in addition to 12 months not exceeding 75 days.

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