

**Oil and Energy Insurance**

**OFFSHORE/ONSHORE OIL & GAS PACKAGE INSURANCE POLICY**

**IN CONSIDERATION** of the Insured stated in the Policy Schedule having paid or agreed to pay the premium stated in the Policy Schedule to the UNIVERSAL SOMPO GENERAL INSURANCE COMPANY LIMITED (elsewhere in this Policy referred to as “the Insurers”)

**THE INSURERS HEREBY AGREE** to insure the Insured against loss damage liabilities costs and expenses in accordance with the terms, conditions and limitations contained in this Policy

**PROVIDED** that the liability of the Insurers shall not exceed the Sums Insured or limits of Insurers’ liability stated in this Policy or such other limits as may be substituted for these by Endorsement to the Policy signed by or on behalf of the Insurers

**IN WITNESS WHEREOF I**, being a representative of the Insurers and authorised by the Insurers to sign this Policy on their behalf, have hereunto subscribed my name.

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*On behalf of the Insurers*

## **OFFSHORE/ONSHORE OIL & GAS PACKAGE INSURANCE POLICY**

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“WELCAR2001” Form

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## **PACKAGE INSURANCE POLICY**

### **POLICY SCHEDULE**

#### **1. THE INSURED**

(elsewhere referred to as the “Named Insured”).

All notices to the Insured, be they one or more, shall be effective upon mailing to the Named Insured.

#### **2. LOSS PAYABLE**

Loss, if any, under this Insurance shall be payable to the Named Insured or to their order.

#### **3. THE PERIOD OF INSURANCE**

12 months from at 00:01 a.m. Local Standard Time at the location of the property or operations insured.

#### **4. THE INTERESTS INSURED AND COVERAGE UNDER THIS POLICY**

##### **SECTION ONE**

All risks of Physical Loss and/or Physical Damage to equipment / property, as scheduled hereon, (onshore and offshore as applicable) owned by the Named Insured or for which the Named Insured is responsible including transit and/or storage and/or down-hole (on a Named Perils basis whilst down-hole) and/or Sue and Labour Expenses and Salvage and/or General Average Expenses and/or Removal of Wreck/Debris in respect of such equipment / property (up to 25% of each item of equipment / property amount or Rs\_\_\_ (100%) whichever is the greater) all as per the schedule referred to in Section One. Excluding Electronic Data Processing Equipment.

##### **SECTION TWO**

Operator’s Extra Expenses as follows:

Sub-Section A)	Control of Well
Sub-Section B)	Limited Redrilling / Extra Expenses
Sub-Section C)	Seepage and Pollution, Clean-up and Containment

Extended to include:

##### **SECTION THREE**

Loss of Production Income / Business Interruption to scheduled property of the Insured following a loss recoverable under Sections One and/or Two of the

Policy, irrespective of any applicable deductible, in respect of the \_\_\_\_ operations only.

#### SECTION FOUR

Construction, Installation and similar risks as may be declared to and agreed by the Insurers.

#### SECTION FIVE

Third Party Legal and Contractual Liability arising out of the Insured's Legal Liabilities in respect of the Insured's scheduled operations.

### 5. **THE SUMS INSURED OR LIMITS OF THE INSURERS' LIABILITY**

#### SECTION ONE

Rs \_\_\_\_ in accordance with the Schedule referred to within Section One, plus Removal of Wreck/Debris and Sue and Labour expenses up to 25% of item value or Rs \_\_\_\_ (for 100% interest), whichever the greater, both to apply separately.

Subject to additional limits and/or sub-limits for specific coverage, as more fully stated in Section One of the Policy Wording.

#### SECTION TWO

Onshore Wells subject to a single limit of the Insurers' liability for all coverage under Section Two combined of Rs \_\_\_\_ (for 100% interest) in respect of any one Occurrence.

Offshore Wells subject to a single limit of the Insurers' liability for all coverage under Section Two combined of Rs \_\_\_\_ (for 100% interest) in respect of any one Occurrence.

#### SECTION THREE

Up to Rs \_\_\_\_ (100%) for an indemnity period of up to \_\_\_\_ days, being a maximum limit of Insurers' liability of Rs \_\_\_\_ in respect of any one Occurrence.

#### SECTION FOUR

To be agreed with the Insurers for each declaration.

#### SECTION FIVE

a) Rs \_\_\_\_ (100%) each accident

- b) Limit in the Aggregate separately in respect of:
- i) Products Liability and Completed Operations Liability Combined Rs\_\_\_\_ (100%)
  - ii) All other coverages combined Rs\_\_\_\_ (100%)

**6. APPLICABLE DEDUCTIBLE AND RETENTION AMOUNTS**

**SECTION ONE**

Subject to the application of a deductible amount of Rs\_\_\_\_ (for 100% interest) in respect of any one accident or occurrence, except for property values less than Rs\_\_\_\_, which are subject to a deductible amount of Rs\_\_\_\_ (for 100 % interest) in respect of any one accident or occurrence and Rs\_\_\_\_ any one accident or occurrence in respect of drilling platform and gas separator.

No deductible is to apply in respect of Actual or Constructive Total Losses or General Average/Salvage charges, but only in respect of items of property with values in excess of Rs\_\_\_\_ .

**SECTION TWO**

Subject to the following retention amounts:

Onshore: Rs\_\_\_\_ any one occurrence Combined Single Excess in respect of drilling and workover wells, but Rs\_\_\_\_ any one occurrence Combined Single Excess in respect of all other wells.

Offshore: Rs\_\_\_\_ any one occurrence Combined Single Excess in respect of drilling and workover wells, but Rs\_\_\_\_ any one occurrence Combined Single Excess in respect of all other wells.

**SECTION THREE**

Onshore: Subject to \_\_\_\_ days Waiting Period, but \_\_\_\_ days in respect of loss following Earthquake or Typhoon damage.

Offshore: Subject to \_\_\_\_ days Waiting Period, but 60 days in respect of loss following Earthquake or Typhoon damage.

**SECTION FOUR**

To be agreed each declaration by Insurers.

**SECTION FIVE**

Onshore: Rs\_\_\_\_ each accident retention.

Offshore: Rs\_\_\_\_ each accident retention.

**7. CURRENCY FOR THE PAYMENT OF PREMIUMS AND CLAIMS**

Premiums and claims under this Policy are payable in \_\_\_\_ or such other currency as may be subsequently agreed between the Insurers and the Named Insured.

**8. PREMIUM**

The Named Insured agrees to report to the Insurers the status of all wells insured under Section Two at the end of the Period of Insurance, at which time the Premium for any drilling and workover wells shall be adjusted, with the earned premium to be calculated on the rates agreed by the Insurers and/or their Reinsurers at inception.

**GENERAL CONDITIONS APPLICABLE TO  
SECTIONS ONE, TWO AND THREE ONLY**

**1. GENERAL WARRANTIES**

- A. It is warranted that:
- i. where the Insured has an operating interest in an operation or any operations are within its direct control, the Insured shall exercise due care and diligence in the conduct of all operations insured under these Sections One, Two and Three, utilising all safety or hazard control practices and/or equipment generally considered to be prudent for such operations or necessary to comply with regulations or industry requirements (including, but not limited to, blowout preventers). In the event that any hazardous condition develops with respect to property, operations or wells insured, the Insured shall make all reasonable efforts to prevent the happening of an Occurrence or loss insured by these Sections One, Two and Three or to minimise the effects of such Occurrence or loss; and
  - ii. where the Insured has a non-operating interest in any operations or any operations are outside its direct control, it will use all reasonable endeavours to ensure that the operator or the contractor or other party having direct control complies with all the practices, regulations and requirements stated in paragraph A. above.
- A. It is further warranted that no excess coverage is in place in respect of any coverage provided under this Insurance unless specifically agreed by the Insurers and their Reinsurers.
- B. It is understood that a drilling well survey is to be carried out prior to spudding in of the first drilling well in any field and it is warranted that all recommendations made by the surveyor will be complied with by the Named Insured.
- C. It is understood and agreed that coverage is subject to a survey within 90 days of attachment and it is warranted that all recommendations are to be complied with. It is further understood and agreed that \_\_\_\_\_ will conduct the survey, with scope to be agreed by Insurers and their Reinsurers but to include: Drilling plans, Property, Operations and Maintenance.

**2. NOTICE AND PROOF OF LOSS**

The Named Insured shall give to the Insurers, as soon as practicable, notice of any Occurrence which may result in a claim under this Insurance, stating the time, place, cause and circumstances of such Occurrence. The Named Insured shall also file with the Insurers, as soon as practicable, a detailed, sworn Proof of Loss and Payment Order. The Insured shall, if requested by the Insurers, make available to the Insurers or their representatives all records, agreements, contracts or other documents needed to determine or substantiate a claim.





### 3. **SUBROGATION**

- A. The Insurers shall, upon reimbursement to the Insured of any loss, damage or expense, be subrogated to all the Insured's rights of recovery against any other person, firm or corporation who may be legally or contractually liable for such loss, damage or expense so reimbursed by the Insurers.
- B. It is agreed that the Insurers may make claim upon and institute legal proceedings against any parties believed responsible for loss, damage or expense reimbursed under this Insurance in the name of the Insured, and the Insured shall provide Insurers with their full co-operation in pursuing such claim or legal proceedings.
- C. Notwithstanding the foregoing, the Insurers agree to waive their rights of subrogation against the Named Insured and/or their associated and/or affiliated and/or subsidiary and/or joint venture companies.
- D. Permission is also expressly granted to the Insured to waive the Insurers' rights of subrogation against any individual, firm or corporation who or which is under contract or otherwise performing work for the Insured or for whom or which the Insured is performing work or rendering services, provided always such waiver is executed in writing prior to any Occurrence giving rise to claims for reimbursement under this Insurance.
- E. Except as specifically provided or permitted by these Sections One, Two and Three, the Insured shall not waive, release or diminish rights of recovery or subrogation with respect to any claim, which, upon payment thereof by the Insurers, would otherwise belong or accrue to the Insurers, and insofar as and to the extent that any action by the Insured waives, releases or diminishes the rights of recovery or subrogation in respect of such claim, the Insurers shall have no liability under these Sections One, Two and Three.

