

## SECTION-14 (rev:01 dated 02/02/2009)

### 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.