



Annual Contractor's All Risks Insurance Policy

WHEREAS the insured named in the schedule hereto had made to **ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED** (formerly known as Royal Sundaram Alliance Insurance Company Limited) (hereinafter called "the company") a written proposal by completing a proposal form which together with any other statements made in writing by the Insured for the purpose of this policy, is deemed to be incorporated hereto.

NOW THIS POLICY OF INSURANCE WITNESSETH that subject to and in consideration of the Insured having paid to the Company, the premium mentioned in the schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the Company will indemnify the Insured in the manner and to the extent hereinafter provided.

GENERAL EXCEPTIONS

The Company will not indemnify the insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by

1. war, invasion, act of foreign enemy, hostilities or war like operations (whether war be declared or not) civil war, rebellion, revolution insurrection, mutiny, civil commotion, military or usurped power martial law conspiracy, confiscation commandeering a group of malicious person or persons acting on behalf of or in connection with any political organisation requisition or destruction or damage by order of any Government de jure or de facto or by any Public, municipal or Local Authority.
2. loss destruction, damage, cost or expense or liability of whatever nature directly or indirectly caused by or arising from or in consequence of or contributed to by any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to such loss, destruction, damage, cost or expense or liability.
3. notwithstanding any provision to the contrary in any Section of the policy or in any endorsement thereto, it is understood and agreed as follows:
 - (a) this policy does not insure:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA,
 - (ii) error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
 - (iii) total or partial inability or failure to receive, send, access or use ELECTRONIC DATA for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur, nor any liability, cost or expense arising from or in any way related to any such event.

For the purposes of this policy ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.



- (b) however, in the event that a peril listed below (being a peril which but for this General Exception is insured by the Section of this policy under which any claim is made) is caused by any of the matters described in paragraph (a) above, then such Section of the policy, subject to all its provisions, shall not exclude physical loss or destruction of nor damage to the Property Insured under such Section of the policy directly caused by such listed peril.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by any Section of this policy, but for this General Exception) causes any of the matters described in paragraph (a) above:

Fire, Explosion, Lightning, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freezing, Weight of Snow, Impact by Aircraft or other aerial objects dropped therefrom, Impact by any Road Vehicle or Animal, Bursting Overflowing Discharging or Leaking of Water Tanks Apparatus or Pipes, or Theft of Electronic Data solely where such Theft is accompanied by Theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data

- (c) In the event of any conflict between this General Exception 3, regarding electronic risks, and General Exception 2, regarding acts of terrorism, then the terms of General Exception 2, regarding acts of terrorism, will take precedence over the terms of this General Exception 3.
4. nuclear reaction, nuclear radiation or radioactive contamination.
 5. Wilful act or wilful negligence of the insured or of his responsible representative.
 6. Cessation of work whether total or partial.
 7. Terrorism Damage Exclusion Warranty –

This Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an act of terrorism means an act or series of acts, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), or unlawful associations, recognized under Unlawful Activities (Prevention) Amendment Act, 2008 or any other related and applicable national or state legislation formulated to combat unlawful and terrorist activities in the nation for the time being in force, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.

This exclusion also includes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above



In any action suit or other proceedings where the company, allege that by reason of the provisions of General Exception 1 above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the insured.

SECTION I – MATERIAL DAMAGE

The Company hereby agrees with the Insured (subject to the Exceptions and the Special Conditions to this Section and also to the General Exceptions and the General Conditions of the policy) that if at any time during the Contract Period the Property Insured described in Section I of the Schedule, or any part thereof be lost, destroyed or damaged by any cause not specifically excluded hereunder, in a manner necessitating replacement or repair, the Company will indemnify the Insured for such loss, destruction or damage, up to an amount not exceeding in respect of each of the items specified in Section I of the Schedule the Sum Insured set opposite thereto nor in the whole the Total Sum Insured by this Section.

The Company will also reimburse the Insured for the cost of clearance and removal of debris following upon any event giving rise to an admissible claim under this Section of the policy but not exceeding in all the sum (if any) set opposite thereto in the Schedule.

DEFINITIONS

For the purposes of this Section of the policy:

Contract shall carry the meaning assigned thereto in the Schedule

Contract Period shall mean the Construction period, followed immediately by the Maintenance Period, if any, applicable to the same contract.