### 4. **OTHER INSURANCE**

Where the Insured is, irrespective of these Sections One, Two and Three, entitled to reimbursement or indemnity, in whole or in part, by any other insurance in respect of any costs and/or expenses and/or liability for which the Insured would otherwise have been entitled to reimbursement or indemnity by the Insurers under these Sections One, Two and Three, there shall be no contribution or participation as respects such Insured by the Insurers under these Sections One, Two and Three on the basis of excess, contributing, deficiency, concurrent or double insurance or otherwise for such costs and/or expenses and/or liabilities, or any part thereof, for which the Insured is entitled to reimbursement or indemnity from such other insurance.

### 5. **COLLECTION FROM OTHERS**

No loss shall be paid by the Insurers under these Sections One, Two and Three to the extent that the Insured has collected the same from any other party.

## 6. RECOVERY AND SALVAGE

Any salvage or other recovery, including recovery through subrogation proceedings, after expenses incurred are deducted, shall accrue entirely to the benefit of the Insurers until the sum paid by the Insurers has been recovered.

## 7. DISCOVERY OF RECORDS

It is understood and agreed that:

- a. during the currency of this Insurance, or
- b. any time after the expiry of the Period of Insurance within the period of time provided in General Condition 9 for bringing suit against the Insurers, or
- c. within the period of time following the bringing of suit against the Insurers until final adjudication of suit including all appeals, if any,

the Insurers shall have the right of inspecting the Insured's records pertaining to all matters of costs and expenditures of whatsoever nature relating to the property and wells insured under this Insurance, such records to be open to a representative of the Insurers at all reasonable times.

## 8. CANCELLATION

These Sections One, Two and Three may be cancelled by the Named Insured at any time by giving written notice or by surrender of this Policy to the Insurers. These Sections One, Two and Three may also be cancelled by the Insurers, with or without the return or tender of the unearned premium, by sending to the Named Insured not less than 60 days prior written notice stating when the cancellation shall be effective.

Should these Sections One, Two and Three be cancelled by the Named Insured, the Insurers shall retain the customary short rate proportion of the Premium for this Insurance, except that if any part of this Insurance is on an adjustable basis, the Insurers shall receive the earned premium for that part, calculated in accordance with any applicable premium adjustment or rating provisions of these Sections One, Two and Three. Should these Sections One, Two and Three be cancelled by the Insurers, the Insurers shall retain the pro rata proportion of the Premium for this Insurance, except that if any part of this Insurance is on an adjustable basis, the Insurers shall receive the earned premium for that part, calculated in accordance with any applicable premium adjustment or rating provisions of these Sections One, Two and Three.

Notwithstanding the foregoing, these Sections One, Two and Three may be cancelled by the Insurers in respect of perils of strikers, locked out workers or persons taking part in labour disturbances or riots or civil commotion upon giving 7 days prior written notice to the Named Insured.

## 9. LAW, PRACTICE AND JURISDICTION AND SUIT AGAINST INSURERS

These Sections One, Two and Three are subject to English law, practice and jurisdiction.

In the event of any dispute concerning these Sections One, Two and Three, each party agrees to submit to the jurisdiction of any Court of competent jurisdiction anywhere in England and to comply with all requirements necessary to give such Court jurisdiction. All matters arising under these Sections One, Two and Three shall then be determined in accordance with English law and practice.

It is a condition of this Insurance that no suit, action or proceeding for the recovery of any claim hereunder shall be maintainable in any court of law or equity unless the same is commenced:

- A. within two years and one day after the time a cause of action accrues, or
- B. if by the laws of England such limitation is invalid, then within the shortest limit of time permitted by the laws of England.

**10. EXTENDED EXPIRATION:**

If these Sections One, Two and Three should expire or be cancelled while an Occurrence giving rise to a loss recoverable under this Insurance is in progress, it is understood and agreed that said loss, subject to all other terms and conditions and the limits of Insurers' liability of this Insurance, will be covered under these Sections One, Two and Three as if the entire loss had occurred prior to the date of expiration or cancellation.

**11. DEFINITION OF "OCCURRENCE"**

The term "Occurrence", wherever used in these Sections One, Two and Three, shall be defined as one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event.

In addition:

- A. As respects windstorm, all tornadoes, cyclones, hurricanes, similar storms and systems of winds of violent and destructive nature, arising out of the same atmospheric disturbance within any period of 72 consecutive hours commencing during the period of this Insurance, shall be considered one event.
- B. Each earthquake shock or volcanic eruption shall constitute one event hereunder, provided that, if more than one earthquake shock or volcanic eruption shall occur within any period of 72 consecutive hours commencing during the period of this Insurance, such earthquake shocks or volcanic eruptions shall be deemed to be one event within the meaning hereof.

**12. ADDITIONAL INSUREDS CLAUSE**

Notwithstanding anything to the contrary contained in these Sections One, Two and Three, it is agreed that these Sections One, Two and Three include as additional Insureds any person or entity for whom the Named Insured is performing operations or is obligated under a written contract to provide insurance, such as is afforded by these Sections One, Two and Three, but only with respect to operations performed by or on behalf of the Named Insured or to the facilities of or used by the Named Insured.

### **13. GENERAL EXCLUSIONS**

#### **A. War and Civil War Exclusion**

There shall be no indemnity or liability under these Sections One, Two and Three for: loss, damage or expense resulting from:

- i. war, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
  - a. by any government or sovereign power (*de jure* or *de facto*) or by any other authority maintaining or using military, naval or air forces; or
  - b. by military, naval or air forces; or
  - c. by any agent of any such government, power, authority or forces; or
- ii. any weapon(s) of war employing atomic fission or radioactive force whether in time of peace or war; or
- iii. insurrection, rebellion, revolution, civil war, usurped power, or action by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of government or public authority, or risks of contraband or illegal transportation or trade.

#### **B. Radioactive Contamination Exclusion**

**This Clause shall be paramount and shall override anything contained in this Insurance inconsistent therewith**

In no case shall this Insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- i. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- iii. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- iv. radioactive contamination however caused whenever or wherever happening.

C. **Terrorism Exclusion**

There shall be no liability under these Sections One, Two and Three for any claim caused by, resulting from, or incurred as a consequence of:

- i. a. the detonation of any explosive;  
b. any weapon of war;  
and caused by any person acting maliciously or from a political motive; or
- ii. any act for political or terrorist purposes of any persons, and whether or not agents of a sovereign power, and whether the loss, damage or expense resulting therefrom is accidental or intentional.

D. **Electronic Data Exclusion (NMA 2915)**

1. **Electronic Data Exclusion**

Notwithstanding any provision to the contrary within these Sections One, Two and Three or any endorsement thereto, it is understood and agreed as follows:

- (a) These Sections One, Two and Three do not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to “Trojan Horses”, “worms” and “time or logic bombs”.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, these Sections One, Two and Three, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by these Sections One, Two and Three directly caused by such listed peril.

Listed Perils:

Fire  
Explosion

## 2. **Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within these Sections One, Two and Three or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by these Sections One, Two and Three suffer physical loss or damage insured by these Sections One, Two and Three, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However these Sections One, Two and Three do not insure any amount pertaining to the value of such ELECTRONIC DATA to the Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

## E. **TOXIC MOULD EXCLUSION**

Notwithstanding anything to the contrary contained in these Sections One, Two and Three, Insurers will not pay for loss, damage, cost or expense caused directly or indirectly by, arising out of, resulting from, contributed to by, or related in any way to “mould”. Loss, damage, cost or expense caused directly or indirectly by, arising out of, resulting from, contributed to by, or related in any way to “mould” is excluded regardless of any other cause or event that contributes concurrently, or in any sequence with, the loss, damage, cost or expense.

For the purposes of this exclusion, the following definition is added to these Sections One, Two and Three:-

“Mould” means any species of fungi including, but not limited to, mould, yeast, mildew, spores, mould toxins, mycotoxins, mould metabolites, mould antigens, mould allergens, smut, wet or dry rot, mould-produced



antibiotics, or dust or fumes containing any of the foregoing, individually, or in any combination therewith or with another substance.

## **SECTION ONE**

### **PROPERTY INSURANCE – GENERAL CONDITIONS TO SECTION ONE**

#### **1. LIMIT OF LIABILITY**

In no event, except as provided for in the sue and labour expense clause and removal of wreck/debris clause herein, shall the Insurers' liability arising from any one accident or occurrence exceed the amount insured hereunder as set forth in the policy schedule in respect of the items subject to claim in such accident or occurrence.

In respect of the property insured hereunder Insurers shall not be liable for more than their proportion of the cost of repairing or replacing the property damaged or lost with materials of like kind and quality to a condition equal to but not superior to or more extensive than its condition prior to the loss.

In no event shall Insurers be liable for any increased cost of repair or reconstruction by reason of law, ordinance, regulation, permit or licence regulating construction or repair.

#### **2. SPECIAL CONDITIONS/ BLOWOUT PREVENTER WARRANTY**

This Section One does not cover any loss:

- (a) Occurring while the property described herein is being operated by others than the Insured or the Insured's employees, unless otherwise agreed to by Insurers hereon by endorsement attached hereto. Permission is granted for the property insured to be operated by the well owner or operator as required in the drilling contract.
- (b) Occurring while oil, gas or air is being used as a drilling fluid but this shall not exclude the use of oil base mud, nor the use of oil for "drilling-in" nor the use of oil for "washing-in" purposes.
- (c) Unless a blowout preventer of standard make properly installed and tested in accordance with the usual practice is being used. (Not applicable to cable tool rigs and spudders).

Warranted that blowout preventer(s) of standard make will be set in the surface casing, such blowout preventer(s) to be installed and tested in accordance with the usual practice.

#### **3. CO-INSURANCE**

The Insured shall maintain contributing insurance on terms no more restrictive than this insurance on the property insured hereunder of not less than 100% of the new reproductive cost less a reasonable depreciation. Failing to do so, the Insured shall be an insurer to the extent of such deficit and bear such proportionate part of any claim. If this insurance be divided into two or more items the foregoing conditions shall apply to each item separately.

**4. CONSTRUCTIVE TOTAL LOSS**

There shall be no recovery for a Constructive Total Loss hereunder unless the expense of recovering and repairing the property insured shall exceed the actual insured value.

In no case shall Insurers be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this insurance.

**5. DEDUCTIBLE**

It is understood and agreed that each claim (including claims under the sue and labour clause) shall be reported and adjusted separately and from the amount of each claim the sum as in the Policy Schedule shall be deducted. This clause shall not apply to a claim for Actual Total or Constructive Total Losses, General Average / Salvage Charges but only in respect of items in excess of USD 25,000 any one accident or occurrence in value.

For the purpose of this clause each accident or occurrence shall be treated separately, but it is agreed that a sequence of losses or damages arising from the same occurrence shall be treated as one occurrence.

