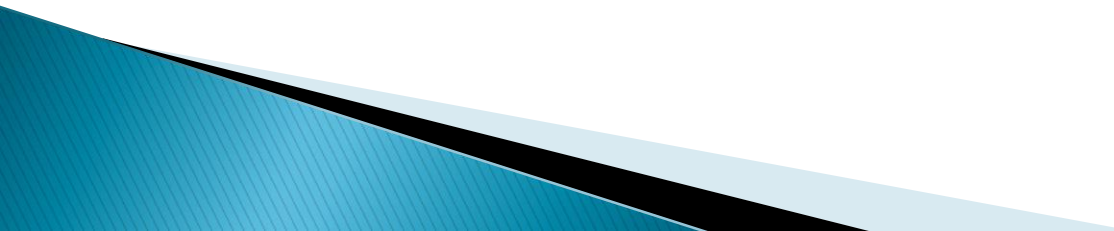


Presentation on Engineering Insurance Policies– CAR/EAR/MBD/CPM/EEI/BPP

By
Anuj Tamrakar



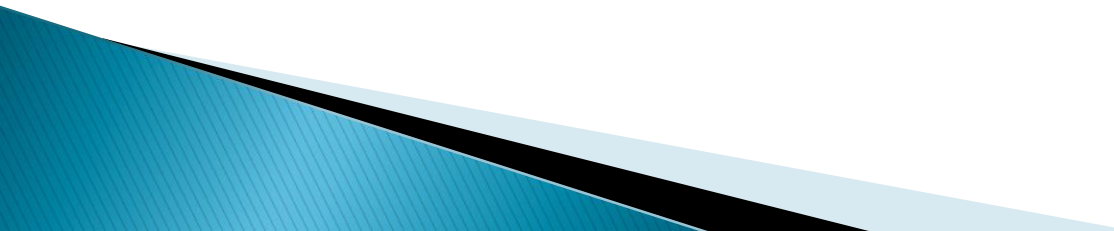
Project Insurance Policies

- ▶ These are the policies which are designed to insure Loss or damage to insured property occurring during the Construction or Erection phase before final commissioning of the project.
 - ▶ There are 3 policies –
 - ▶ 1) Contractor's All Risk Insurance (CAR)
 - ▶ 2) Erection All Risk Insurance (SCE/ EAR)
 - ▶ 3) Marine cum Erection (MCE)
- 

▶ CAR Insurance Policy

CAR–Nature of Projects

Projects involving construction of civil works/structures

- ▶ Residential/Comm. buildings
 - ▶ Factory Buildings, Warehouse
 - ▶ Road, Bridges, Flyovers
 - ▶ Canal, Irrigation projects
 - ▶ Tunnels, Dams, Reservoir
 - ▶ Interior Decoration works and so on
- 

High rise building under construction



Flyover under Construction



Laying of pipe line



Projects involving various contractors at one location



Projects involving 'works in water'




Losses/damage to project works



CONTRACTOR`S ALL RISK POLICY

- ▶ Policy designed for civil engineering projects where the civil construction works is more than 50% of Total cost.
- ▶ Most suited for projects like roads, dams, bridges, Hydro Power plants etc.
- ▶ All risk coverage subject to certain exclusions
- ▶ Covers physical loss or damage to the project works whilst
 - Storage at site
 - During construction/erection at site
 - During defects liability period if cover is opted by the contractor.

Policy coverage:

- ▶ **LOCATION RISKS** : Fire, lightning, theft & burglary
 - ▶ **HANDLING RISKS**: Impact damage, collision, failure of cranes or collapse
 - ▶ **HUMAN ELEMENT RISKS**:
 - ▶ Carelessness, Negligence, Malicious acts, Riots & strike, Human error.
 - ▶ **MAJOR PERIL / ACTS OF GOD CLAIMS**:
 - ▶ Earthquake Fire & Shock
 - ▶ Floods, Storm, Inundation, Cyclone, Tempest etc
 - ▶ Rockslide, Landslide and Subsidence , Lightning or other atmospheric disturbances.
 - ▶ Water damage for 'wet' risks i.e. contract involving works in rivers, canals, lakes or sea.
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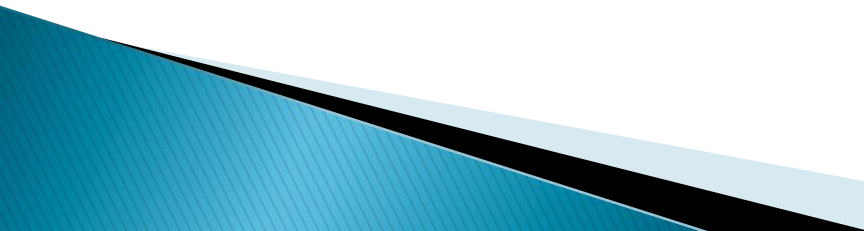
SUM INSURED

- ▶ It should represent the estimated completed value of project comprising of
 - ▶ a) Cost of Imported / Indigenous Supplies of Construction material & P/M
 - ▶ b) Freight
 - ▶ c) Custom duties
 - ▶ d) Cost of Construction
 - ▶ e) Permanent Civil Engineering Works
 - ▶ f) 50% of escalated amount if escalation is opted for
 - ▶ g) Pre-operative Expenses (Big projects) –Expenses incurred prior to commencement of construction work such as Design cost, Site leveling expenses & Soil Testing charges etc.
- ▶ **Following expenses are not to be included in Sum Insured**
 - ▶ Technical consultants fees.
 - ▶ Project financing expenses


Policy coverage

- ▶ **Section I (Material Damage)**–Covers damage to property under construction by peril not excluded in policy.
- ▶ **Section II (Third Party)**
- ▶ **a)TP Property Damage:** Covers legal liability for damage to property of others including property held in trust.
- ▶ **b)TP Bodily Injury:** Legal liability for fatal or non-fatal injury to any person other than the Insured's own employees or workman.
- ▶ **CROSS LIABILITY COVER –**
- ▶ This is given when more than one Contractor is involved in execution of project. It covers TPL of all Sub contractors named in the Policy schedule as if a separate policy has been issued to each of them.

