

SECTION-14

SPECIAL CONDITIONS OF CONTRACT

INSURANCE

14.1 Marine, Storage cum Erection (MCE) Insurance and Repairing Damages

BHEL/client has an MCE insurance cover, inter-alia, for all the permanent project equipments/components supplied by BHEL under scope of this work by way of a transit and storage cum erection policy covering liability against damages/ losses etc.

14.2

The contractor has to arrange on his own, insurance cover for all the T&P and other construction equipments deployed at site. Such assets are not covered in insurance policy taken by BHEL.

14.3

It shall also be the responsibility of the contractor to arrange for accident risk policy/workmen compensation policy for the staff and workmen.

14.4

The contractor has to provide assistance in lodging and realizing the insurance claims covered by the MCE insurance policy that is taken by BHEL. Scope shall include receipt inspection (shortage/damage/loss reporting) immediately on arrival of consignment, recording such damage/loss/shortage intimation on the LR/RR/LWB duly countersigned by the driver/transporter's representative while acknowledging receipt of consignment to the concerned transporter, intimating the loss/damage/shortage to BHEL, providing assistance for inspection of the reported consignment at the time of insurance survey, liaising with the transporter and insurance company etc.

14.5

In case of theft / damage / loss of materials due to **repeated/continued instances of negligence/failure** attributable to the contractor, the expenses incurred on account of repair/ replacement of such components including BHEL's overhead expenses as applicable (presently @ 30%) in excess of the amount realized from the underwriters, if any, shall be recovered from the contractor. Recovery will be limited to Normal Deductible Franchise (DF)/Excess for every incidence of loss/damage.

14.6

In case any insurance claim does not become tenable due to **willful** negligence/ damage/loss attributable to the contractor, the total cost of repair/replacement including BHEL overhead expenses shall be recovered from the contractor.

14.7 Other Requirements:

Following are in contractor's scope:

A

1. Third party liability Insurance

Covering Bodily injury or death suffered by third parties (including the employers personnel) and loss of or damage to property (Including the Owner's property and any part of the package facilities that have been accepted by the Owner occurring in connection with the supply and installation facilities

Amount of Injury or death

For the sub-contractor's employee – 60 months earning of the employee and for other people USD \$ 50,000 person.

Amount for Loss or damage to property – cost of the property

Deductible limits - Nil

Parties insured - Subcontractor

2. Automobile Liability Insurance

Covering use of all vehicles used by subcontractor or it's vendors (whether owned or not owned by them) in connection with the supply and installation of the package facilities. Comprehensive insurance in accordance with statutory requirements in Ethiopia.

3. Worker's Compensation

In accordance with the statutory requirements applicable in Ethiopia.

B:

1. The contractor shall deliver certificate of insurance (Or copies of insurance policies) as evidence that the required policies are in full force and effect. The certificate shall provide that no less than 21 days notice shall be given to BHEL by insurers prior to cancellation or modification of a insurance policy.