**6. AUTOMATIC ACQUISITIONS CLAUSE**

Subject to the terms, conditions and limitations of Section One, the Insurers agree that this Insurance automatically extends to cover:

- A. additional property and/or interests of the type described under the definition of the property insured within Section One which may be acquired or otherwise become at the risk of the Insured during the Period of Insurance, but coverage in respect of any such additional property and/or interests will cease 30 days after the date of acquisition or becoming at the risk of the Insured unless such additional property and/or interests are reported to and accepted by the Insurers within that 30 day period (or the expiry date of the Policy if sooner); and
- B. any increases in values of property insured following construction, renovation, installation, erection or assembly operations covered under Section One of this Policy in accordance with Clause 10, "Minor Works"; and

The Named Insured agrees to pay additional premium within 60 days on agreed Rates from the date acquired or becoming at the Insured's risk to expiration if required by the Insurers.

**7. REMOVAL OF WRECK/DEBRIS**

The insurance under this Section One is extended to indemnify the Insured for all costs or expenses of, or incidental to the actual or attempted raising, removal or destruction of the wreck and/or debris of property insured which results from loss of or damage to such property insured as a result of a peril insured against, including the provision and maintenance of lights, markings, audible warnings

and the like, when the incurring of such costs and/or expenses is necessary for reinstatement of the property, or is compulsory by law or ordinance, or is by contractual obligation or when the Insured may not or cannot, for practicability of the Insured's operations at the site in question, abandon the wreckage or debris, provided, however, that from any such claim for costs or expenses shall be deducted the value of property salvaged or recovered inuring to the benefit of the Insured.

The Insurers' liability under this extension of coverage shall not exceed the sub-limit stated in the Policy Schedule.

#### **8. SUE AND LABOUR EXPENSE**

It is agreed that should the property insured under this Section One suffer loss or damage (or in the event of imminent loss or damage) covered under the terms of this Insurance, it shall be lawful and necessary for the Insured, their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the said property, or any part thereof, without prejudice to this Insurance, and subject always to the terms, conditions, limitations and exclusions of this Insurance, the charges thereof shall be borne by the Insurers. It is especially declared and agreed that no acts of the Insurers or the Insured in recovering, saving or preserving the property shall be considered as a waiver or acceptance of abandonment.

The Insurers' liability for Sue and Labour expenses shall not exceed the sub-limit stated in the Policy Schedule.

#### **9. GENERAL AVERAGE AND SALVAGE CHARGES**

General Average and Salvage Charges shall be payable as provided in the Contract of affreightment or, if there is no contract of affreightment, according to York/Antwerp rules. In the event of the contributory value for the purpose of contribution to General Average or Salvage Charges exceeding the insured value, it is agreed that such amount shall be paid in full by the Insurers hereunder. General Average deposits payable on production of General Average deposit receipts.

#### **10. MINOR WORKS**

Subject to the terms, conditions and limitations of this Section One, and a sub-limit of Rs \_\_\_ (100%) any one accident or occurrence, it is understood and agreed that this Section One automatically extends to include physical loss of or physical damage to or caused by or arising out of minor alterations and/or repairs and/or construction and/or re-construction and/or additions and/or maintenance and/or fabrication and/or modifications and/or installation and/or erection and/or similar work carried out on any of the property insured.

## **OIL AND GAS WELL DRILLING TOOLS FLOATER FORM (ALL RISKS)**

### **1. PROPERTY INSURED**

Except as hereinafter excluded, this Section One insures onshore and offshore property of any type or description (except Platforms), office contents as scheduled and agreed by Insurers, the property of the Insured or for which the Insured may be legally liable, while at locations and in transit anywhere in the world and/or storage and/or down-hole.

### **2. PERILS INSURED**

This Section One insures against all risks of direct physical loss of or physical damage to the property insured from any external cause except as hereinafter excluded.

### **3. PROPERTY NOT INSURED HEREUNDER**

This Section One does not insure:

- (a)
  - i) motor vehicles, aircraft, railroad rolling stock;
  - ii) cement, mud, drilling compounds or chemicals, but only whilst in use;
  - iii) casing and tubing installed in an oil or gas well;
  - iv) blueprints, plans, specifications or records;
  - v) property of employees;
  - vi) watercraft or drilling barges
- (b) loss or damage to any property while airborne;
- (c) property insured situated below the surface of the earth or water bottom, unless loss or damage is caused by:
  - i) fire, lightning, windstorm, earthquake, flood, explosion above the surface of the ground, aircraft or falling objects, strikes, riots, civil commotion, vandalism, malicious mischief;
  - ii) blowout and cratering, as defined herein;
  - iii) raising, lowering, pull-in or collapse of derrick or mast;
- (d) drill stem left in the well through which an oil or gas well is completed, or drill stem for which the well owner or operator has assumed liability;
- (e) property insured used to drill a relief well to control or to attempt to control blow-out, crater or fire in any oil or gas well, unless prior approval is obtained from the Insurers;
- (f) foam solutions or other fire extinguishing materials lost, expended or destroyed in fire, lightning, blowout or cratering, nor any other expense incidental to fighting fire or controlling or attempting to control blowout or cratering,

unless such property is stated in the schedule agreed by the Insurers and/or their Reinsurers or unless the Insurers have specifically agreed to insure such property by Endorsement to Section One of the Policy.

**4. PERILS NOT INSURED AGAINST**

This Section One does not insure against loss, damage or expense caused by or resulting from:

- A. wear and tear, mechanical or electrical breakdown or failure, inherent vice, latent defect, gradual deterioration, corrosion, rust, dampness of atmosphere, freezing or extremes of temperature;
- B. infidelity or any dishonest act on the part of the Insured or other party or interest, its or their employees or agents or any person or persons to whom the property may be entrusted (carriers for hire excepted);
- C. any alterations and/or repairs and/or construction and/or re-construction and/or additions and/or maintenance and/or fabrication and/or modifications and/or installation and/or erection and/or similar work, except where covered under General Conditions to Section One Clause 10, "Minor Works";
- D. unexplained loss, mysterious disappearance, nor loss or shortage disclosed upon taking inventory;
- E. loss of use or delay, loss of hole, loss of contract or income or profits, or any loss of a consequential nature;
- F. the neglect of the Insured to use all reasonable means to save and preserve the property at time of and after any disaster insured against and when the property is in danger by fire in neighbouring premises;
- G. explosion of steam engines, steam boilers, steam slush pumps, steam pipe or connections, steam water heaters, internal combustion engines, power slush pumps, fly wheels, pulleys, abrasive wheels or moving or rotating parts of machines unless fire ensues, and then only for loss or damage directly caused by ensuing fire.

**5. DEFINITION OF BLOWOUT AND CRATERING**

- (a) The term "blowout", as used in this Section One, shall be defined as a sudden, accidental, uncontrolled and continuous expulsion from the well above the earth's surface of oil, gas, water or drilling fluids resulting in complete loss of control of the well.
- (b) Term "crater", as used in this Section One, shall be defined as a basin-like opening in the earth's surface surrounding a well caused by the erosive action of gas, oil or water flowing uncontrolled.

**6. IN-HOLE SALVAGE EXPENSE**

In the event in hole salvage expense is incurred with respect to drill stem lost or damaged as a result of a peril insured against, this insurance shall cover that proportion of such expense that the value of the drill stem below the earth's

surface (at the time of loss) bears to the aggregate cost of the hole at the attained depth (at the time of loss) plus the value of the drill stem below the earth's surface (at the time of loss).

However, this insurance shall not cover:

- (a) Salvage expense contractually assumed by or made the responsibility of the well owner or operator.
- (b) For any amount in excess of the value of the drill stem below the earth's surface (at the time of loss) as respects salvage expense or loss or damage to drill stem or both combined.

Any co-insurance penalty applicable to the insured unit involved in the loss shall be applied to any claim for in hole salvage expense and loss or damage to drill stem.

**7. WAIVER OF INVENTORY OR APPRAISEMENT**

In the event that the aggregate claim for loss does not exceed five percent (5%) of the total amount of insurance upon the property described herein in force at the time such loss occurs, no special inventory or appraisal of the undamaged property shall be required. If this Section One be divided into two or more items, the foregoing condition shall apply to each item separately.

**8. AUTOMATIC REINSTATEMENT**

It is a condition of this Section One that the amount of any insured loss shall be automatically reinstated for the value of repairs and replacements made as they are made, but such reinstatement shall not exceed the amount of loss or damage paid under this Section One.

**London Standard Drilling Barge Form**  
**All Risks**  
**(except as hereinafter excluded)**

**1. Assured**

**2. Period of Insurance**

If this insurance expires while an accident or occurrence giving rise to a loss is in progress, Underwriters shall be liable as if the whole loss had occurred during the currency of this insurance.

**3. Property Insured Hereunder**

This insurance covers the hull and machinery of the drilling barge(s), as scheduled herein, including all their equipment, tools, machinery, caissons, lifting jacks, materials, supplies, appurtenances, drilling rigs and equipment, derricks, drill stem, casing and tubing while aboard the said drilling barge(s) and/or on barges and/or vessels moored alongside or in the vicinity thereof and used in connection therewith (but not such barges and/or vessels themselves), and including drill stem in the well being drilled, and all such property as scheduled herein owned by or in the care custody or control of the Assured, except as hereinafter excluded.

**Schedule of Property Insured:**

Description of Amount Drilling Barge	Rate	Insured Value	Hereto
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Each deemed to be separately insured.

Any loss paid hereunder shall not reduce the amount of this insurance except in the event of actual or constructive or compromised or arranged total loss.

**4. Navigation Limits**

(a)

Privilege is granted to be towed within the above Navigation Limits.

Also to cover in port, while going on or off, and while in docks and graving docks and/or wharves, ways gridirons and pontoons, subject to the terms and conditions of this insurance.

(b) This insurance covers up to 25% of the scheduled amount of insurance hereunder on property insured herein (as described in clause 3 above), when separated from the property insured hereunder whilst in temporary storage at, or in local transit to or from, ports or drilling barges within the Navigation Limits provided in Paragraph (a). It is expressly understood and agreed, however, that this extended coverage is concluded within and shall not increase the total amount of insurance hereunder.



## 5. Coverage

Subject to its terms, conditions and exclusions this Insurance is against all risks of direct physical loss of or damage to the property insured, provided such loss or damage has not resulted from want of due diligence by the Assured, the Owners or Managers of the property insured, or any of them.