Construction period shall mean the period beginning with the commencement of the construction of the Contract Works at the Contract Site, or with the first delivery to the Contract Site of any plant, machinery, equipment or materials for incorporation into the Contract Works (whichever happens first), and ending with the Completion of the Contract.

Completion of the Contract will be deemed to have occurred, in respect of the Contract Works or of any part thereof, on the earliest of the following dates:

- the date when such Contract Works or such part thereof are first taken into use or occupation by any principal, or by the Contractor in the case of Speculative Projects.
- the effective date of any certificate of completion issued to the Contractor by the principal in respect of such Contract Works or such part thereof.
- in respect of Speculative Projects, when the only work remaining relates to the prospective purchaser's choice of decoration, fixtures and fittings.
- after 12 months from the beginning of the Construction period, unless otherwise expressly agreed by endorsement to this policy.

Speculative Project shall mean any project undertaken for the construction of property for sale by the contractor, without the involvement of any contract with any principal.



Maintenance Period shall mean that period, not exceeding twelve months in duration unless otherwise expressly agreed by endorsement to this policy, immediately consecutive upon the relative Construction period, during which the Contractor has certain obligations arising under the Maintenance clauses of the Contract.

EXCEPTIONS TO SECTION-1

The Company shall not, however, be liable for :

1. the first amount of the loss arising out of each and every occurrence shown as the Excess in the Schedule.
2. loss discovered only at the time of taking an inventory.
3. normal wear and tear, gradual deterioration due to atmospheric conditions or lack of use or obsolescence or otherwise, rust, scratching of painted or polished surfaces or breakage of glass.
4. loss destruction or damage due to faulty or defective design.
5. the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/ or workmanship.
6. loss or destruction of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques, packing materials of any kind.
7. any damage or penalties on account of the Insured's non-fulfilment of the terms of delivery or completion under any contract or of any obligations assumed thereunder nor lack of performance including consequential loss of any kind or description nor for any aesthetic defects or operational deficiencies
8. loss or destruction of or damage to
 - (a) any vehicle licensed for general road use, nor any vehicle which can be attached thereto.
 - (b) any aircraft, locomotive or water-borne vessel or craft, nor any plant, machinery, equipment or materials carried by, stored in, mounted or fixed upon or operated on any such aircraft, locomotive or water-borne vessel or craft.
9. loss, destruction or damage to the Contract Works or any part thereof after completion of the Contract, unless such loss, destruction or damaged be occasioned
 - (a) during the Maintenance Period applicable to such Contract, arising from a cause which occurred during the Construction period, or
 - (b) by the Contractor in the course of any operations carried out by him for the purposes of complying with the Maintenance Clauses of the Contract.

SPECIAL CONDITIONS APPLYING TO SECTION – I

1. **REINSTATEMENT OF SUM INSURED** : In the event of loss or damage indemnifiable under this Section the Insurance hereunder shall notwithstanding be maintained in force during the Contract Period for the Sum Insured shown in the Schedule, the Insured undertaking to pay a pro-rata additional Premium on the full amount of each claim for the loss or damage from the date of occurrence of such loss or damage to the expiry of the Contract Period concerned.
2. **BASIS OF LOSS SETTLEMENT** : In the event of the Contract Works or any part thereof being lost, destroyed or damaged, the basis upon which liability under this



Section is to be calculated shall be the reinstatement of the property lost, destroyed or damaged, subject to the following provisions, and to all other terms of this Section and of the policy.

For the purposes of this Special Condition, reinstatement shall mean the carrying out of the after-mentioned work:-

- (a) where property is lost or destroyed the rebuilding of the property if a building or in the case of other property its replacement by similar property, in either case in a condition equal to but neither better nor more extensive than its condition when new.
- (b) where the property is damaged the repair of the damage and the restoration of the damaged portion to a condition substantially the same as but neither better nor more extensive than its condition when new.

Provided always that no payment beyond the amount which would have been payable under this Section if this Special Condition had not been incorporated herein shall be made:

- i) unless the work of reinstatement be commenced and carried out with reasonable despatch and in any case completed within 12 months after the loss, destruction or damage or within such further time as the Company may, in writing, allow;
- ii) until the cost of reinstatement shall actually have been incurred.

