

ENGINEERING ENDORSEMENTS

Sr No	Endorsement Name	Purpose of Endorsement	Endorsement No	Applicable to	Minimum Applicable Rates	Rate to be applied on.	Excess	Remarks
1	Loss Minimization Expenses	This clause covers the reasonable costs to prevent or minimize the loss already occurred.	A002	MBD/EEI/CPM/Small EAR/CAR projects	For MBD/EEI/CPM- 0.0125%; For small EAR/CAR Projects- Nil Up to Loss Minimization Expenses of Rs1crs. Beyond Rs.1cr Rate to be charged is 0.0125 per Mille.	Policy/ Project Sum Insured	Policy Excess	
2	72 Hours Clause	This clause defines the period of 72 hours as a single event for the purpose of application of Excess under loss due to storm, tempest, flood or earthquake.	A003	EEI/CPM/Small EAR/CAR projects	For EEI/CPM- 0.0125% For small EAR/CAR Projects- Nil	Policy/ Project Sum Insured	Policy Excess	
3	Automatic Reinstatement Upto 10%	Automatic reinstatement upto 10% of sum insured is allowed as per this clause.	A004 (a)	MBD/EEI/CPM/Small EAR/CAR projects	For MBD/EEI/CPM- 0.0125% For small EAR/CAR Projects- Nil	Policy/ Project Sum Insured	Policy Excess	
4	Automatic Reinstatement Above 10%	Automatic reinstatement above 10% of sum insured (as agreed) is allowed as per this clause.	A004 (b)	MBD/EEI/CPM/Small EAR/CAR projects	0.0125%	Policy/ Project Sum Insured	Policy Excess	
5	Expediting Costs - Cover Of Extra Charges For Overtime, Night Work, Work On Public Holidays, Express Freight Including Air Freight	This clause covers extra charges for Overtime, Night Work, Work on Public Holidays and Express freight (including Air Freight).	A005	MBD/EEI/CPM/Small EAR/CAR projects	Upto 30% of net claim amount: Nil Beyond 30% of net claim amount: 0.0125%	Policy/ Project Sum Insured	Air Freight Excess - 5% of Air Freight claim	
6	Professional Fees Clause	This clause extends to include Architects, Surveyors and Consulting Engineers or other Professional Fees necessarily incurred in the reinstatement of the Insured Property consequent upon loss or damage but not for preparing any claim	A006	MBD/EEI/CPM/Small EAR/CAR projects	For MBD/EEI/CPM- 0.0125% For small EAR/CAR Projects- Nil	Policy/ Project Sum Insured	Policy Excess	
7	Several Insureds	Rights and indemnity of various parties against breach of condition by any of the parties is protected by this clause.	A007	MBD/EEI/CPM/EAR/CAR	Same - Nil	NA	Nil	
8	Non - Vitiating Clause	Interest of various parties is covered. Breach of conditions by one party will not affect the interest of other parties. Also the subrogation	A008	MBD/EEI/CPM/EAR/CAR	Same - Nil	NA	Nil	
9	Loss-Payee Clause	Insurer will pay the loss directly to the parties as directed by insured.	A009	MBD/EEI/CPM/EAR/CAR	Same - Nil	NA	Nil	
10	Involuntary Betterment	This clause shall cover any unavoidable and involuntary improvement in property following an admissible claim up to 5% of Sum Insured.	A012	MBD/EEI/CPM/EAR/CAR	5% of Net Rate	Policy/ Project Sum Insured.	Policy Excess	Indemnity for betterment will be limited to 5% of sum insured.