## 6. Collision Liability

And it is further agreed that:

- a) if the Vessel shall come into collision with any other ship or vessel, and the Assured or the Surety in consequence of the Vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid, such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in respect to any one such collision shall not exceed their proportionate part of the Agreed Value;
- b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been contested, or proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

When both vessels are to blame, then, unless the liability of the owners or charterers of one or both such vessels becomes limited by law, claims under the Collision Liability clause shall be settled on the principle of Cross-Liabilities as if the owners or charterers of each vessel had been compelled to pay to the owners or charterers of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision as per the Arbitration Clause.

### Arbitration Clause

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

Provided that this clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay or shall pay in consequence of, or with respect to:

- a) removal or disposal of obstructions, wrecks or their cargoes under statutory powers or otherwise pursuant to law;
- b) injury to real or personal property of every description;
- c) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description whatsoever;
- d) cargo or other property on or the engagements of the Vessel;
- e) loss of life, personal injury or illness.

Provided further that exclusions b) and c) above shall not apply to injury to any other vessel with which the Vessel is in collision or to property on such other vessel except to the extent that such injury arises out of any action taken to avoid, minimise or remove any discharge, spillage, emission or leakage described in c).

## 7. Deductible

It is understood and agreed that each claim (including claims under the Sue and Labour Clause and the Collision Liability Clause) shall be reported and adjusted separately and from the amount of each claim the sum of..... such be deducted. This clause shall not apply to a claim for actual or constructive or compromised or arranged total loss.

For the purpose of this Clause each occurrence shall be treated separately, but it is agreed that a sequence of losses or damages arising from the same occurrence shall be treated as one occurrence.

## 8. Exclusions

Notwithstanding anything to the contrary which may be contained in this insurance there shall be no liability under this insurance in respect of:

- a) Loss, damage or expense caused by or attributable to earthquake or volcanic eruption, or fire and/or explosion and/or tidal wave consequent upon earthquake or volcanic eruption.
- b) Loss, damage or expense which arises solely from the intentional sinking of the barge for operational purposes; such sinking shall not constitute a collision, stranding, sinking or grounding within the meaning of this insurance.
- c) Loss, damage or expense caused whilst or resulting from drilling a relief well for the purpose of controlling or attempting to control fire blowout or cratering associated with another drilling barge, platform or unit unless immediate notice be given to Underwriters of said use and additional premium paid if required.
- d) Any claim, be it a Sue and Labour Expense or otherwise, for moneys, materials or property expended or sacrificed in controlling or attempting to control blowout or cratering or in fighting fire associated with blowout.
- e) Loss, damage or expense caused by or resulting from delay detention of loss of use.
- f) Wear and tear, gradual deterioration, metal fatigue, machinery breakdown, expansion or contraction due to change in temperature, corrosion, rusting, electrolytic action, error in design: nor does this insurance cover the cost of repairing or replacing any part which may be lost, damaged, or condemned by reason of any latent defect therein.
- g) Loss of or damage to dynamos, exciters, lamps, motors, switches and other electrical appliances and devices, caused by electrical injury or disturbance, unless the loss or damage be caused by a peril not excluded hereunder originating outside the electrical equipment specified in this clause. Nevertheless this clause shall not exclude claims for physical loss or damage resulting from fire.
- h) Liabilities to third parties except as specifically covered under the terms of the Collision Liability Clause contained herein.
- i) Claims in connection with the removal of property, material, debris or obstruction, whether such removal be required by law, ordinance, statute, regulation or otherwise.
- j) Loss of or damage to drill stem located underground or underwater unless directly resulting from fire, blowout, cratering, or total loss of the Drilling Barge caused by a peril insured hereunder. There shall be no liability in respect of drill stem left in the well and through which an oil or gas well is completed.

Blowout. The term "Blowout" shall mean a sudden, accidental, uncontrolled and continuous expulsion from a well and above the surface of the ground of the drilling fluid in an oil or gas well, followed by continuous and uncontrolled flow from a well

and above the surface of the ground of oil, gas or water due to encountering subterranean pressures.

Cratering. The term "Crater" shall be defined as a basin-like depression in the earth's surface surrounding a well caused by the erosion and eruptive action of oil, gas or water flowing without restriction.

- k) Well(s) and/or hole(s) whilst being drilled or otherwise.
- l) Drilling mud cement chemicals and fuel actually in use, and casing and tubing in the well.
- m) Unrefined oil or gas or other crude product.
- n) Blueprints, plans, specifications or records, personal effects of employees or others.
- o) Scraping or painting the bottom of the hull of the drilling barge.

## **9. Blowout Preventer Warranty**

Warranted that   a) in all drilling operations  
                          b) in all operations which require the removal of the christmas tree

The well and/or hole will be equipped with a minimum of three pressure operated blowout preventers, which shall be installed and tested immediately after installation.

## **10. Limit of Liability**

In no event, except as provided for in the Sue and Labour Expense Clause and Collision Liability Clause herein, shall the Underwriters' liability arising from any one accident or occurrence exceed the amount insured hereunder as set forth in Clause 3 in respect of the items subject to claim in such accident or occurrence.

In respect of the property insured hereunder Underwriters shall not be liable for more than their proportion of the cost of repairing or replacing the property damaged or lost with materials of like kind and quality to a condition equal to but not superior to or more extensive than its condition prior to the loss; nevertheless in respect of the hull of the Drilling Barge covered hereunder all costs of repair and replacement for which Underwriters may be liable shall be on the basis of new for old with no deduction for depreciation.

In no event shall Underwriters be liable for any increased cost of repair or reconstruction by reason of law, ordinances, regulation, permit or licence regulating construction or repair.

## **11. Coinsurance**

The Assured shall maintain contributing insurance on terms no more restrictive than this insurance on the property insured hereunder of not less than 100% of the new reproductive cost less a reasonable depreciation. Failing to do so, the Assured shall be an insurer to the extent of such deficit and bear such proportionate part of any claim. If this insurance be divided into two or more items the foregoing conditions shall apply to each item separately.

## **12. Constructive Total Loss**

There shall be no recovery for a Constructive Total Loss hereunder unless the expense of recovering and repairing the insured property shall exceed the actual insured value.

In no case shall Underwriters be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this insurance.

## **13. Sue and Labour Expense**

It is further agreed that should the property insured hereunder suffer loss or damage covered under the terms of this insurance, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to sue, labour and travel for, in and about the Defence, Safeguard and Recovery of the said property, or any part thereof, without prejudice to this

insurance, and subject always to the terms conditions limitations and exclusions of this insurance, the charges thereof shall be borne by the Underwriters. And it is especially declared and agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

The Underwriters' liability for Sue and Labour Expenses shall not exceed 25% of the insured value of the item(s) in the Defence, Safeguard or Recovery of which such expense is incurred.

#### **14. Lay Up and Cancellation**

To return daily pro rata of rates to be agreed by Underwriters for any period of 30 or more consecutive days the vessel may be laid up in port unemployed.

Provided always that:-

- a) the location shall be approved by surveyor appointed by Lloyd's Agent or approved by Underwriters.
- b) there shall always be a watchman on board.
- c) no return shall be allowed in the event of the vessel becoming an actual or constructive or compromised or arranged total loss during the currency of this insurance.
- d) there shall be no shifts during the lay up period.
- e) there shall be no movement of legs or variation in buoyancy during the lay up period.
- f) in the event of any amendment of the annual rate, the rates of return shall be adjusted accordingly.

The return for a laid-up period of 30 or more consecutive days which fall on two policies effected for the same Assured shall be apportioned over both policies on a daily pro rata basis.

This insurance may be cancelled:-

- a) by the Assured at any time by written notice subject to a return of premium to be agreed.
- b) by Underwriters subject to 30 days written notice, in which event a pro rata daily return of premium shall be payable;
- c) by Underwriters in respect of the perils of strikers locked-out workmen or persons taking part in labour disturbances or riots or civil commotions subject to 7 days written notice without return of premium.

Cancellation by either party is subject to the retention by Underwriters of any minimum premium stipulated in the Policy.

#### **15. Release Agreements and Waivers of Subrogation**

The Assured may grant release from liability with respect to loss of or damage to property insured hereunder to any person firm or corporation for whom the Assured is operating under specific contract, provided:-

- a) the said release is granted prior to the commencement of the operations;
- b) the loss or damage subject to said release arises out of or in connection with such operations.

Underwriters agree to waive their rights of subrogation against such person firm or

corporation having been so released from such liability.



## 16. Discovery of Records

During the currency of this insurance or any time thereafter within the period of the time provided for in Clause 17 for bringing suit against these Underwriters, these Underwriters shall have the right of inspecting the Assured's records pertaining to all matters of cost, repairs, income and expenditures of whatsoever nature relating to the properties insured hereunder, such records to be open to a representative of these Underwriters at all reasonable times.

## 17. Limitation of Action

No suit or action on this insurance for the recovery of any claims shall be sustainable in any court of law or equity unless the Assured shall have complied fully with all the requirements of this insurance, and unless commenced within twenty-four months next after the time a cause of action for the loss accrues, provided, however, that where such limitation of time is prohibited by the law of the State wherein this insurance is issued, then and in that event, no suit or action under this insurance shall be sustained unless commenced within the shortest time limitation permitted under the laws of such State.

## 18. Loss Payable

Loss, if any, (except claims required to be paid to others under the Collision Liability Clause), payable to

## 19. Free of Capture and Seizure

Notwithstanding anything to the contrary contained in this insurance, there shall be no liability for any claim caused by, resulting from, or incurred as a consequence of:-

- a) Capture, seizure, arrest, restraint or detainment, or any attempt thereat; or
- b) Any taking by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or
- c) Any mine, bomb, torpedo or other engine of war; or
- d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- e) Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy; or
- f)
  - i) the detonation of an explosive
  - ii) any weapon of warand caused by any person acting maliciously or from a political motive; or
- g) Any act for political or terrorist purposes of any person or persons, whether or not agents of a Sovereign Power, and whether the loss, damage or expense resulting therefrom is accidental or intentional; or
- h) Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph h) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent of the nature of the voyage or operation which the vessel concerned, or in the case of a collision or contact, any other vessel involved therein, is performing. As used herein, 'power' includes any authority maintaining naval, military or air forces in association with a power.

## **LONDON STANDARD PLATFORM FORM ALL RISKS**

(Except as hereinafter excluded)

### **1. PROPERTY INSURED HEREUNDER**

This insurance covers platform installation(s) as scheduled and agreed by Insurers, which includes the platform(s), catwalks and landing ramps, (but excluding dolphins) and all property as scheduled and agreed by Insurers, owned by or in the care, custody or control of the Insured located on the said platform installation(s) except as hereinafter excluded.

