

Allianz Insurance Lanka Limited

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ERECTION ALL RISK POLICY

WHEREAS THE INSURED, named in the Schedule hereto has made to the (hereinafter called “the Company”) a written proposal by completing a Questionnaire which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein,

Now this policy of Insurance witnesseth that subject to 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 Exclusions

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

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;

b) nuclear reaction, nuclear radiation or radioactive contamination;

c) wilful act or wilful negligence of the Insured or of his representatives;

d) cessation of work whether total or partial.

In any action, suit or other proceeding where the Company allege that by reason of the provisions of Exclusion a) 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.

Period of Cover

The liability of the Company shall commence notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site and shall continue until immediately after taking over or after the first test operation or test loading is completed whatever is the earlier, but not beyond four weeks (unless otherwise agreed in writing) from the date of commencement of the test. If, however, a part of a plant or one or several machine(s) is are tested and / or put into operation or taken over, the - cover for that particular part of the plant or machine(s) and any liability resulting there from ceases whereas the cover continues for the remaining parts.

In the case of second-hand items, the insurance hereunder shall, however, cease immediately on the commencement of the test.

At the latest the insurance shall expire on the date specified in the Schedule. Any extensions of the Period of Insurance are subject to the prior written consent of the Insurers.

General Conditions

1. The due observance and fulfilment of the terms of this Policy in so far 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 Insurers.

2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.

3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.

4. a) Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.

b) The Insured shall immediately notify the Insurers 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 premium shall, if necessary, be adjusted accordingly.

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 Insurers.

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall

a) immediately notify the Insurers by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage;

b) take all steps within his power to minimize the extent of the loss or damage;

c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurers;

d) furnish all such information and documentary evidence as the Insurers may require;

e) inform the police authorities in case of loss or damage due to theft or burglary.

The Insurers shall not in any case be liable for loss, damage or liability of which no notice has been received by the Insurers within 14 days of its occurrence.

Upon notification being given to the Insurers under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Insurers 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.

The liability of the Insurers 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 Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers 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 Insurers shall be or would become entitled or 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 Insurers.

7. If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.

8. If a claim is in any respect fraudulent, or if any, false declaration is 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 case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.

9. If at the time any claim arises under the Policy there be any other insurance covering the same loss, damage or liability the insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.

Section I - Material Damage

The Insurers hereby agree with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurers will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as Insured hereby.

The Insurers will also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefor has been entered in the Schedule.

Special Exclusions to Section I

The Insurers shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract:

- c) loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection;
- d) wear and tear, corrosion, oxidation, incrustation;
- e) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences f 'debt, notes, securities, cheques, packing materials such as cases, boxes, crates;
- f) loss discovered only at the time of taking an inventory.

Provisions Applying to Section i

Memo 1 - Sums Insured:

It is a requirement of this insurance that the sums insured stated In the Schedule (under items 1 and 2) shall not be less than the full value of each item at the completion of the erection, inclusive of freight, customs duties, dues, erection cost, and the Insured undertakes to increase or decrease, the amounts of insurance in the event of any material fluctuation in the level of wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Insurers.

If, In the event of loss or damage, it Is found that the sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this condition separately.

Memo 2 — Basis of loss Settlement:

In the event of any loss or damage the basis of any settlement under this Policy shall be –

- a) in the case of damage which can be repaired the cost of repairs necessary to restore the items to

- their condition immediately before the occurrence of the damage less salvage, or
- b) in the case of a total loss — the actual value of the items immediately before the occurrence of the loss less salvage,

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Insurers will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) above.

The cost of any provisional repairs will be borne by the Insurers if such repairs constitute part of the final repairs ,and do not increase the total repair expenses.

The cost of any alterations, additions and / or Improvements shall not be recoverable under this Policy.

Memo 3 - Extension of Cover:

Extra charges for overtime, night work, Work on public holidays, express freight are covered by this insurance only if previously and specially agreed upon In writing.

Memo 4 — Surrounding Property:

Loss of or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the Principal(s) or the

Contractor(s) shall only be covered if occurring in direct connection with the erection, construction or testing of the Items insured under Section I and happening during the Period of Cover, and provided that a separate sum therefore has been entered in the Schedule under Section I, item 4. This cover does not apply to construction / erection machinery and construction/erection plant and equipment.