Further, when any of the Property Insured is damaged or destroyed in part only, the liability of the Company shall not exceed the sum representing the cost which the Company would have been liable to pay for reinstatement if such property had been wholly destroyed.

Where by reason of any of points i) or ii) of this Special Condition no payment is to be made beyond the amount which would have been payable under this Section if this Special Condition had not been incorporated herein, the rights and liability of the Company and the Insured in respect of the loss, destruction or damage shall be subject to the terms and conditions of this policy as if this Special Condition had not been incorporated herein.

3. **MAXIMUM AMOUNT INDEMNIFIABLE:** In respect of any claim arising under this Section, the amount of indemnity payable shall in no case exceed the Sum Insured on Contract Works nor, unless otherwise expressly agreed by the Company, 110% of the relevant contract price agreed between the Contractor and the principal concerned.
4. **SURROUNDING PROPERTY :** Loss of or damage to property located on or adjacent to the Contract Site and belonging to or held in the care custody or control of the Contractor or of any principal (s) shall only be covered if occurring directly due to construction of the Contract Works insured hereunder happening during the Contract Period, and provided that cover on a separate item for Principal's Existing Property, with its corresponding own Sum Insured, has been expressly introduced into Section I, by endorsement hereto.
5. **APPLICATION OF THE EXCESS:** For the purpose of determining the Excess applicable to any claim, the expression Major Perils/Acts of God shall, for the



purposes of this Section mean: earthquake, volcanic eruption, landslide, rockslide, subsidence, collapse, flood, inundation or storm.

SECTION II-THIRD PARTY LIABILITY

The Company will indemnify the Insured against:-

- (a) legal liability for accidental loss or damage caused to property of other persons
- (b) legal liability for fatal or non-fatal injury to any persons other than the Insured's own employees or workmen or employees of the owner of the works or premises or other firms connected with any other construction work thereon, or members of the Insured's family or of any of the aforesaid;

happening on the Contract Site during the Contract Period and directly consequent upon or solely due to the carrying out of the Contract.

Where more than one party comprises the Insured, each of such parties shall for the purposes of this Section be considered as a separate and distinct unit, and the expression "the Insured" shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties.

Provided that the liability of the Company under this clause in respect of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause, irrespective of the number or parties claiming indemnity hereunder, shall not exceed the Limit of Indemnity set out in the Schedule.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will, in addition, indemnify the Insured against

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

EXCEPTIONS TO SECTION II

The Company will not indemnify the Insured in respect of

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



the Contract which, or part of which, is insured under Section I, or an employee or workman of any of the aforesaid.

- (c) loss of or damage to any building, structure or land due or alleged to be due to vibration or withdrawal or weakening of support.
- (d) any accident caused by vehicles licensed for general road use or by locomotives, waterborne vessels or aircraft.
- (e) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.
- (f) injury (whether fatal or non-fatal), loss or damage which occurs during any Maintenance Period unless
 - i) arising from a cause which occurred during the Construction period, or
 - ii) caused by the Contractor in the course of any operations carried out by him for the purpose of complying with the Maintenance Clauses of the Contract

SPECIAL CONDITION APPLYING TO SECTION II

1. In the event of any claim, made against the Insured by any third party, which may give rise to indemnity under this Section, no admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled, if they so desire, to take over and conduct in the name of Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

The Company may, so far as any occurrence is concerned, pay to the Insured the Limit of Indemnity, but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such occurrence can be settled and the Company shall thereafter be under no further liability in respect of such occurrence under this Section.

General Conditions

1. The due observance and fulfilment of the terms of this policy insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Company.
2. This insurance shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company, to prevent loss, damage or liability and shall comply with all statutory requirements and manufacturers' recommendations.



4. (a) Representatives of the Company shall at all reasonable times have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
- (b) The Insured shall immediately notify the Company by telegram and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require and the scope of cover and/or the Premium shall, if necessary, be adjusted accordingly.
- (c) No material alteration shall be made or admitted by the Insured whereby the risk is increased unless the continuance of the insurance be confirmed in writing by the Company.
5. In the event of any occurrence which might give rise to a claim under this policy, the Insured shall:
 - (a) immediately notify the Company by telephone or telegram as well as in writing giving an indication as to the nature and extent of any loss or damage.
 - (b) take all steps within his power to minimize the extent of loss or damage.
 - (c) preserve the parts affected and make them available for inspection by a representative or surveyor deputed by the Company.
 - (d) furnish all such information and documentary evidence as the Company may require.
 - (e) inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its discovery and with in the Contract Period.