Each deemed to be separately insured.

Any loss paid hereunder shall not reduce the amount of the insurance except in the event of a Total Loss and/or Constructive and/or Agreed and/or Arranged Total Loss.

### **2. COVERAGE**

Subject to its terms, conditions and exclusions this insurance is against all risks of direct physical loss of or physical damage to the insured property, provided such loss or damage has not resulted from want of due diligence by the Insured, the owners or managers of the insured property, or any of them.

### **3. EXCLUSIONS**

Notwithstanding anything to the contrary which may be contained in this insurance there shall be no liability under this insurance in respect of:-

- (a) Loss, damage or expense caused whilst or resulting from drilling a relief well for the purpose of controlling or attempting to control fire blowout or cratering associated with another platform or unit unless immediate notice be given to Insurers of said use and additional premium paid if required.
- (b) Any claim, be it a sue and labour expense or otherwise, for monies, materials or property expended or sacrificed in controlling or attempting to control blowout or catering or in fighting fire associated with blowout.
- (c) Loss, damage or expense caused by or resulting from delay detention or loss or use.
- (d) Wear and tear, gradual deterioration, metal fatigue, machinery breakdown, expansion or contraction due to change in temperature, corrosion, rusting, electrolytic action, error in design; nor does this insurance cover the cost of repairing or replacing any part which may be lost, damaged, or condemned by reason of any latent defect therein.
- (e) Loss of or damage to dynamos, exciters, lamps, motors, switches and other electrical appliances and devices, caused by electrical injury or disturbance, unless the loss or damage be caused by a peril not excluded hereunder originating outside the electrical equipment specified in this clause.

Nevertheless this clause shall not exclude claims for physical loss or physical damage resulting from fire.

- (f) Liabilities to third parties.
- (g) Drilling and/or servicing rig(s) including drill pipe and drill collars and all other components forming part of a drilling or servicing rig(s).
- (h) Well(s) and/or hole(s) whilst being drilled or otherwise.
- (i) Drilling mud, cement, chemicals and fuel actually in use, and casing and tubing in the well.
- (j) Unrefined oil or gas or other crude product.
- (k) Blueprints, plans, specifications or records, personal effects of employees or others.

#### **4. LIMITATION OF ACTION**

No suit or action on this insurance for the recovery of any claim shall be sustainable in any court of law or equity unless the Insured shall have complied fully with all the requirements of this insurance, and unless commenced within twenty-four months next after the time a cause of action for the loss accrues, provided however, that where such limitation of time is prohibited by the law of the State wherein this insurance is issued, then and in that event, no suit or action under this insurance shall be sustained unless commenced within the shortest time limitation permitted under the laws of such State.

## SECTION TWO

### OPERATORS EXTRA EXPENSE INSURANCE

#### ADDITIONAL GENERAL CONDITIONS APPLICABLE TO ALL SUB-SECTIONS OF SECTION TWO

#### **1. COVERAGE**

Subject always to its terms and conditions and to the Policy Schedule and Policy General Conditions, the Insurers agree to provide coverage under this Section for:

- A. Control of Well Insurance (as per Sub-Section A).
- B. Redrilling/Extra Expense Insurance (as per Sub-Section B).
- C. Seepage and Pollution, Clean-up and Containment Insurance (as per Sub-Section C).

#### **2. LIMITS OF INSURERS' LIABILITY UNDER THIS SECTION**

This Section Two provides to the Insured (be they one or more) insurance coverage only up to but not exceeding the Combined Single Limits of Liability stated in Item 5. of the Policy Schedule, including Defence Costs, which are the total Combined Single Limits of Insurers' liability to the Insured for any one Occurrence and over all of Sub-Sections A, B and/or C, subject always to the applicable underlying retentions.

#### **3. INSURED'S RETENTION UNDER THIS SECTION TWO**

The Combined Single Limits of Insurers' liability referred to in Clause 2. are excess of the Insured's Retentions stated in Item 6 of the Policy Schedule.

#### **4. REPORTING CLAUSE**

The Insured shall report to the Insurers within 30 days after the expiry of this Section Two the status of all wells insured hereunder during the preceding period and agrees to pay any additional premium if required at the rates agreed with the Insurers. Premiums accruing from this report are due and payable as the report is made.

#### **5. WELLS INSURED AND RATES**

Covering wells onshore and offshore India as stated in the schedule seen and agreed by the Insurers and/or their Reinsurers and retained on file by the Insured and their insurance brokers.

Applicable Rating Areas and Rates are as agreed with and retained on file by the Insurers and/or their Reinsurers and/or at the offices of their insurance brokers.

All wells not scheduled at inception are held covered by the Insurers at rates, terms and conditions to be agreed by their Reinsurers prior to spudding in or attachment.

## **6. CO-VENTURERS**

It is understood and agreed that, subject to the provisions of Clause 10. of these Additional General Conditions, this insurance may be extended to insure the interests of co-venturers (defined as co-owners, partners and/or other party(ies) having a financial and insurable interest in the wells insured hereunder), all of whom individually and collectively are non-operators (all hereinafter referred to as "Co-Venturers"), and provided the agreement to include such Co-Venturers is executed in writing between and/or among the parties prior to any occurrence giving rise to claim for reimbursement hereunder.

Such Co-Venturers who comply with the above paragraph shall be deemed to be named as additional Insureds hereunder only in respect of wells insured hereunder and only for the period(s) of time operations in respect of said wells are insured hereunder as determined by Clause 13. of these Additional General Conditions.

Any cover granted hereunder to Co-Venturers shall be limited to operations in which a Co-Venturer has a common interest with the named Insured and shall be subject in all respects to the terms, conditions and rates and Combined Single Limits of Liability specified in this Section Two.

If the Named Insured is not the operator of a well, then this insurance shall not cover the operator without the Insurers' prior approval.

## **7. RATING PROVISIONS**

A. Rates – as agreed with the Insurers:

- (1) Drilling Rates, if any, apply for the period
  - a. during which any well is being drilled and/or deepened and/or completed, and
  - b. during any remaining period of this Section Two of the Policy, if any, during which
    - (i) such well, if any, is in its subsequent Producing and/or Shut-In and/or Plugged and Abandoned condition and
    - (ii) the Insured is purchasing coverage hereunder for its other Producing and/or Shut-In and/or Plugged and Abandoned Wells, if any;
- (2) Workover Rates, if any, cover for the period during which any well is being serviced and/or worked over and/or reconditioned; and
- (3) Producing and/or Shut-In and/or Plugged and Abandoned Rates, if any, are annual but shall not apply to Producing and/or Shut-In and/or Plugged and Abandoned Wells, if any, for which premium at Drilling Rates under Paragraph 7. A. (1) of these Additional General Conditions has been paid under this Section Two.

- b. It is understood and agreed that the rate per foot shall be applied to the total footage drilled, measured through the hole from the surface of the ground or water bottom to the bottom of the well.
- c. Premium applicable to deepening of wells and multiple completions shall be charged at 100% of the applicable drilling rate per foot and such rate shall apply to the final completed depth of the well measured through the hole from the surface of the ground or water bottom to the bottom of the well.

## **8. RATING AREAS**

Onshore India wells rated as Area 2, wet wells offshore India rated as Area 3 if water depth less than 10,000 feet. Wet wells offshore India rated as Area 4 if water depth is greater than 10,001 feet.

## **9. EXCLUSIONS**

There shall be no indemnity or liability under this Section Two for:

- A. any fines or penalties imposed under the laws of any State or Nation or other Government entity, or any agency or subdivision thereof;
- B. any punitive or exemplary damages including any other damages resulting from multiplication of compensatory damages;
- C. any claims whatsoever arising directly or indirectly from any occurrence caused, in whole or in part, by any breach of any of the General Warranties in Clause 1. of the General Conditions or Clause 15 of these Additional General Conditions applicable to all Sub-Sections of Section Two;
- D. loss, damage or expense caused by the infidelity of the Insured or any other person or organisation acting for or on behalf of the Insured;
- E. loss, damage or expense as respects any well in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the inception of this Insurance, until final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning, unless specifically agreed to by the Insurers.

## **10. PARTIAL INTEREST CLAUSE**

The Combined Single Limits of Liability over all Sub-Sections of this Section Two, the Insured's Retentions, any separate limit of liability set forth in any Endorsement to this Section Two, and the rates expressed herein are for a 100% interest. In the event that the interest of the Insured in any one well insured hereunder does not amount to 100%, then said Combined Single Limits of Liability, the Insured's Retentions, any separate limit of liability set forth in any Endorsement and the rates applicable to that well, shall be reduced proportionately and shall apply in the same proportion as the total interest of the Insured in said well insured hereunder bears to 100%. In the event of an Occurrence giving rise to a claim(s) recoverable hereunder, the Insurers shall in no event be liable under any Sub-Section of this Section Two or Endorsement to it for

a greater percentage interest in any such claim than the Insured's percentage interest in the well with respect to which, and at the time that, such Occurrence took place.

**11. RESIDUAL VALUE**

In the event of an Occurrence giving rise to a claim recoverable within the terms and conditions of this Section Two, the residual value of any equipment and/or materials used or purchased by the Insured in respect of such Occurrence will inure to the benefit of the Insurers in the adjustment of such claim.

**12. ADDITIONAL DEFINITIONS**

A. The term "Well(s) Insured" shall be defined as oil and/or gas and/or thermal energy wells:

- (1) while being drilled, deepened, serviced, worked over, completed and/or reconditioned until completion or abandonment as set forth in Clause 13. of these Additional General Conditions;
- (2) while producing;
- (3) while shut-in;
- (4) while plugged and abandoned,

for the account of the Insured and as may be included within the areas and types of wells insured as set forth in Clause 5. of these Additional General Conditions.

B. The term "Defence Costs" shall be defined as investigation, adjustment, settlement, litigation and legal expenses, premiums on attachment or appeal bonds, and pre and post judgement interest and shall exclude all expenses for salaried employees, general retainer fees normally paid by the Insured and office expenses of the Insured.

