ZURICH kotak General Insurance

PROSPECTUS
(Commercial)

CONTRACTOR'S ALL RISKS INSURANCE

Introduction

Such insurance policies are designed to cover the risk of loss arising out of the construction of civil projects and its installations, including physical damage to the contract works, equipment and machinery, and liability for third-party bodily injury or property damage arising out of these operations.

Who can take this insurance?

This is a comprehensive policy suited for Individual(s)/Establishment(s) who are either owners, handlers and/or contractors and/or sub-contractors and/or financial lenders or any such person having direct involvement in the project and has indemnifiable interest in the same. This insurance also allows multiple partners/parties falling in category stated above to be covered under one single insurance policy.

What the policy covers?

This is an 'All Risk' policy covering sudden and unforeseen physical damage to projects under erection insured by any cause or peril not specifically excluded under the policy and resulting during the course of:

- Storage
- Construction
- Commissioning

What the Policy does not cover?

The policy does not provide coverage for loss or damage resulting from:

- War and Nuclear group of perils
- Wilful Act/ Negligence
- Inventory Losses
- Normal Wear and Tear, Gradual Deterioration, Rust
- Aesthetic Defects, Scratching of Painted or Polished surface, Breakage of Glass
- Loss or Damage due to Faulty Design, Defective Material or Casting and bad Workmanship (limited to items immediately affected)
- Damage or penalties on account of the Insured's non-fulfillment of the terms of delivery or completion under his Contract of construction or of any obligations assumed there under or lack of performance or description or for any aesthetic defects or operational deficiencies;
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- Cost of rectification or correction of any error during construction not resulting in physical loss or damage.
- Damage to files, drawings, accounts, bills and currency
- Consequential Losses
- loss of or damage to vehicles licensed for general road use or water borne vessels or Machinery/Equipment mounted or operated or fixed on floating vessels/craft/barges or aircraft.
- Cessation of Work – Partial or Total
- Liability consequent upon injury or damage to property belonging to parties insured in the policy.
- Liability arising out of property in care, custody and control of insured(s).
- Policy deductible- This is the first amount of any claim that insured need to bear
- Terrorism

Zurich Kotak General Insurance Company (India) Limited (Formerly known as Kotak Mahindra General Insurance Company Limited) CIN: U66000MH2014PLC260291. IRDAI Reg. No. 152. Registered & Corporate Office: 401, 4th Floor, Silver Metropolis, Jai Coach Compound, Off Western Express Highway, Goregaon (East), Mumbai- 400063. Maharashtra, India.

What is the Sum Insured?

The sum insured for the insurance should represent the completely constructed value of the property, inclusive of freight, customs duty and construction cost.

What can be additionally covered?

Earthquake

Loss and/or damage to insured property arising out of Earthquake may be covered under the policy.

Clearance and removal of debris

Expenses necessarily incurred by the insured in demolishing or removing debris of portions of the property Insured and destroyed or damaged by any peril not excluded from scope of policy.

Surrounding property of the insured

Insured may also opt to cover his existing property, and/or under his care custody situated in the same location, or adjacent to the project site against loss or damages emanating from the construction/erection activity covered under the main policy.

Escalation

Provision to cover for future inflation which may affect the insured property, with maximum limit allowed upto 50% of project value.

Express freight (air freight included) holiday and overtime rates of the wages

Additional expenses incurred post loss to expedite supplies of replacement of damaged equipment, additional labour charges including overtime, to undertake the repair work to restart the operation.

Additional custom duty

This applies to the imported items, if shipped and to be paid additional custom duty at destination due to change of custom duty regulations from time of taking this insurance cover to time of occurrence of loss.

Contractor's plants and machinery

Contractor's plant and machinery directly used in the project may also be insured under the scope of policy.

Maintenance visits cover

The insurer's liability during the maintenance period is limited to loss or damage caused by the insured in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract.

Extended maintenance cover In addition to the protection provided under the maintenance visits cover, this cover also includes loss or damage occurring during the maintenance period but caused during the erection period on the construction site.

Continuity of cover during operational phase

For project getting constructed in phases, the policy may be extended to cover the already constructed part/property till such time the entire project is completed.

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Off-site storage

Other locations used for storing project materials, job workers premises may also be covered besides the main project site may also be covered under the policy

Professional fees cover

Reasonable fees payable to the insured's: accountants, architects, auditors, engineers and other professionals; for producing and certifying any particulars or details contained in the insured's books or documents, or such other proofs, information or evidence required by the company resulting from insured loss payable.

Loss minimisation cover

Reasonable loss minimization costs incurred by insured to safeguard and mitigate further damage to his property insured in the policy may be also covered.

Valuable documents

This cover provides for cost incurred by insured to get his plans and specifications of the contract work redrawn and/or rewritten following loss or damage to such plans and specifications from loss not excluded under the policy.

Terrorism Damage

Losses or damage to insured property arising out of terrorism activity may also be covered.

Design Defect cover

Losses to insured property attributable to defect in design is generally excluded from this insurance however this may be endorsed as additional cover, with extent of damage covered specified in detailed policy wordings.

Breakage of Glass

The project policy may be extended to also cover accidental damage (breakage) to the façade glass or any other glass item solely installed as part of project.

72 Hours Clause

This condition provides relief to insured by considering series of natural catastrophe events within 72 consecutive hours as one single event and hence single excess is applied.

50:50 Clause

For those insurance policies which has a marine policy issued in conjunction for transportation of project material and upon any loss not excluded under the policy where it becomes difficult to determine as to the origination of damage, both the policies will respond in equal proportion upto the liability admitted.

In addition to above the below extensions may also be offered under this policy Involuntary Betterment

- Pair and set
- Rental /Leased equipment
- Incompatibility of undamaged machinery
- Errors and Omission
- Claim preparation costs
- Project Amendments
- Inland Transits
- Destruction of sound/undamaged property
- Personal effects of employees
- Foreign debris removal costs
- Damage by Local authorities
- Limited Cessation of work

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What should be the deductible?

The first amount which the insured needs to bear on each and every loss which he claims, is known as policy deductible.

The deductible in EAR insurance applies to the nature of loss and is subdivided into Storage and Erection loss, Act of God (AOG) loss, Testing period loss, Fire and Explosion loss and is more specified in the policy schedule.

Duty of Disclosure:

We rely on information that you provide while accepting your proposal for insurance cover .If that information is not accurate, we can reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer honestly, correctly and completely the questions asked.

GRIEVANCE:

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free number 1800 266 4545 or may write an e- mail at care@zurichkotak.com

In case the Insured is not satisfied with the response, Insured may contact the Grievance Officer of the Company at grievanceofficer@zurichkotak.com . In case if the Insured is not satisfied with the solution the Grievance Officer has provided, Insured can write to seniorgrievanceofficer@zurichkotak.com / chiefgrievanceofficer@zurichkotak.com

However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: https://bimabharosa.irdai.gov.in

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Company's website: www.zurichkotak.com

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsman: www.cioins.co.in/Ombudsman

Note:

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

STATUTORY WARNING - PROHIBITION OF REBATES
(Under Section 41 of Insurance Act 1938)

1) No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.

2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees

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