Major exclusion to Section-I

- ▶ This Policy shall not pay for
 - ▶ Loss discovered only at the time of taking an inventory.
 - ▶ Normal wear and tear,
 - ▶ Gradual deterioration due to atmospheric conditions.
 - ▶ Rust, scratching of painted or polished surfaces or breakage of glass
 - ▶ Loss or damage due to faulty / defective design (DE1)–Extension available DE2/DE3
 - ▶ Cost necessary for rectification or correction of any error during construction unless resulting in physical loss or damage to property under construction.
 - ▶ Any damage or penalties on account of the Insured's non-fulfillment of the terms of delivery.
- 


Period of cover

- ▶ Policy starts from commencement of work after the unloading of the property at the site and shall expire on completion & Handing over to the principals or on the date as specified in the schedule.
 - ▶ However, if a part(s) / section of the insured contract works are taken over or put into service by the Contractor/Principal prior to policy expiry date, policy shall cease to pay for loss or damage to such parts/section of project.
 - ▶ At the latest, the insurance shall expire on the date specified in policy but if the construction work is not completed within the policy period, the Company may extend the period of insurance subject to payment of additional premium to the Company.
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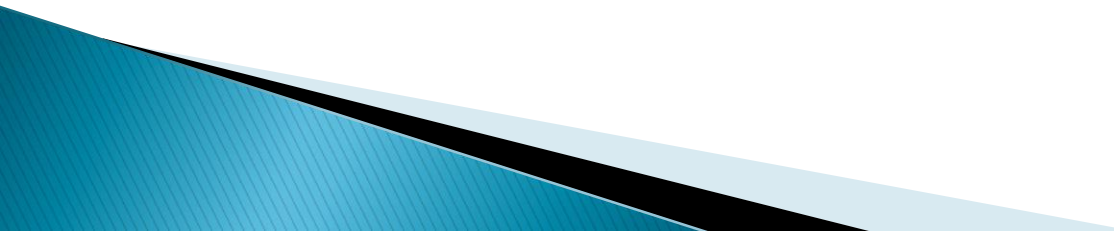
Application of Under-insurance

- ▶ It is required that the Sum Insured shall not be less than the completely erected value of the property inclusive of freights, custom duty, erection cost etc and the insured undertakes to increase or decrease the amount of insurance in the event of any material fluctuation in the level of wages or prices. Changes if any has got to be recorded in policy.

BUT

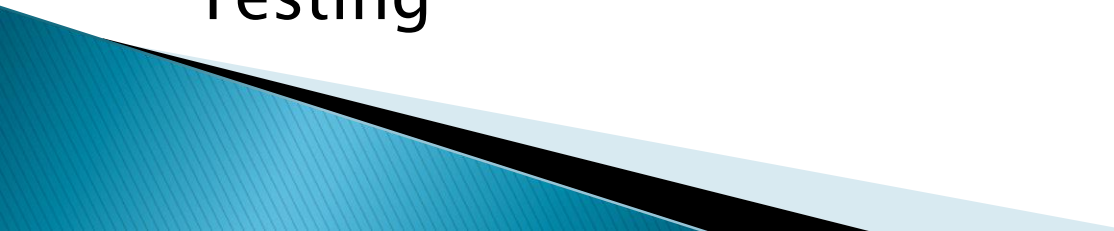
- ▶ If, at the time of loss, it is found that the Sum insured representing the completely erected value of the property and/or of particular item involved is less than the amount required to be insured, then the amount recoverable by the insured under this policy shall be reduced proportionately
- 

Premium Adjustment


- ▶ The Sum Insured under the Policy shall be adjustable on expiry of policy on the basis of actual values to be declared in respect of freight and handling charges, customs dues and construction cost and difference in premium shall be refunded to or recovered from the insured as the case may be.
 - ▶ Any increase or decrease in the Prime cost of materials shall not be the subject matter of premium adjustment.
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Erection All Risk Policy

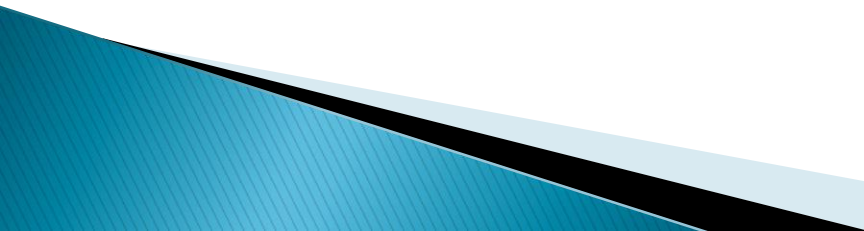
Nature of Projects

- ▶ Projects involving Erection & Testing of equipment or facilities including related civil works
 - ▶ Power Project – Installation of Gas/Steam Turbine, Generator, Boiler
 - ▶ Petrochemical Plant
 - ▶ Integrated Steel plants –
 - ▶ Cement plants – Clinker Unit,
 - ▶ Erection of Plant, Machinery, Equipments including Testing and Commissioning
 - ▶ Combined cycle power plants – involving Integral Testing
- 

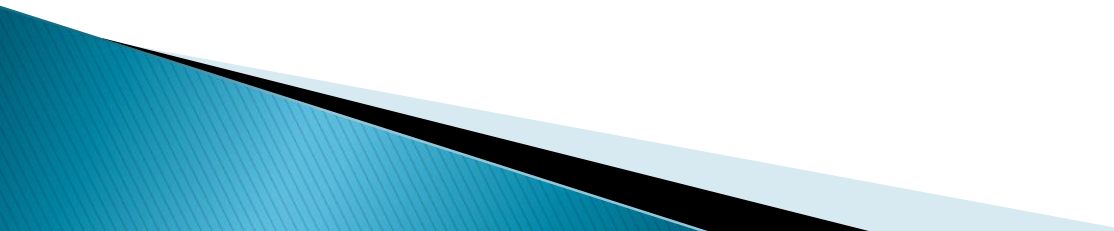
Policy Coverage:

- ▶ Policy covers physical loss and/or damage to insured property from the time project material is unloaded at project site and continues during storage, shifting at site from one place to another, and during Erection till completion of testing & commissioning of plant.
 - ▶ Policy also provides cover to property during maintenance period after Provisional “Taking-over” of plant by Principals, if specifically covered under the policy as Add on cover but the coverage shall be restricted to Loss / damage to property occurred by Contractor / Contractor’s employee(s) during the course of maintenance as per agreed terms.
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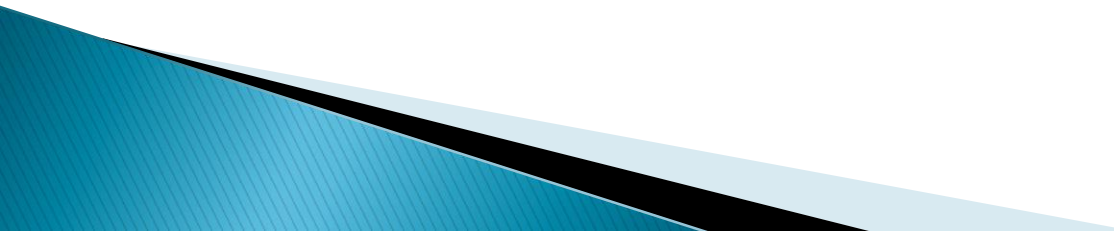
Policy Coverage:

- ▶ Location Risks: Fire, Lightning, Theft, Burglary and House Breaking.
 - ▶ Handling Risks: Impact from falling objects, Collision, Failure of Cranes, etc.
 - ▶ Testing and Commissioning Risks: Failure of Safety devices, , Leakage of chemical, Insulation failure, Short Circuit, Fire /Explosion.
 - ▶ Risks of Human Element: Carelessness, Negligence, Fault in Erection, Strike and Riot, Malicious damage.
 - ▶ Acts of God Risks: Storm, Tempest, Hurricane, Flood, Inundation, Subsidence, Landslide, Rockslide, Earthquake.
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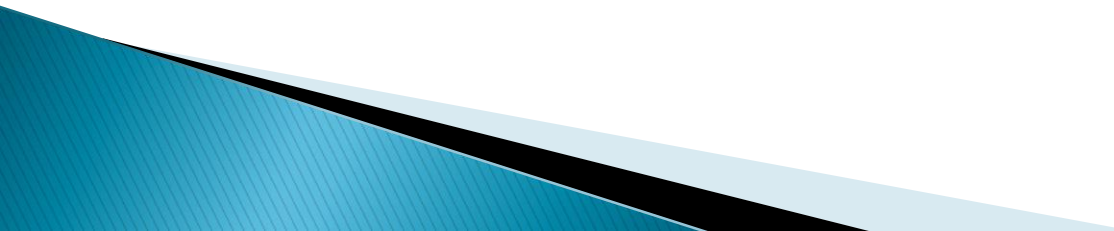
Sum Insured

- ▶ It should represent Estimated Completely Erected Value of project which must include
 - ▶ a) Cost of Imported / Indigenous Machinery incl. freight, custom duty etc.
 - ▶ b) Cost of Erection including Wages, Power & other expenses.
 - ▶ c) Civil Engg Works like– Factory shed, Storage & other Buildings
 - ▶ d) Cost of Free supply items supplied by the Principal
 - ▶ e) 50% of Escalation cost if opted for.
 - ▶ f) Contractor's Plant & Machinery can be covered under same policy if the value is less than 5% of Total Project Cost subject to applying rates, terms & conditions of CPM policy.
- 


Period of cover

- ▶ The liability of the Company shall commence from the date of arrival of first consignment of project material at site and shall expire on successful completion of testing & commissioning of project or the policy expiry date specified in the schedule, whichever is earlier.
 - ▶ However, the Company's liability shall expire for parts of the insured contract works taken over or put into service by the Principal prior to the expiry date specified in the policy. Ex: Gas Turbine in CCPP Unit.
 - ▶ In the event of non-completion of the project within the policy period, cover may be extended for such further time as may be required at additional premium.
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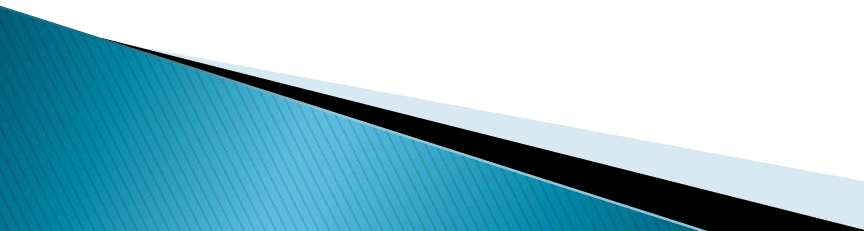
GENERAL EXCLUSIONS

- ▶ War or War like operations Civil War, Civil Commotion,
 - ▶ Nuclear reaction, Nuclear radiation or Radioactive contamination;
 - ▶ Willful act or willful negligence of the Insured or of his employee(s)
 - ▶ Normal wear & tear, gradual deterioration
 - ▶ Faulty design Faulty/ Bad workmanship,
 - ▶ Destruction or damage by order of any Government Authority;
 - ▶ Cessation of work whether total or partial.
 - ▶ Fines & Penalties due to non fulfilment of orders or Consequential loss of any kind.
- 

Instalment facility under project insurance

- ▶ Instalment facility can be allowed under EAR /CAR policies subject to following conditions
 - ▶ a) Policy period should be more than 12 months
 - ▶ b) Last instalment to be collected at least 6 months before completion of project
 - ▶ c) Minimum gap between two instalments should not be less than 3 months.
 - ▶ d) First instalment should 5% higher than other instalments.
 - ▶ e) In case of major loss all pending instalments to be collected before settlement.
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Refund of premium for early completion of project

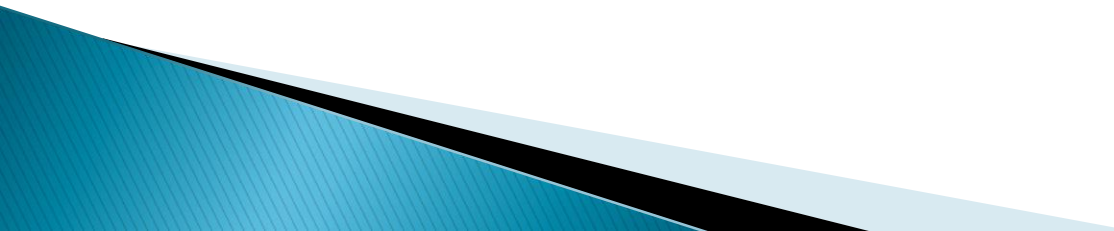
- ▶ Refund of premium for early completion of the project may be allowed subject to the following conditions
 - ▶ a) The period of insurance is 18 months and above.
 - ▶ b) Notice for early completion being given in advance to the insurer i.e before commencement of testing or in any case not later than 7 days after commencement of testing.
 - ▶ c) Claims Experience under the policy being less than 60%.
 - ▶ d) The minimum period for which refund can be claimed shall be 3 months.
 - ▶ e) The refund of premium would be allowed only after re-working of the premium on reduced policy period.
- 

REINSTATEMENT OF SUM INSURED

—

- ▶ After the loss Policy sum insured gets reduced by Loss amount for remaining period of the policy.
- ▶ In order to reinstate the sum insured additional premium to be paid on prorata basis on claim amount from the date of such loss to the expiry of the period of Insurance.

MID-TERM INCREASE IN SUM INSURED –

- ▶ Sum Insured for EAR/SCE can be increased during the Policy period subject to collection of additional premium on increased Sum Insured at applicable EAR/SCE rate for the full project period.
 - ▶ It is not permissible to charge pro-rata premium on such increased Sum Insured.
- 

Add-on Covers

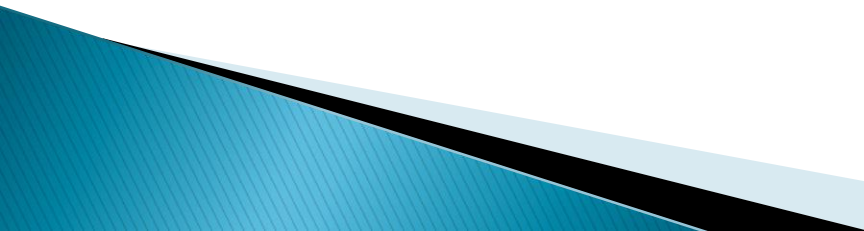
Clearance and Removal of Debris

- ▶ This Policy extends to cover costs and expenses necessarily incurred by the Insured with the consent of the Insurers in demolishing or removing debris of portions of the property destroyed or damaged by any peril hereby insured against. Limit : -----
% of the claim amount with max, of Rs. -----
----- lacs per any one occurrence and Rs.--
----- in the aggregate.