**13. ATTACHMENT AND TERMINATION OF COVERAGE**

A. Attachment of Coverage:

- (1) In respect of any well(s) insured hereunder, coverage shall attach when the Insured acquires an interest in such well(s) unless coverage attaches later by operation of any of Paragraphs 13. A. (2), (3) or (4) below;
- (2) In respect of any well(s) insured hereunder spudded in during the period of this Section Two of the Policy, coverage shall attach at the time of "spudding in";
- (3) In respect of any well(s) in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the inception of this Insurance, and which would have been insured hereunder at inception in the absence of the Earthquake Exclusion of these



Additional General Conditions, coverage shall attach upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning;

- (4) In respect of any other well(s) insured hereunder, coverage shall attach at inception of this Section Two of the Policy.

**B. Termination of Coverage:**

- (1) In respect of any well(s) insured hereunder, coverage shall terminate when the Insured ceases to have an interest in such well(s) unless coverage is terminated sooner by operation of any of Paragraphs 13. B.(2), (3) or (4) below;
- (2) In respect of any well(s) which are insured hereunder during drilling only, by virtue of the Insured's electing not to purchase coverage for Producing and/or Shut-In and/or Plugged and Abandoned Wells, coverage shall terminate upon either total and/or complete abandonment or completion of such well(s), which shall include the setting of the "Christmas Tree", pumping equipment or wellhead equipment or the dismantling or removal of the drilling equipment from the drill site, or the termination of the Insured's responsibility under contract, whichever shall first occur, except that, if removal of the drilling equipment from the drill site occurs first, then the period of time between complete removal of such equipment and the commencement of completion operations shall not exceed 30 days in order for said completion operations to be covered hereunder;
- (3) In respect of any well(s) insured hereunder in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the expiry or cancellation of this Section Two of the Policy, coverage shall terminate upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning, notwithstanding the fact that said final termination may occur later than said expiry or cancellation;
- (4) In respect of any other well(s) insured hereunder, coverage shall terminate at the expiry or cancellation of this Section Two of the Policy or (if plugged and abandoned wells are not insured hereunder) upon total and/or complete abandonment of such well(s), whichever shall first occur.

**14. DEFENCE**

The Insurers shall not be called upon to assume the handling or control of the defence or settlement of any claim made against the Insured but the Insurers shall have the right, but not the duty, to participate with the Insured in the defence and control of any claim which may be recoverable in whole or in part under this Section Two.

The Insurers shall not be called upon to pay any Defence Costs in relation to any claim until after the final resolution of such claim.

The Insurers shall not be liable to pay any Defence Costs unless the prior consent of the Insurers was obtained before those Defence Costs were incurred.

**15. WARRANTIES**

A. It is warranted that where the Insured is the operator or joint operator on any insured well being drilled, deepened, serviced, worked over, completed and/or reconditioned, a blowout preventer(s) of standard make will, when in accordance with all regulations, requirements and normal and customary practices in the industry, be set on surface casing or on the wellhead and installed and tested in accordance with usual practice.

When the Insured is a non-operator on any insured well, it will endeavour to see that the operator complies with all the warranties set out in this Clause 15.

B. It is further warranted that the Insured will use every endeavour to ensure that they and/or their contractors comply with all regulations and requirements in respect of fitting storm chokes and other equipment to minimise damage or pollution, and that all equipment (including drilling and/or workover rigs) will be manned by properly certified personnel where required by regulatory authorities.

C. It is further warranted that in the event of a well becoming out of control or other escape or flow of drilling fluid, oil, gas or water, the Insured will use every endeavour to control the well or stop the escape or flow.

D. It is understood and agreed that all wells insured hereunder as defined in Paragraph 12.A. of these Additional General Conditions for which the Named Insured is the operator, or where the Named Insured has a non-operating interest but is responsible for its own insurance, shall be insured hereunder for not less than the Named Insured's percentage interest therein.

## **SUB-SECTION A**

### **CONTROL OF WELL INSURANCE**

#### **1. COVERAGE**

The Insurers agree, subject to the Combined Single Limits of Liability, terms and conditions applicable to Section Two, to reimburse the Insured for actual costs and/or expenses incurred by the Insured

- A. in regaining or attempting to regain control of any and all well(s) insured hereunder which get(s) out of control, including any other well that gets out of control as a direct result of a well insured hereunder getting out of control, but only such costs and/or expenses incurred until the well(s) is (are) brought under control as defined in Paragraph 2.B. of this Sub-Section A; and
- B. in extinguishing or attempting to extinguish
  - i. fire above the surface of the ground or water bottom from well(s) insured hereunder or from any other well(s) which are burning as a direct result of well(s) insured hereunder getting out of control or
  - ii. fire above the surface of the ground or water bottom which may endanger the well(s) insured hereunder.

Relief Wells are automatically held covered under this Sub-Section subject to notice to the Insurers as soon as possible and rates to be established by the Insurers.

#### **2. DEFINITIONS**

##### **A. Well Out of Control**

For the purposes of this Insurance, a well(s) shall be deemed to be out of control only when there is an unintended flow from the well(s) of drilling fluid, oil, gas or water above the surface of the ground or water bottom,

- (1) which flow cannot promptly be:
  - a. stopped by use of the equipment on site and/or the blowout preventer, storm chokes or other equipment required by Warranty 1.A. in the General Conditions applicable to Sections One, Two and Three or by the warranties within Clause 15 of the Additional General Conditions applicable to all Sub-Sections of Section Two; or
  - b. stopped by increasing the weight by volume of drilling fluid or by the use of other conditioning materials in the well(s); or
  - c. safely diverted into production;

or

- (2) which flow is declared to be out of control by the appropriate regulatory authority.

Nevertheless, and for the purposes of this Insurance, a well shall not be deemed out of control solely because of the existence or occurrence of a flow of oil, gas or water into the well bore which can, within a reasonable period of time, be circulated out or bled off through the surface controls.

**B. Well Brought under Control**

A well(s) deemed out of control in accordance with Paragraph 2.A. of this Sub-Section A shall, for the purposes of this Insurance, be deemed to be brought under control at the time that:

- (1) the flow giving rise to a claim hereunder stops, is stopped or can be safely stopped; or
- (2) the drilling, deepening, servicing, working over, completing, reconditioning or other similar operation(s) taking place in the well(s) immediately prior to the occurrence giving rise to a claim hereunder is (are) resumed or can be resumed; or
- (3) the well(s) is (are) or can be returned to the same producing, shut-in or other similar status that existed immediately prior to the occurrence giving rise to a claim hereunder; or
- (4) the flow giving rise to a claim hereunder is or can be safely diverted into production;

whichever shall first occur, unless the well(s) continues at that time to be declared out of control by the appropriate regulatory authority, in which case, for the purposes of this Insurance, the well(s) shall be deemed to be brought under control when such authority ceases to designate the well(s) as being out of control.

**C. Expenses**

Expenses recoverable hereunder shall include costs of materials and supplies required, the services of individuals or firms specialising in controlling wells, and directional drilling and similar operations necessary to bring the well(s) under control, including costs and expenses incurred at the direction of regulatory authorities to bring the well(s) under control, and other expenses included within Clause 1 of this Sub-Section A.

**3. TERMINATION OF EXPENSES**

In any circumstances, and subject always to the Combined Single Limits of Liability of Section Two, Insurers' liability for costs and/or expenses incurred in regaining or attempting to regain control of a well(s) shall cease when the well(s) is (are) brought under control as defined in Paragraph 2.B. of this Sub-Section A.

#### **4. EXCLUSIONS**

There shall be no indemnity or liability under this Sub-Section A for:

- A. any loss of or damage to any drilling or production equipment;
- B. any loss of or damage to any well or wells, or hole or holes;
- C. any loss, damage or expense caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure.

## **SUB-SECTION B**

### **REDRILLING/EXTRA EXPENSE INSURANCE**

#### **1. COVERAGE**

The Insurers agree, subject to the Combined Single Limits of Liability, terms and conditions applicable to Section Two, to reimburse the Insured for actual costs and/or expenses reasonably incurred to restore or redrill a well insured hereunder, or any part thereof, which has been lost or otherwise damaged as a result of an Occurrence giving rise to a claim which would be recoverable under Sub-Section A of Section Two if the Insured's Retention applicable to Sub-Section A were nil, subject to the following conditions:

- A. The Insurers shall reimburse the Insured only for such costs and expenses as would have been incurred to restore or redrill a well had the most prudent and economical methods been employed.
- B. There shall be no coverage under this Sub-Section B for restoration or redrilling of any well whose flow can be safely diverted into production, including by completing through drill stem left in the well insured hereunder, or which can be completed through a relief well(s) drilled for the purpose of controlling a well.
- C. In no event shall the Insurers be liable for costs and/or expenses incurred
  - (1) with respect to drilling wells, to drill below the depth reached when the well became out of control as defined in Clause 2. of Sub-Section A of Section Two and
  - (2) with respect to producing or shut-in wells, to drill below the geologic zone or zones from which said well(s) was (were) producing or capable of producing.
- D. In respect of drilling wells, the Insurers' liability hereunder shall in no event exceed 130% of the cost incurred to drill the original well to the depth reached at the time when the well became out of control or fire occurred.
- E. In respect of producing, shut-in or workover wells, The Insurers' liability hereunder shall in no event exceed 130% of the cost incurred to drill the original well, plus 10% per annum compound thereof from the date of spudding of the original drilling of the well until the date of the occurrence giving rise to the aforesaid claim which would have been recoverable under Sub-Section A of this Section Two if the Insured's Retention applicable to Sub-Section A were nil, subject to a maximum of 250% of the original cost.

- F. In any circumstances, the Insurers' liability under this Sub-Section B for costs and expenses shall cease
- (1) if actual restoration or redrilling has not commenced within 540 days after
    - a. the date of the accident or occurrence giving rise to coverage under this Sub-Section B, or
    - b. the date of cancellation or expiry of this Section Two of the Policy, whichever shall later occur; and
  - (2) in any event when the depths set forth in Paragraph 1.C. of this Sub-Section B have been reached and the well restored to a condition comparable to that existing prior to the occurrence giving rise to the claim, or so far as possible utilising generally available equipment and technology.

## **2. EXCLUSIONS**

There shall be no indemnity or liability under this Sub-Section B for:

- A. any loss of or damage to any drilling or production equipment;
- B. any loss, damage or expense caused by or arising out of delay (including delayed and/or deferred production) and/or loss of use and/or loss of or damage to production (including that due to loss of reservoir pressure) and/or loss of or damage to any reservoir or reservoir pressure;
- C. costs and/or expenses incurred to restore or redrill any relief well, or any part thereof;
- D. any claim recoverable under this Section Two solely by reason of the addition or attachment to Sub-Section A of this Policy of the Making Wells Safe Endorsement;
- E. redrilling and/or recompletion or for in-hole equipment in respect of any well that was plugged and abandoned prior to loss or damage covered under Sub-Section A hereof and that remained plugged and abandoned at the time of such loss or damage.