Section II - Third Party Liability

The Insurers will indemnify the Insured up to but not exceeding the amounts specified in the Schedule against such sums which the Insured shall become legally liable to pay as damages consequent upon

a) accidental bodily injury to or illness of third parties (whether fatal or not)

b) accidental loss of or damage to property belonging to third parties occurring in direct connection with the erection, construction or testing of the items insured under Section I and happening on or in the immediate vicinity of the site during the Period of Cover.

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

- a) all costs and expenses of litigation recovered by any claimant from the Insured, and
- b) all costs and expenses incurred with the written consent of the Insurers, provided always that the liability of the Insurers under this section shall not exceed the limits of indemnity stated in the Schedule.

Special Exclusions to Section ii

The Insurers will not indemnify the Insured in respect of

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence;

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(s) or the Principal(s) or any other firm connected with the project 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 connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;

c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft; d) 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.

Special Conditions Applying to Section ii

1. 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 Insurers who shall be entitled, if they so desire, to take over and conduct in the name of the 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 Insurers may require.

2. The Insurers may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting there from 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 accident can be settled and the Insurers shall thereafter be under no further liability in respect of such accident under this section.

End 01 – Riot & Strike Endorsement

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this Policy shall be extended to cover loss or damage due to Strike, Riot and Civil Commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lockout or not) being an occurrence in condition 2 of the Special Conditions hereof;
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance;
3. the wilful act of any striker or lockout worker performed in furtherance of a strike or in resistance to a lock-out.
4. the action of any lawfully constituted authority in preventing or attempting to prevent any such act or
in minimizing the consequences of any such act.

provided that it is hereby expressly agreed and declared that

1. all the terms exclusions provisions and conditions of the policy shall apply in all respects to the insurance granted by his extension save in so far as the same are expressly varied by the following Special conditions and any reference to loss or damage in the wording of the Policy shall be

deemed to include the perils hereby insured against.

2. the following Special Conditions shall apply only to the insurance granted by this extension and the wording of the Policy shall apply in all respects to the Policy as if this Endorsement had not been made thereon.

Special Conditions

1. This insurance shall not cover
 - a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation.
 - b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
 - c) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.
 - d) consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein.

Provided nevertheless that the Insurers are not relieved under (b) or (c) above of any liability to the insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, or any of the following occurrence, namely,

- a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
- b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military, or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege
- c) any act of terrorism means an act, 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 organization(s) or Government(s), committed for political religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear.

Further any loss, damage, cost of expense of whatsoever nature directly or indirectly caused by, or resulting from any action taken in controlling, preventing, suppressing action during any engagement between Government forces and any group as defined about on land, sea, or air shall be regarded as falling within the definition of Terrorism above.

In any action, suit or other proceeding, where the Insurers allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

Provided that it is hereby further expressly agreed and declared that:

1. This insurance may at any time be terminated by the Insurers on notice to that effect being given by registered post to the Insured's last known address, in which case the insurers shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of termination. If the insurance be terminated at the request of the insured the Company shall not be liable to repay the premium or any part thereof.

2. The amount recoverable under this endorsement is :

I for Contractors or Erection All Risks in respect of loss/damage to any property of the same Principal forming part of a single construction project/erection work under all policies (if more than one policy has been obtained in respect of any work relating to such project/work, either by the Principal or by a Contractor or by a sub contractor shall not exceed Rs 1,000,000,000/- or the Sum Insured which ever is less any one loss/occurrence.

ii. for Contractor's Plant and Machinery or Machinery All Risks in respect of loss/damage to any property of the same Insured in all locations under all policies shall not exceed Rs 1,000,000,000/- or the Sum Insured which ever is less any one loss/occurrence.

For this purpose an "occurrence" shall mean all losses attributable directly or indirectly to one cause or to one of a series of similar causes.

3. The cover granted by this endorsement is subject to an excess of 10% in respect of each and every loss/occurrence.

4. Upon the occurrence of an event giving rise to a claim hereunder, the limit of cover provided shall stand reduced by the amount of the claim paid or payable and shall be reinstated by the Insured by payment of an additional premium calculated at 100% pro-rata only to the amount reinstated.