Extra charges for Overtime, Night Work, Work on Public Holidays, Express Freight including Air Freight

- ▶ This extension covers payment of extra charges for Overtime, Night Work, Work on Public Holidays and Express freight (including Air Freight) provided always that such extra charges are incurred in connection with any loss or damage to the insured items recoverable under the Policy. Indemnity limit : _____% of loss amount per any one occurrence.
- ▶ Air Freight claim – subject to an additional excess of 5% of the Air freight incurred over & above the normal policy excess.

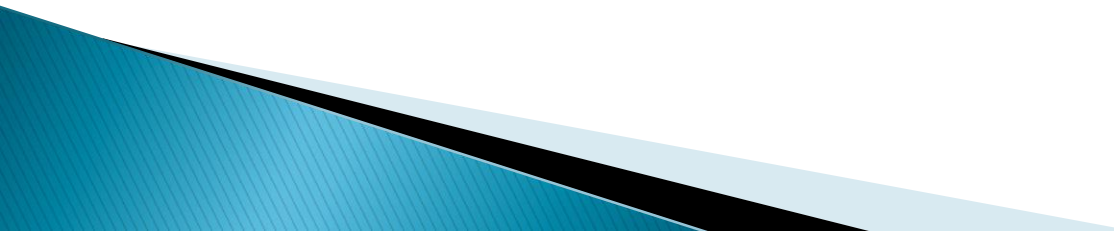
Owners' Surrounding property

- ▶ This extension covers loss of or damage to surrounding property of Owner located on project site if damage is caused directly due to the Erection, Construction or testing of the property covered under the policy. (To be taken in Brown Field Projects)
 - ▶ This extension is needed when insured takes EAR or CAR policy for the expansion work carried out in the existing plant.
 - ▶ This cover does not apply to construction/erection machinery, plants and equipment including Temporary buildings.
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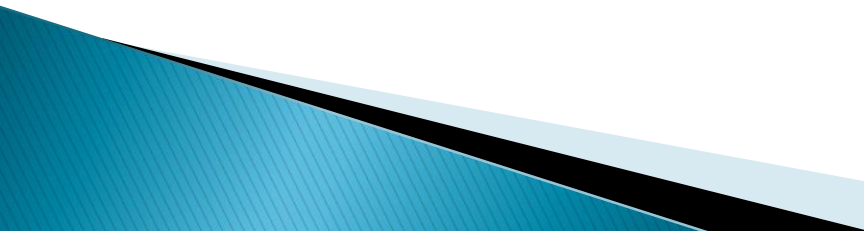
Loss minimisation expenses

- ▶ It is expected from insured in normal course that following a loss / damage to insured property he shall take all steps to minimise further loss or damage arising from that occurrence or accident. In order to comply with this requirement this policy is extended to pay for additional expenses necessarily and reasonably incurred by or on behalf of Insured to prevent / minimise any further loss or damage to Insured property whether damaged or not, following an indemnifiable loss.
- ▶ Indemnity Limit: Up to a selected limit of _____ per incident or in aggregate.


Escalation clause (Max 50%)

- ▶ This clause provides for escalation in Sum Insured of the policy up to selected % of Sum Insured.
 - ▶ Claim shall be settled on increased replacement / reconstruction cost as on date of loss subject to max. of original site value of affected equipment/ property plus the selected % escalation cost
 - ▶ Underinsurance would apply if the cost of replacement / reconstruction of the effected equipment/property as on date of loss exceeds the original value plus selected ----- % towards escalation.
 - ▶ Premium to be charged on 50% of escalated amount.
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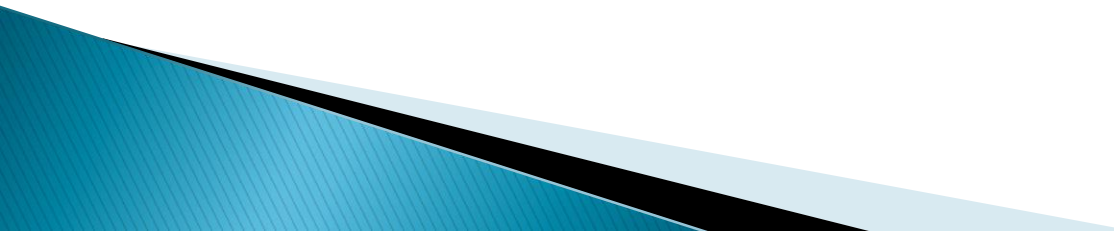
Additional Custom duty cover

- ▶ This extension covers the Additional Customs Duty percentage payable on the replacement supplies over and above the Customs Duty taken into account while arriving at the sum insured of the affected item provided that such additional duty is incurred in connection with any loss or damage to the insured items recoverable under the policy Indemnity limit: Rs.____ in the aggregate.
 - ▶ Excess: 5% of the Additional Customs Duty incurred over and above the excess normally applicable.
- 

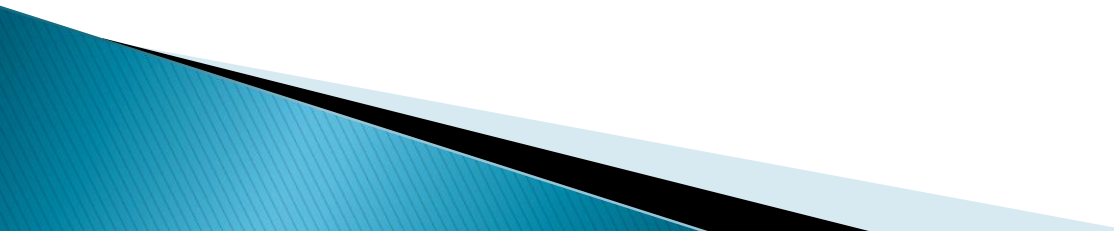
Storage Risks at the Fabricator's Premises

- ▶ This extension covers loss or damage to project material during storage at the Fabricator's Premises/Workshop caused by a peril not excluded under policy subject to declaring location of all such fabricator's premises in policy.
 - ▶ This coverage is subject to application of following excess
 - ▶ a) 10 % claim amount subject to minimum of testing period excess for AOG/Fire/Explosion claim
 - ▶ b) 5% of claim amount subject to a minimum of Rs.____(as per Normal excess) per normal period claims claim during storage
- 


50:50 clause:

- ▶ a) In case no visible external signs of damage was observed on delivery but consignment was found damaged at a later date on opening of packing, Liability shall be decided based on whether such damage took place during transit or storage/shifting from one place to another within the project site before erection.
 - ▶ b) In case of any dispute the loss shall be shared equally between the Marine Insurers and the EAR Insurers, provided such a clause is included in the Marine Policy also.
 - ▶ c) This clause not needed in MCE policies.
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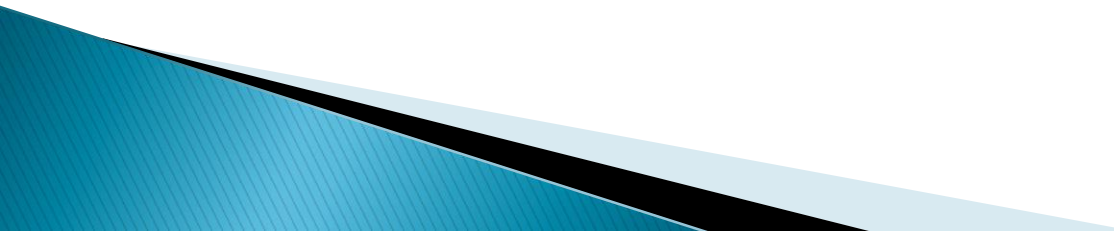
CROSS LIABILITY COVER

- ▶ The Third Party Liability Cover can be extended to cover subcontractors named in Policy schedule as if a separate policy has been issued to each party. That means if the property of one contractor is damaged by other contractor while carrying out their defined scope of work, such losses are payable under Cross Liability.
 - ▶ This extension shall not pay
 - ▶ a) Loss / damage to project material covered under the Policy, even if they are not recoverable due to an excess or any limit.
 - ▶ b) Fatal or non-fatal injury or illness of employees or workmen even though they are not insured under Workmen's Compensation and/or Employers' Liability Insurance
 - ▶ Limit of liability – Not to exceed Indemnity limit selected .
- 

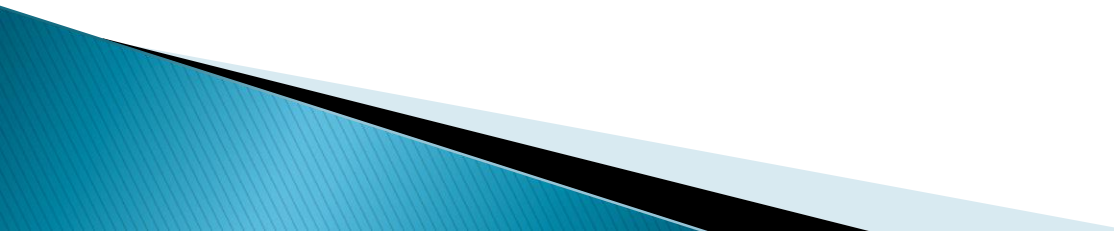
Design Defect cover – Case Study

- ▶ A column fails because its inner steel supporting rod (the faulty part) is defective in design or material. The roof of building collapses, causing extensive damage to an expensive tile floor. Under these circumstances
 - ▶ DE 1 covers nothing.
 - ▶ DE 2 covers the floor, but doesn't cover the roof or the column.
 - ▶ DE 3 covers the floor and the roof, but doesn't cover the column.
 - ▶ DE 4 covers the floor, the roof, and the column, but doesn't cover the supporting rod itself,
 - ▶ DE 5 covers everything, but doesn't cover a different type of supporting rod to be used in repairs.
- 

Maintenance cover

- ▶ Cover only material damage to contract works
1. LIMITED Maintenance cover :
 - ▶ Damage to works caused by maintenance works executed AFTER completion
 2. EXTENDED Maintenance cover :
 - ▶ LIMITED Maintenance cover + Damage to works caused on site DURING construction
- 

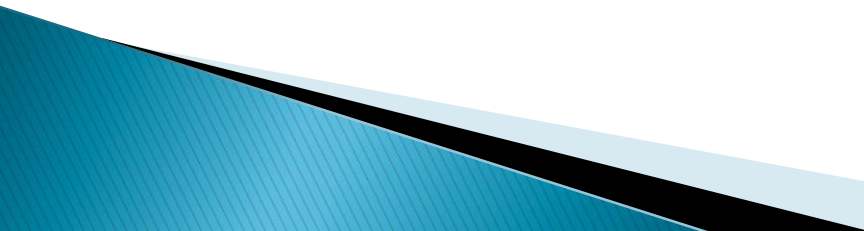
LIMITED Maintenance Cover

- ▶ Cover solely loss of or damage to the contract works caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.
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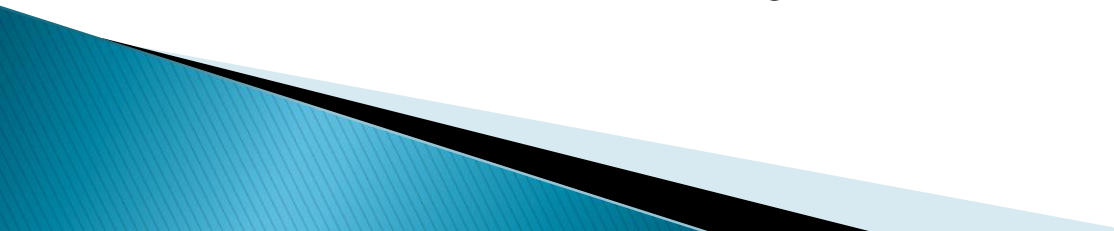
EXTENDED Maintenance Cover

- ▶ Limited Maintenance Cover PLUS Cover loss of or damage to the contract works occurring during the maintenance period, provided such loss or damage was caused on the site during the erection period before the certificate of completion for the lost or damaged section was issued.

Salient features of Project Insurance policies

- ▶ a) Long term Insurance – Policies can be issued for more than 12 months.
 - ▶ b) Testing is covered for minimum of one month in EAR policies & Max. can go upto 3 months in complicated projects.
 - ▶ c) Testing period can be extended at additional premium if not completed within the time frame.
 - ▶ d) No testing cover available under CAR policies.
 - ▶ e) Policy starts from the date of arrival of first consignment at site and ends on successful testing & commissioning of plant or the end of policy period whichever is earlier unless it is extended well before expiry of policy
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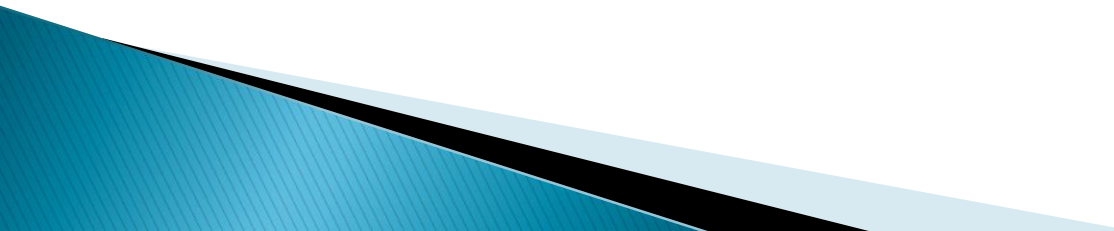
Salient features of Project Insurance policies