## SUB-SECTION C

### SEEPAGE AND POLLUTION, CLEAN-UP AND CONTAINMENT INSURANCE

#### **1. INSURING AGREEMENTS**

The Insurers agree, subject to the Combined Single Limits of Liability, terms and conditions applicable to Section Two, to indemnify the Insured against:

- A. all sums which the Insured shall by law or under the terms of any oil and/or gas and/or thermal energy lease and/or license be liable to pay for the cost of remedial measures and/or as damages for bodily injury (fatal or non-fatal) and/or loss of, damage to or loss of use of property caused directly by seepage, pollution or contamination arising from wells insured herein;
- B. the cost of, or of any attempt at, removing, nullifying or cleaning up seeping, polluting or contaminating substances emanating from wells insured herein, including the cost of containing and/or diverting the substances and/or preventing the substances reaching the shore;
- C. costs and expenses incurred in the defence of any claim or claims resulting from actual or alleged seepage, pollution or contamination arising from wells insured herein, including Defence Costs and costs and expenses of litigation awarded to any claimant against the Insured, provided, however, that the inclusion of the above costs (and expenses) shall in no way extend the combined single limits of liability of the Insurers over all Sub-Sections of this Section Two,

provided always that such seepage, pollution or contamination results from both

- (1) an accident or occurrence taking place during the period of this Insurance (including any continuation thereof provided for by Clause 13. of the Additional General Conditions) and of which notice has been given in accordance with Clause 3. of the General Conditions of this Section Two, and
- (2) an occurrence giving rise to a claim which would be recoverable under Sub-Section A of Section Two if the Insured's Retention applicable to Sub-Section A were nil.

#### **2. INSURED**

As respects this Sub-Section C only, but subject always to the Combined Single Limit of Liability over all Sub-Sections of this Section Two, the unqualified word "Insured" includes the Named Insured, and any principal, officer, director or stockholder or employee thereof while acting within the scope of his duties as such.

#### **3. COST AND APPEALS CLAUSE**

In the event of any claim and/or series of claims arising out of one Occurrence where the Insured's final gross claim is likely to exceed the retention of the Insured, no costs shall be incurred on behalf of the Insurers without the consent of the Insurers, and if such consent is given, the Insurers shall consider such costs as part of the final claim



hereunder. No settlement of losses by agreement shall be effected by the Insured without the consent of the Insurers where the Insured's final gross claim will exceed the retention of the Insured.

In the event that the Insured elects not to appeal against a judgement in excess of the retention of the Insured, the Insurers may elect to conduct such appeal at their own cost and expense, and shall be liable for the taxable cost and interest incidental thereto, but in no event shall the liability of Insurers exceed the Combined Single Limits of Liability over all Sub-Sections of this Section Two.

#### **4. EXCLUSIONS**

There shall be no indemnity or liability under this Sub-Section C for:

- A. any loss of or damage to any drilling or production equipment at the site of any well insured herein;
- B. any claim recoverable under Section Two solely by reason of the addition or attachment to Sub-Section A of the Underground Control of Well Endorsement;
- C. any claim arising directly or indirectly from seepage, pollution or contamination if such seepage, pollution or contamination:
  - (1) is deliberate from the standpoint of the Insured or any other person or organisation acting for or on behalf of the Insured; or
  - (2) results directly from any condition which is in violation of or non-compliance with any governmental rule, regulation or law applicable thereto; notwithstanding the foregoing, this Exclusion does not apply with respect to any such condition which at the time of loss is in the process of being corrected by a schedule or program sanctioned and approved by the appropriate governmental authority with jurisdiction over such rule, regulation or law, to the extent that the Insured is in compliance with such schedule or program;
- D. any claim for mental injury, anguish or shock unless same results from physical injury to the claimant.

#### **SEEPAGE AND POLLUTION, CLEAN-UP AND CONTAINMENT**

Subject to the terms, conditions, exclusions and Combined Single Limits of Liability of Section Two, it is agreed to extend coverage under this Sub-Section C to indemnify or pay on behalf of the Insured all sums, costs and expenses as defined in the Insuring Agreement applicable to this Sub-Section C arising from seepage, pollution or contamination arising from property covered under Section One or which could be covered under Section One had the Insured had an interest.

However, no indemnity shall be payable to the Insured in respect of such properties unless all the following conditions have been met:

- a. the seepage, pollution or contamination was caused by an event and was neither expected or intended by the Insured and
- b. the event first commenced on an identified specific date during the Period specified in the Policy Schedule hereto.
- c. the event was first discovered by the Insured or the Operator within 60 days of such first commencement and
- d. written notification of the event was first received from the Insured by Insurers within 90 days of the Insured's or Operator's first discovery of the event and
- e. the event did not result from the Insured's intentional violation of any statute, rule, ordinance or regulation.

### **SECTION THREE**

### **LOSS OF PRODUCTION INCOME / BUSINESS INTERRUPTION INSURANCE**

## 1. COVERAGE

Subject to the provisions of the Policy Schedule and General Conditions applicable to Sections One, Two and Three (as far as they apply to this Section Three), the Insurers agree to indemnify the Insured in respect of:

- A. Loss of production income resulting directly from necessary interruption of or interference with business due to, arising from, arising out of or caused by a peril insured against under Section One and/or Two of the Policy occurring during the period of these Sections One, Two and Three to property and/or wells insured thereunder, but only where a loss is recoverable under Section One and/or Two or would be so recoverable but for the application of a Deductible amount stated in the Policy Schedule for such Sections, and only in respect of the \_\_\_\_ operations.
- B. The necessary Extra Expense incurred by the Insured in order to reduce or minimise any loss of production income under this Section Three and/or to continue as nearly as practicable the normal conduct of the Insured's business following a loss recoverable under Section One and/or Two of the Policy which occurs during the period of these Sections One, Two and Three. The Insurers shall be liable for the Extra Expense so incurred for a length of time not exceeding the maximum period stated in Clause 2.A. of this Section Three and only to the extent that such Extra Expense does not exceed the resulting reduction in the insured loss of production income.

“Extra Expense” is defined as the excess (if any) of the total cost during the maximum period as shown in the Schedule chargeable to the conduct of the Insured's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred, the cost in each case to include the expense of using other property or facilities of other concerns or the cost of temporary repair or other necessary emergency expenses.

In no event, however, shall the Insurers be liable under the Extra Expense coverage for loss of income, nor for the cost of repairing or replacing any property that has been damaged or destroyed, except cost in excess of the normal cost of such repairs or replacement necessarily incurred for the purpose of reducing the total amount of Extra Expense; liability for such excess cost, however, shall not exceed the amount by which the total Extra Expense otherwise payable under this Section Three is reduced.

The Insurers shall also be liable for Extra Expense incurred in obtaining property for temporary use during the period of restoration necessarily required for the conduct of the Insured's business; any salvage value of such property remaining after resumption of normal operations shall be taken into consideration in the adjustment of any loss hereunder.

## 2. THE INSURERS' LIABILITY UNDER THIS SECTION THREE

- A. The indemnity under this Section Three shall begin with an interruption of or interference with the Insured's operations which shall commence immediately following the expiry of the Waiting Period stated in the Policy Schedule and shall end not later than \_\_ days thereafter, during which period the Insured's production income shall be affected in consequence of a loss as defined by this Section Three.
- B. The Insurers' liability under this Section Three shall cease when production from the facilities herein described is, or could, with due diligence and dispatch, be restored to the planned level of production which would have been achievable in the absence of a loss insured under this Section Three, or on the expiry of the indemnity period stated in Clause A. above.
- C. Coverage under this Section Three applies on an Agreed Indemnity basis. This Section Three is to pay up to the amount stated in the Policy Schedule following the reduction in production as a result of a loss recoverable under Section One and/or Two of this Policy.

Notwithstanding the foregoing provisions, the maximum limit of Insurers' liability under this Section Three in respect of any one Occurrence shall be as stated in the Policy Schedule.

The Insurers shall have no liability under this Section Three for interruption or interference occurring during the Waiting Period.

**3. ADDITIONAL CONDITIONS AND EXTENSIONS APPLICABLE TO THIS SECTION THREE**

**A. Due Diligence**

The Insured shall effect, or cause to be effected, all repairs (temporary or permanent) with due diligence and dispatch. The Insurers have the right to require the Insured to incur any expenses which would reduce the Insurers' liability under this Insurance, such expenses to be for the Insurers' account.

**B. Professional Accountants**

Any particulars in the Insured's accounts or other information or evidence which may be required by the Insurers under the conditions of this Section Three for the purpose of investigating or verifying any claim may be produced by professional accountants, if at the time they are acting regularly as such for the Insured, and their report shall be prima facie evidence of the information to which it relates.

The Insurers will pay the reasonable additional charges payable by the Insured to the accountants for producing such information.

C. **Coverage after Expiration or Cancellation**

It is agreed that, in the event of expiration of the term of this Insurance, or in the event of cancellation of this Insurance, any loss covered under this Section Three which is occurring at the time of such termination or cancellation shall continue under full coverage afforded by this Insurance until such time as interruption or interference ceases.

D. **Special Exclusions**

The Insurers shall not be liable under Section Three for:

- i. loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
- ii. loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's production income after the period following any loss during which indemnity is payable;
- iii. loss of production income due to a limitation of oil and/or gas production by governmental or state action, law decree, order, regulation or injunction: however this exclusion iii. Shall not apply to exclude loss otherwise recoverable hereunder to the extent that such loss would have occurred irrespective of the governmental action, law, decree, order, regulation or injunction referred to above.

## **SECTION FOUR – CONSTRUCTION INSURANCE**

### **1. INTERESTS/PROPERTY INSURED UNDER THIS SECTION FOUR**

Property and Construction, Installation or similar operations to be insured under this Section Four are to be declared to and accepted by the Insurers, prior to attachment, for individual periods as may be agreed.

### **2. COVERAGE**

Subject to the terms, conditions and exclusions of this Section Four and to the Policy Schedule, it is agreed that this Section Four shall insure the property and/or operations advised to and agreed by the Insurers for each declaration, on the terms and conditions of the “WELCAR 2001” Wording attached to this Section Four or as may otherwise be agreed by the Insurers.

### **3. SUM INSURED**

As agreed with the Insurers for each declaration.