11	Public Authorities Clause	This clause covers Additional costs as may be necessarily incurred in re-insertion or compliance with the Building or other Regulations, bye-laws or requirements of any Government Department or Municipal or Local Authority the Portion or portions of the property Insured destroyed or damaged.	A014	EAR/CAR	Nil	NA	Nil	
12	Pro rata Extension Clause up to 6 months in aggregate Provided the request for Extension comes before the date of Expiry.	This clause covers the extension of the policy on pro rata basis at the same terms.	A015	EAR/CAR	Pro-rata of Policy Rate	Policy/ Project Sum Insured.	Policy Excess	25% of original policy period of EAR/CAR subject to maximum of 6 months in aggregate.
13	Leased Equipment	This clause covers the leased equipments as long as it is included in the sum insured.	A019	MBD/EEI/CPM	Net Rate	The sum insured of the leased equipment Specified in the policy.	Policy Excess	
14	50:50 Clause	This clause defines division of the loss on 50:50 basis between marine and CAR/EAR covers.	A020	Small EAR/CAR projects	Nil	NA	Policy Excess	
15	Waiver Of Contribution Clause	As per this clause, the waiver of contribution is allowed between principal and contractor.	A021	Small EAR/CAR projects	Nil	NA	Policy Excess	
16	Property In Off-Site Storage	This clause covers the property at Manufacturer's, fabricator's, distributor's or supplier's premises and storage warehouse.	A023	EAR/CAR	0.0125%	Project Sum Insured.	Policy Excess	
17	Valuable Papers And Records	This clause covers accidental loss to valuable papers and records up to maximum Sum Insured of Rs 10crs..	A024	EAR/CAR	0.0125%	Project Sum Insured.	Policy Excess	
18	Temporary Repairs	This clause pays for the temporary repairs of the property following admissible loss so as to minimize the ultimate loss.	A025	EAR/CAR	Nil Rate	NA	Policy Excess	
19	Additional Transit	This clause covers the property belonging to the insured whilst in transit, to & from Storage/ fabricators premises.	A026	EAR/CAR	0.20%	On the sum insured declared for such transit to & from Fabricator premises/ storage premises.	Varies from Nil to 0.5% of shipment value.	
20	Depreciation Waiver	This clause waives the depreciation applicable on the parts having limited life.	A027	MBD/EEI/CPM	10% of Net Rate	Policy sum insured	Nil	
21	Design Defect Clause- Limited Defective Condition Exclusion DE-3	This clause Excludes damages to property that is in a defective condition, in whole or in part; but covers consequential damage to any other property free of defective conditions.	A030(a)	Small CAR project	10% of Net Rate	Project Sum Insured	2.5 times AOG Excess	
22	Defective Part Exclusion DE - 4	This clause Excludes damages to only that constituent part of the property that is deemed defective (the "faulty part"); covers consequential damage to any other property free of defective condition.	A030(b)	Small EAR Project	15% of Net Rate	Project Sum Insured	2.5 times AOG Excess	

23	Owners Surrounding Property Without FLEXA Cover	This clause covers the damage to owner's surrounding property due to erection, construction or testing of the insured items. However this clause does not cover loss due to Fire, Lightning, Explosion and Aircraft damage.	A031(a)	EAR/ CAR	<i>Upto 10% of policy SI without FLEXA risks: 0.01% Above 10% of Policy SI but without FLEXA Risks: 0.03%</i>	<i>Project Sum Insured</i>	Policy Excess	No further discount can be granted on proposed rates
24	Owners Surrounding Property With FLEXA Cover	This clause covers the damage to owner's surrounding property due to FLEXA perils as well.	A031(b)	EAR/ CAR	<i>Upto 10% of policy SI with FLEXA risks: 0.02% Above 10% of Policy SI but with FLEXA Risks: 0.04%</i>	<i>Project Sum Insured</i>	Policy Excess	No further discount can be granted on proposed rates
25	Free Issue Materials Clause	This clause covers loss or damage to Free Issue Materials supplied by the Principal provided the value of Free Issue Materials is specifically declared	A033	EAR/CAR	<i>Net Rate</i>	On the sum insured declared for Free issue of Material.	Policy Excess	
26	Cover For Underground Machinery And Equipment	This clause covers the loss to underground machineries due to flood, inundation, landslide or rockslide, subsidence, collapse of adits, galleries, tunnels etc.	A049	CPM	<i>150% of Net Rate</i>	<i>Sum Insured of such Underground Machinery & Equipment</i>	Policy Excess	
27	Put to Use	This clause provides that the insurance will continue in force in respect of works which shall be occupied or taken into use, in whole or in part, prior to taking over.	A056	EAR/CAR	0.05% per month or part thereof	<i>Project Sum Insured</i>	Policy Excess	

NOTES-

Note 1:

For the purpose of application of above Add-on rates, 'Net Rate' shall mean:

1. Net Average Rate (under MB, CPM, EEI)
2. Net Basic Rate (under EAR, CAR)

Note 2:

The above endorsements as said to be applicable to Small EAR/CAR projects, which are originally applicable for Large projects, shall be allowed for small projects with the rates given above only at specific request/proposal from the insured in this regard and also after getting satisfied about good features of the project.

Note 3:

The above chargeable rates can be discounted further by 25% at the discretion of corporate underwriter looking into favourable features in respect of very best of the Risks only and reasons of the same shall be duly recorded.

Note 4:

Definition of Small EAR/ CAR Projects - EAR/CAR Projects having sum insured upto Rs 100 Crs. are considered as Small projects (or 'other than Large Projects')

Note 5: Regarding 'Policy excess' as mentioned above, this is to please clarify that one single Excess as mentioned under the Policy shall be applicable for loss of or damage to the the Insured Property. No additional Excess shall be applicable over and above the Policy Excess on account of the clause.