- ▶ a) Policy can be extended to cover loss or damage to insured property occurring during the maintenance period only at inception of policy for max. period of 24 months as per GIC guidelines.
 - ▶ b) Policy can be extended at mutually agreed terms in case project is not completed before the expiry date on payment of additional premium.
 - ▶ c) Premium can be charged in installments if policy period is more than 12 months.
 - ▶ d) Refund of premium is allowed in case of early completion of project.
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- ▶ Engineering Operational policies

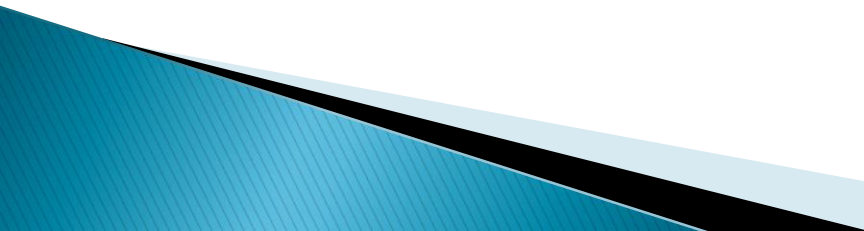
Types of Engineering Annual Insurance Policies

Following are the policies given to Operational Engg Risks for a max. period of 12 months

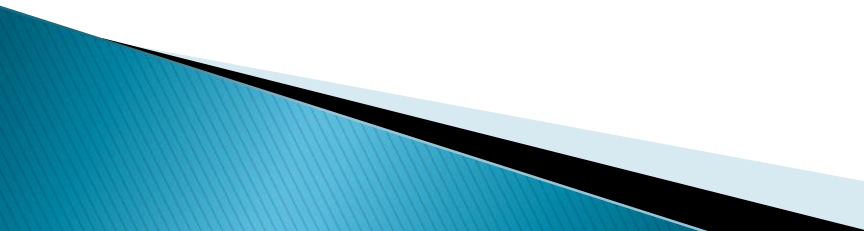
- ▶ 1. Machinery Breakdown Insurance
 - ▶ 2. Electronic Equipment Insurance
 - ▶ 3. Contractor's Plant and Machinery Insurance
 - ▶ 4. Boiler & Pressure Plant Insurance
- 

- ▶ Machinery Breakdown Insurance

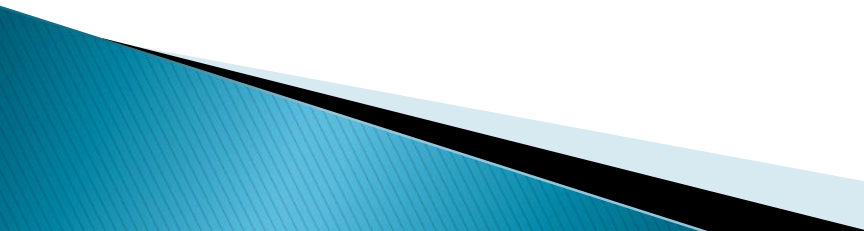
- ▶ This policy is given to Electrical or Mechanical Machines / Equipments installed in Plant, Factory, Workshop or other operational occupancies incl. Lifts, Escalator, Transformers, Generators etc. Important conditions are as under
 - ▶ Insured machinery must be permanently installed in enclosed premises.
 - ▶ Cover starts only after the equipment is successfully installed and taken into operation.
 - ▶ Specified Equipment Policy, Name plate details needed.
 - ▶ Policy to be issued in the name of owner of the equipment only.
 - ▶ Machinery Breakdown Insurance Policy cannot be issued on Agreed value basis or on First Loss basis.
- 

- ▶ Policy requires coverage of complete machine as single item and it can not be bifurcated in parts/ sections viz Diesel engine & Alternator, Machine & Control panel etc.
 - ▶ Sum Insured must represent the Current Replacement value of Machine including Freight, Customs duty & Erection cost etc failing which all claims shall attract U/I.
 - ▶ No depreciation except for limited life components.
 - ▶ Equipment deployed at construction site shall not be covered.
 - ▶ This Policy should not 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 Equipments Insurance (EEI) Policy.
- 

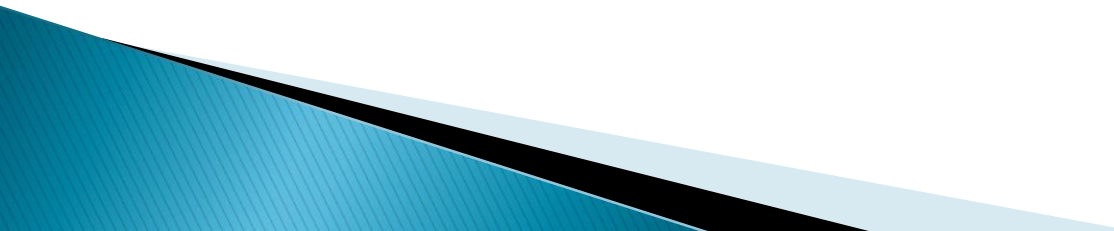
Machinery Breakdown –Exclusions

- ▶ Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage,
 - ▶ Storm, Tempest, Flood, inundation (STFI), Theft, Burglary
 - ▶ AOG Perils, like Subsidence, Landslide, Rockslide.
 - ▶ Fire, Lightening, Explosion Aircraft damage (FLEXA)
 - ▶ Faults or defects existing at the time of commencement of risk
 - ▶ Loss of use or other consequential loss
- 

Machinery Breakdown –Exclusions

- ▶ All types of interchangeable tools
 - ▶ Belts, chains, ropes, sieves, engraved cylinders, stamps, dies
 - ▶ Parts made of glass, ceramic or wood, rubber tires
 - ▶ Operating media of any kind such as fuel, gas, refrigerants, catalysts, liquids, lubricants
 - ▶ Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or contract.
 - ▶ Loss, damage and/or liability caused by willful act to willful neglect or gross negligence of the insured or his responsible representatives.
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Machinery Breakdown –Exclusions

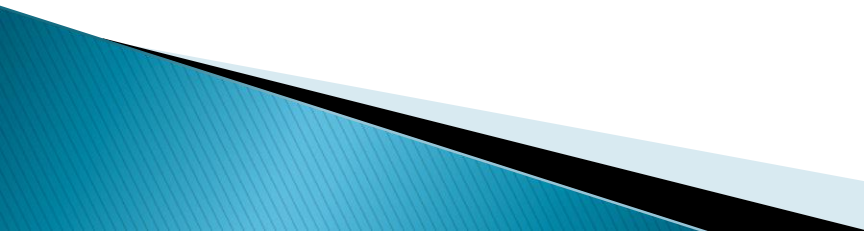
- ▶ War, invasion, Act of foreign Enemy.
 - ▶ Strike, Riot, Civil Commotion (SRCC)
 - ▶ Nuclear reaction, nuclear radiation or radioactive contamination
 - ▶ Liability resulting from over load experiments
- 

Refund of premium for standstill period


- ▶ Minimum period: 3 months continuous standstill period
- ▶ Causes of standstill for complete plant should be as under:–
 - ▶ a) Due to non-availability of raw materials, acute power shortage, shortage of water supply and similar inputs.
 - ▶ b) Standstill items like boilers, TG sets, Steam engines and Diesel Generating Sets, due to sufficient stand by equipments available in the plant.
 - ▶ c) In continuous process plant, if due to breakdown of any machine if whole plant cannot be run, no refund on other M/c in production line to be allowed.
- ▶ (Refund of premium for the repair period of the affected equipment should not be considered).