Upon notification being given to the Company under this condition the Insured may carry out the repair or replacement of any minor damage not exceeding Rs. 2,500/-. In all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Insured is entitled to proceed with the repairs or replacement.

Any liability of the Company under this policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those Insured under this policy) to which the Company shall be or would become subrogated upon their paying for or making good any loss or damage under this policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.
7. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties hereto, or, if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three



arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute or difference and the third arbitrator to be appointed by such two arbitrators, and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator or arbitrators of the amount of the loss or damage shall be first obtained.

8. If a claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or in the case of arbitration taking place as provided herein within three months after the arbitrator or arbitrators have made their award, all benefits under this policy shall be forfeited.
9. If at the time any claim arises under this policy there be any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.
10. This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the premium at customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on 15 days' notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation. The Premium adjustment shall be calculated in accordance with Condition 11 below, except that in the event of a return Premium being due to the Insured, such return Premium shall not exceed 50% of the Premium or Renewal Premium.
11. The Premium and the Renewal Premium are provisional only. The total value of the Contract shall be declared at periodical intervals but at least once on completion of each quarter counting from the inception of the policy, in the form of certified statements. Within 60 days of the expiry of each Period of Insurance, the Insured shall furnish to the Company a declaration of the final values of all the contracts and projects in respect of which cover began to attach during such Period of Insurance, including the full value of any materials, plant, equipment and machinery supplied by any principal for incorporation into the Contract Works, and if such total be less than the Estimated Turnover the Company will pay a pro rata return Premium to the Insured in respect of the difference; provided that no such return Premium shall exceed 25% of the Premium or Renewal Premium.

If at the time of the adjustment of Premium in accordance herewith there be any contracts or projects insured by this policy whose final values remain to be established, the estimated values thereof will be used for the purposes of calculating the adjustment in accordance with this Special Condition, in which case the Insured undertakes to declare the final values of such contracts or projects as they become known, and after the declaration of all such contracts and projects, a revised Premium adjustment will be calculated, and a further additional Premium paid if appropriate.



12. The Turnover under the policy shall be the aggregate value of the Contract works made during the currency of the policy. It is permissible to increase the Sum Insured under the policy mid term by payment of additional Premium. Once the Sum Insured under this policy is exhausted the insurance under this policy shall cease to operate.

13. Renewal Notice:

The Company shall not be bound to accept any renewal premium nor give notice that such is due.

The product / plan may be withdrawn at any time, by giving a notice before 3 months from the next renewals to the Insured by Courier / Registered Post / Acknowledgement due post at the address recorded / updated in the policy. When the policy is withdrawn, the product / plan shall not be available for renewal at the due date. However, the cover under such policy shall continue till the expiry date shown in the schedule of the policy. In the event of withdrawal of a product, Company shall offer similar alternative product from its currently marketed product suites.

14. Grievance Redressal Procedure:

In case the Insured Person is aggrieved in any way, the Insured Person may contact the Company at the specified address, during normal business hours for the following grievances:

- (a) Any partial or total repudiation of claims by the Company.
- (b) Any dispute regard to premium paid or payable in terms of the policy.
- (c) Any dispute on the legal construction of the policies in so far as such disputes relate to claims.
- (d) Delay in settlement of claims.
- (e) Non-issue of any insurance document to customer after receipt of the premium.
- (f) Any other grievance.

The Insured Person may approach the Insurance Ombudsman, within whose jurisdiction the branch or office of Royal Sundaram General Insurance Co. Limited is located. The Insurance Ombudsman's offices are located at Ahmedabad, Bengaluru, Bhubaneshwar, Bhopal, Chandigarh, Chennai, Ernakulam, Guwahati, Jaipur, Kolkata, Lucknow, Noida, Patna, Pune, Hyderabad, Mumbai and Delhi. For detailed grievance redressal procedure and for Contact Details of Insurance Ombudsman, please visit our website www.royalsundaram.in