It is further declared and agreed that this extension is subject to the following exclusions :

**A. INSTITUTE RADIOACTIVE
CONTAMINATION, CHEMICAL,
BIOLOGICAL, BIOCHEMICAL AND
ELECTROMAGNETIC WEAPONS
EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent herewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial,

- agricultural, medical, scientific, or other similar peaceful purposes
- 1.5 any chemical, biological, bio chemical, or electromagnetic weapon.

**B. INSTITUTE CYBER ATTACK
EXCLUSION CLAUSE**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising there from, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software program of any other electronic system in the launch and / or guidance system and/or firing mechanism of any weapon or missile.

This extension is granted for and on behalf of the Government Fund for Strike, Riot & Civil Commotion and Terrorism and any liabilities whatsoever under this specific extension shall devolve solely upon the said fund. If any action, suit or proceeding where it is alleged that any loss or damage is not covered by this Endorsement, the burden of proving that such loss or damage is covered shall be upon the insured.

Subject otherwise to the terms, conditions, exclusions and exceptions of the policy.

End 02 - TERRORISM ENDORSEMENT

In consideration of a payment of an additional premium it is hereby declared and agreed that the cover provided by the SRCC Endorsement attached to the Policy;

- a.) is extended to include loss or damage other than Consequential Losses of any kind directly relating to or caused by any act of terrorism means an act, 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 organization(s) or Government(s), committed for political religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear.

Further any loss, damage, cost of expense of whatsoever nature directly or indirectly caused by, or resulting from any action taken in controlling, preventing, suppressing action during any engagement between Government forces and any group as defined about on land, sea, or air shall be regarded as falling within the definition of Terrorism above.

- b. the amount payable in terms of cover provided as per 'a' above in respect of loss/damage to any property of the same Principal forming part of a single construction project/erection work under all policies (if more than one policy has been obtained in respect of any work relating to such project/work, either by the Principal or by a Contractor or by a Sub-contractor shall not exceed Rs 100,000,000/- or the Sum Insured whichever ever is less any one

loss/occurrence. For this purpose an "Occurrence" shall mean all losses attributable directly or indirectly to one cause or to one of a series of similar causes.

- c. is subject to an excess of 10% in respect of each and every loss/occurrence

Notwithstanding what is stated to the contrary in the Policy if the Terrorism extension to the Policy is being cancelled by the Insurer a pro-rata refund will be allowed to the Insured. However, no return of premium shall be granted if this cover is cancelled at the request of the Insured.

In the event of any loss/losses arising out of the same occurrence affecting more than one policy, the apportionment of the loss amongst the respective policies shall be at the sole discretion of the Government Fund for Strike, Riot & Civil Commotion and Terrorism subject however to the limits and deductibles specified in this Endorsement.

Upon the occurrence of an event giving rise to a claim hereunder, the limit of cover provided shall stand reduced by the amount of the claim paid or payable and shall be reinstated by the Insured by payment of an additional premium calculated at 100% pro-rata only to the amount reinstated.

It is further declared and agreed that this extension is subject to the following exclusions : Contd.....

A. INSTITUTE RADIOACTIVE
CONTAMINATION, CHEMICAL,
BIOLOGICAL, BIOCHEMICAL AND
ELECTROMAGNETIC WEAPONS
EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent herewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes

1.5 any chemical, biological, bio chemical, or electromagnetic weapon.

B. INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution,

rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software program of any other electronic system in the launch and / or guidance system and/or firing mechanism of any weapon or missile.

This extension is granted for and on behalf of the Government Fund for Strike, Riot & Civil Commotion and Terrorism and any liabilities whatsoever under this specific extension shall devolve solely upon the said fund. If any action, suit or proceeding where it is alleged that any loss or damage is not covered by this Endorsement, the burden of proving that such loss or damage is covered shall be upon the insured.

Subject otherwise to the terms, conditions, exclusions and exceptions of the policy.

Data Privacy & Protection

The Insurer is strongly committed to conducting its business in full compliance, and in accordance with applicable Data Privacy protection laws and regulations. All privacy related matters are governed by Allianz Privacy Notice which is available on the Insurer's official website <https://www.allianz.lk/data-privacy-notice.html>.

The said privacy notice explains how and what type of personal data will be collected, why it is collected and to whom it is shared or disclosed. Further, the Insurer is committed to keep your Personal Data only so long as necessary to fulfill the purposes for which the data was collected for or to fulfill legal obligations.

Definition:

Personal Data - means any information relating to an individual