- ▶ Contractor's Plant & Machinery

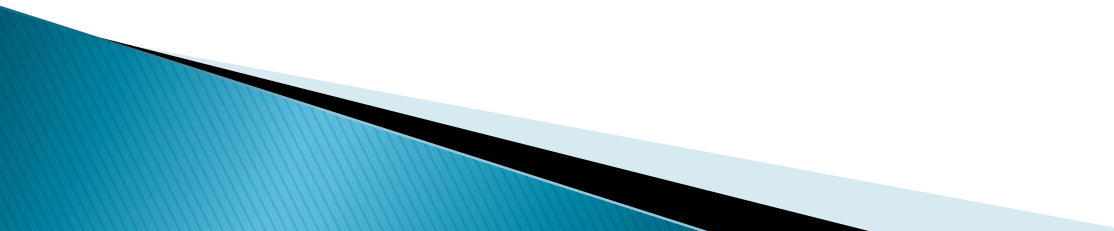
PERILS COVERED

- ▶ UNFORSEEN AND SUDDEN PHYSICAL LOSS /DAMAGE FROM ANY CAUSE INCLUDING –
 - ▶ a) BURGLARY ,THEFT,RIOT & STRIKE , MALICIOUS DAMAGE AND TERRORISM
 - ▶ b) FIRE & LIGHTNING, EXTERNAL EXPLOSION, EARTHQUAKE, FLOOD, INUNDATION, SUBSIDENCE, LANDSLIDE AND ROCKSLIDE.
 - ▶ c) STORM,TEMPEST, HURRICANE, TYPHOON AND TORNADO
 - ▶ d) ACCIDENTAL DAMAGE DUE TO MAN --HANDLING, DROPPING OR FALLING, COLLAPSE , COLLISION AND IMPACT
- 

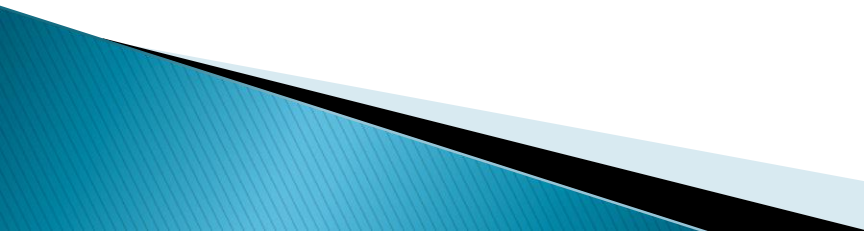
Contractor's Plant & Machinery Policy –Scope

- ▶ This policy is designed to cover Contractor's Plant and Machinery at specified project site. Salient points are as below.
 - ▶ •Specified Equipment Policy with name plate details recorded in policy.
 - ▶ •All types of 'Construction' Plant, Machinery & Equipment can be insured.
 - ▶ •Cover starts only after successful commissioning at site
 - ▶ •Financial institutions are covered for the irrespective rights & interests.
- 


- ▶ Policy covers loss of damage to Contractors P/M
- ▶ •Whilst at Work/Rest or under Overhauling
- ▶ •Risk of Overturning and collision of two equipment is covered
- ▶ •Transit within site is covered
- ▶ •**Floater Cover –CPM Policy can be issued covering equipment on “Anywhere in India basis” with following stipulations.**
- ▶ a) Full description with identification number, location details etc. of each and every equipment with valuation should be declared.
- ▶ b) Earthquake extra for Zone I will be charged for the entire policy or
- ▶ c) Loading of 10% on the highest CPM Rate shall be charged to cover Floater Risk.

- ▶ **Policy also covers ACTS OF GOD PERILS –**
 - ▶ The Acts of God Perils shall mean –
 - ▶ ▪Earthquake (Fire & Shock)
 - ▶ ▪Landslide, Rockslide, Subsidence
 - ▶ ▪Flood, Inundation
 - ▶ ▪Storm, Tempest, Hurricane, Typhoon, Cyclone.
- 

PRINCIPAL EXCLUSIONS

- ▶ Excess Stipulated– Percentage of Sum Insured
 - ▶ •Electrical or mechanical breakdown of machinery covered under CPM Insurance.
 - ▶ •Replaceable parts such as bits, knives, ropes, belts, chains, blades, batteries, tyres, connecting wires etc...
 - ▶ •Loss of or damage to machinery of water borne vessels or crafts.
 - ▶ •Loss or damage whilst in transit, from one location to another location.
- 

MAIN EXCLUSIONS

- ▶ Loss of or damage to plant and/or machinery working underground.
 - ▶ ▪(This exclusion can be deleted by payment of additional premium)
 - ▶ ▪Wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions
 - ▶ ▪Loss occurred when equipment used for purpose other than designed for.
 - ▶ ▪Willful negligence of the insured or his representatives.
 - ▶ ▪Nuclear radiation damage, War and like perils.
 - ▶ ▪Consequential loss of any kind.
- 


BOILER & PRESSURE PLANT POLICY

BOILERS GENERATE STEAM WHICH IS USED IN VARIOUS PROCESSES IN INDUSTRIES. STEAM IS ALSO USED IN THERMAL POWER PLANTS TO DRIVE THE TURBINES

- **PROPERTY COVERED-**

BOILERS /ECONOMISERS/SUPER HEATERS/ STEAM PIPES/ PRESSURE VESSELS /OTHER VESSELS UNDER STEAM GAS OR AIR PRESSURE

- **DEFINITIONS-**

1. **BOILER-ANY FIRED CLOSED VESSEL/COMBINED CONTAINER PIPING SYSTEM IN WHICH STEAM IS GENERATED UNDER PRESSURE**
 2. **PRESSURE PLANT-ANY UNFIRED CLOSED CONTAINER UNDER STEAM/GAS/FLUID PRESSURE**
- 

PERILS COVERED- POLICY COVERS EXPLOSION OR COLLAPSE OF THE INSURED BOILER/PRESSUER VESSEL RESULTING IN:


1. *DAMAGE TO BOILER/PRESSURE PLANT*
 2. *DAMAGE TO SURROUNDING PROPERTY OF THE INSURED*
 3. *LIABILITY TO THIRD PARTY*
- POLICY ALSO COVERS EXPLOSION CAUSED BY IGNITION OF FLUE GASES.MAJOR EXCLUSIONS-FIRE AND SPECIAL PERILS,WAR AND NUCEAR PERILS,EXTERNAL EXPLOSION, CHEMICAL EXPLOSION,FAILURE OF INDIVIDUAL TUBES UNLESS RESULTING IN EXPLOSION/COLLAPSE

SUM INSURED = CURRENT NEW REPLACEMENT VALUE INCLUSIVE OF FREIGHT/CUSTOMS DUTY/ERECTION COST




ELECTRONIC EQUIPMENT POLICY

▶ THE POLICY IS SPECIFICALLY DESIGNED FOR ELECTRONIC EQUIPMENTS LIKE-

- COMPUTERS INCLUDING CPU/KEYBOARD/ MONITOR/
PRINTER/STABILIZER/ UPS/SERVER/ SYSTEMS SOFTWARE
 - ELECTRONIC DATA PROCESING (EDP) EQUIPMENT
 - ELCTRO-MEDICAL EQUIPMENT
 - EQUIPMENT FOR RESEARCH AND MATERIAL TESTING
 - TELECOMMUNICATION AND NAVIGATIONAL EQUIPMENT
 - COMPUTER SYSTEM FOR PRODUCTION PLANT AND
MACHINERY
 - SIGNAL AND TRANSMITTING UNITS ETC.
- 

ELECTRONIC EQUIPMENT POLICY—SCOPE OF COVER— SECTION I

- THE POLICY WILL APPLY ONLY AFTER SUCCESSFUL COMPLETION OF THE PERFORMANCE/ ACCEPTANCE TEST OF THE INSURED ITEMS AND COVER WILL CONTINUE WHETHER THEY ARE WORKING, AT REST, DISMANTLED FOR CLEANING/ OVERHAULING/ SUBSEQUENT RE-ERECTION OR BEING SHIFTED WITHIN THE PREMISES
 - SCOPE OF COVER— *POLICY COMPRISES THREE*
 - SECTION I— COVERS ANY SUDDEN AND UNFORESEEN PHYSICAL LOSS/DAMAGE DUE TO ANY CAUSE(OTHER THAN THOSE SPECIFICALLY EXCLUDED).THUS,THE COVER IS ALL RISK AND INCLUDES LOCATION/OPERATIONAL/ AOG/HUMAN ELEMENT RISKS.
 - SUM INSURED UNDER SECTION I=CNRV
- 

ELECTRONIC EQUIPMENT POLICY—SCOPE OF COVER— SECTION I

- ▶ **SPECIAL EXCLUSIONS TO SECTION I-**
 - *FAULTS OR DEFECTS EXISTING AT THE TIME OF COMMENCEMENT OF THE INSURANCE*
 - *FAILURE OR INTERRUPTION OF ANY GAS , WATER OR ELECTRICITY SUPPLY*
 - *LOSS OR DAMAGE FOR WHICH THE MANUFACTURERS OR SUPPLIERS ARE RESPONSIBLE BY LAW OR UNDER CONTRACT*
 - *LOSS /DAMAGE TO EXCHANGEABLE TOOLS, BULBS, VALVES, TUBES, RIBBONS, BELT ETC. OR ANY OPERATING MEDIA (E.G.LUBRICATING OIL ETC.)UNLESS SUCH LOSS IS CAUSED BY INDEMNIFIABLE PERILS*

ELECTRONIC EQUIPMENT POLICY—SCOPE OF COVER—SECTION I

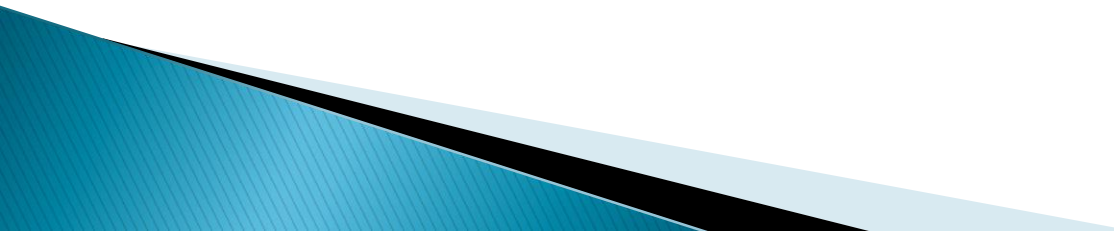
- **SPECIAL EXCLUSIONS TO SECTION I-...contd.**

- *THE EXCESS STATED IN THE SCHEDULE. THIS VARIES ACCORDING TO THE VALUE OF EQUIPMENT.*
- *ANY COST ARISING FROM FALSE PROGRAMMING, PUNCHING OR INADVERTENT CANCELLING OF INFORMATION ETC.*
- *CONSEQUENTIAL LOSS OF ANY KIND*
- *WEAR AND TEAR, GRADUAL DETERIORATION DUE TO ATMOSPHERIC CONDITIONS*
- *ELIMINATION OF ROUTINE FUNCTIONAL FAILURES*


- **GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS-**

- *WAR PERILS/NUCLEAR PERILS/WILFUL ACT/NEGLIGENCE*
- 

ELECTRONIC EQUIPMENT POLICY–SCOPE OF COVER–SECTION II

- COVERAGE UNDER SECTIONS II AND III IS OPTIONAL. SECTION II COVERS EXTERNAL DATA MEDIA
 - COVERAGE FOR EXTERNAL DATA MEDIA WILL BE AGAINST THE SAME PERILS COVERED UNDER
 - ▶ SECTION I
 - SUM INSURED=COST OF RESTORING THE INSURED EXTERNAL DATA MEDIA BY NEW MATERIAL AND REPRODUCING LOST INFORMATION
- 

ELECTRONIC EQUIPMENT POLICY–SCOPE OF COVER– SECTION III

- SECTION III COVERS INCREASED COST OF WORKING
 - THIS IS THE ADDITIONAL COST INCURRED DURING THE INDEMNITY PERIOD IN ORDER TO AVOID INTERRUPTION IN OPERATIONS AND DATA PROCESSING DUE TO MATERIAL DAMAGE TO INSURED PROPERTY COVERED UNDER SECTION I
 - SUM INSURED– INSURED MUST DECLARE THE INDEMNITY LIMIT PER HOUR AND ALSO THE TOTAL SUM INSURED REPRESENTING THE AGGREGATE LIMIT OF INDEMNITY PAYABLE FOR ALL EVENTS OCCURING DURING THE PERIOD OF INSURANCE
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▶ THANK YOU