### **4. DEDUCTIBLE OR RETENTION AMOUNT**

As agreed with the Insurers for each declaration.

## WELCAR 2001

### OFFSHORE CONSTRUCTION PROJECT POLICY

Subject to the terms, conditions and exclusions herein, this Section Four provides coverage for certain physical damage and liabilities incurred by the Insureds. Sub-Section I-Physical Damage and Sub-Section II-Liability are distinct sub-sections, with the exception that the Scope of Insurance and General Terms and Conditions below shall apply to Sub-Section I and Sub-Section II.

Please review this entire Section Four carefully and discuss the coverage hereunder with your insurance agent, broker or other representative.

#### SCOPE OF INSURANCE

(Applicable to Sub-Sub-Section I and Sub-Sub-Section II)

Subject to the insuring agreements, applicable terms, conditions and exclusions, this insurance covers the following activities undertaken in the course of the project identified in Item 2 of the Declarations to Section Four (hereinafter, the "Project"), provided such activities are within the insured values. Covered activities include: procurement, construction, fabrication, load out, loading/unloading, transportation by land, sea or air (including call(s) at port(s) or place(s) as may be required), storage, towage, mating, installation, burying, hook-up, connection and/or tie-in operations, testing and commissioning, existence, initial operations and maintenance, project studies, engineering, design, project management, testing, trials, pipelaying, trenching, and commissioning. Covered activities may also include direct consequences from drilling operations, but only where declared to and agreed by the Insurers.

This Sub-Section Four of the Policy shall be deemed to be a separate insurance in respect of each Principal Insured hereunder without increasing the Insurers' limits of liability.

#### 1. INSUREDS

**Principal Insureds**

**Other Insureds**

#### 2. SPECIAL CONDITIONS FOR OTHER INSUREDS

It is a condition precedent for any party identified in Other Insureds definition clause iii. And iv. Above to benefit from the Other Insureds status under Sub-Section Four of the Policy that they perform their operations according to Quality Assurance/Quality Control system(s) which comply with the Quality Assurance/Quality Control

provisions passed on by the Principal Insureds through each and every written contract awarded within the scope of insured works as scheduled under Section Four of the Policy.

The interest of the Other Insured(s) shall be covered throughout the entire Policy Period (as agreed each declaration) for their direct participation in the venture, unless specific contract(s) contain provisions to the contrary. The rights of any Insured under this insurance shall only be exercised through the Principal Insureds. Where the benefits of this insurance have been passed to an Insured by contract, the benefits passed to that Insured shall be no greater than such contract allows and in no case greater than the benefits provided under the insuring agreements, terms, conditions and exclusions in Section Four of the Policy.

**3. LOSS PAYEE**

Losses and returns of premiums payable to Insured in order.

**4. POLICY PERIOD**

As detailed in Item 3 of the Declarations to Section Four.

**GENERAL TERMS AND CONDITIONS**

(Applicable to Sub-Sub-Section I and Sub-Sub-Section II)

**1. PREMIUMS**

Premium shall be payable as provided in Item 6 of the Declarations to Section Four.

**2. SUBROGATION**

The Insurers shall be subrogated to all rights which the Insured may have against any person or other entity, other than Principal Insureds and Other Insureds, in respect of any claim or payment made under Sub-Sub-Section I or Sub-Sub-Section II of Section Four of the Policy. The Insured shall execute all papers required by the Insurers and shall co-operate with the Insurers to secure their subrogation rights.

**3. WAIVER OF SUBROGATION**

The Insurers agree to waive rights of subrogation against any Principal Insured(s) and/or Other Insured(s). The Insureds shall not grant any waiver of subrogation to drilling contractors and/or their sub-contractors without obtaining the Insurers' agreement to a specific endorsement to this Section Four of the Policy prior to the commencement of operations.

As a condition precedent to their benefiting from the automatic waiver of subrogation in this clause, Other Insureds must perform their operations according to Quality Assurance/Quality Control system(s) that comply with the Quality Assurance/Quality Control provisions passed on by the Principal Insureds through each and every written



contract awarded within the scope of insured works as scheduled under Section Four of the Policy.

**4. PERCENTAGE INTEREST CLAUSE**

All values, limits, deductibles and premiums contained in Section Four of the Policy are in respect of a 100% interest and shall be reduced in proportion to the individual Principal Insured(s) interest as declared or as may be subsequently declared and agreed by the Insurers.

**5. ORDER OF PRECEDENCE**

All clauses incorporated into Section Four of the Policy by reference (hereinafter the “Incorporated Clauses”) apply insofar as they do not conflict with the wording of Section Four of the Policy. In the event that the Incorporated Clauses conflict with this Policy wording, this wording shall take precedence.

**6. LAW AND JURISDICTION**

It is understood and agreed that Section Four of the Policy shall be governed by English law and practice. Any dispute, controversy or claim arising out of or relating to Section Four of the Policy shall be submitted to and determined by the courts of England and Wales, which shall have exclusive jurisdiction of all such matters.

**7. CLAIMS CURRENCY CLAUSE**

Whereas Section Four of the Policy is issued in US dollars, it is agreed that, if any Insured so elects after acceptance of a claim by the Insurers but before settlement of the claim, the Insurers may effect payment in US dollars or sterling, at rate of exchange at the mid point of the closing rates between sterling and US dollars as published in the Financial Times two working days before payment is issued by the Insurers.

**8. HELD COVERED CLAUSE**

In the event the interest is requisitioned for title or use, confiscated, nationalised, pre-empted or otherwise appropriated, wholly or in part, Section Four of the Policy shall continue to cover the contingent liability of the Insured, subject to the insuring agreements, terms, conditions and exclusions herein, for a period of fourteen days after such event. Thereupon Section 4 of the Policy shall terminate unless there be prior agreement by the Insurers to continue coverage.

**9. DIVESTMENT CLAUSE**

Upon divesting a portion or all of its interest in the project, a Principal Insured shall immediately notify the Insurers of the divestment. The Insurers agree to provide cover hereon for the new owners of the divested interest for a period of 14 days from the

date of divestment on the same terms and conditions. Coverage for the divested portion will automatically terminate 14 days after the divestment unless the Insurers and the new owner reach agreement to continue the coverage.

In the event the new owner elects not to continue coverage hereunder, the Insurers agree to adjust their acceptance of risk and premiums payable from the termination date. Furthermore, after coverage for the divested portion terminates, the Insurers shall have no obligation to make payments to or on behalf of the new owner(s) of the divested interest or their insurers, even if loss or damage results from an Occurrence or event that takes place prior to the divestment date.

**10. DUE DILIGENCE**

It is a condition of Section Four of the Policy that the Insureds shall exercise due care and diligence in the conduct of all operations covered under Section Four of the Policy, utilising all safety practices and equipment generally considered prudent for such operations. In the event any hazardous condition develops, including with respect to any well from which consequential damages covered by Section Four of the Policy may arise, the Insureds shall at their expense make all reasonable efforts to prevent the occurrence of a loss insured against under Section Four of the Policy.

**11. PERMISSION TO OCCUPY AND OPERATE**

Permission is granted to occupy and operate any portion or portions of the property insured and such occupancy or operation shall not constitute acceptance of the property insured, subject to any adjustment of premium as applicable, and prior notification to the Insurers.

**12. AGREEMENT WITH CARRIERS, WAREHOUSEMAN AND OTHER BAILEES**

The Insureds may waive their right(s) of recovery against private or contract carriers in writing prior to loss, and may accept bills of lading or receipts from common carriers, warehousemen or other bailees limiting their liability, but this insurance shall not inure to the benefit of any carrier, warehousemen or bailee.

**13. INSOLVENCY**

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Insured and/or any other insurer shall not operate to:

- a. deplete the Deductibles set out in Item 5 of the Declarations to Section Four;
- b. increase the Insurers' liability under Section Four of the Policy; or
- c. increase any Insurers' share of liability under Section Four of the Policy.

**14. INSPECTION AND AUDIT**

The Insurers shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Insurers' right to make inspections nor the making

thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe.

The Insurers may examine and audit the Insured's books and records at any time during the Policy Period and extensions thereof and within three years after the final termination of Section Four of the Policy, as far as such books and records relate to the subject matter of this insurance.

## **15. CANCELLATION**

The first named Principal Insured set out in Item 1 of the Declarations to Section Four may cancel Section Four of the Policy on behalf of all Insureds at any time prior to the first Occurrence that gives rise or may give rise to a covered loss. Notice of cancellation shall be sent to the Insurers through the party identified in Item 7 of the Declarations to Section Four. Such notice shall be sent by registered mail, facsimile, e-mail or hand-delivery, and shall state when, not less than sixty (60) days thereafter, cancellation shall be effective. Notice of cancellation shall not be effective on the date specified in the notice unless the party identified in Item 7 of the Declarations to Section Four forwards the notice to the Insurers within 72 hours after receiving it. A notice of cancellation complying with the requirements of this clause shall terminate the coverage of all Insureds under this Section Four of the Policy on the effective date stated in the notice. The first named Principal Insured shall be responsible for notifying all Insureds that Section Four of the Policy has been cancelled.

If the first named Principal Insured cancels Section Four of the Policy, the Insurers shall calculate the return premium in accordance with the level of exposure on the date of cancellation. In any event, the Insurers shall retain at least the short rate proportion of the premium for the period Section Four of the Policy has been in force, in accordance with the attached table.

## **16. CONFLICTING STATUTES**

Any and all provisions of this insurance that conflict with the statutes of the state or country wherein this insurance is issued are understood, declared and acknowledged by the Insurers and the Insured(s) to be amended to conform to such statutes.

## **17. ASSIGNMENT OR MODIFICATION OF SECTION FOUR OF THE POLICY**

This Section Four of the Policy is made and accepted subject to the conditions, limitations, agreements and declarations and all endorsements signed by the Insurers, and shall constitute the entire contract between the Insurers and the Insured(s). No notice or assignment of any right under Section Four of the Policy nor any change, waiver or extension of its terms shall be valid unless endorsed hereon and signed by the Insurers.

In the event of the death, bankruptcy or receivership of an Insured within the Policy Period, Section Four of the Policy shall, except in the event of cancellation, cover the

legal representative of the Insured, provided that notice in writing is given to the Insurers through Marsh Ltd. Within thirty days after the date of such death, insolvency, bankruptcy or receivership.

**18. ACCEPTANCE**

By accepting Section Four of the Policy, each Insured declares that the several statements in the application, schedules and proposal are true and are hereby made a part of Section Four of the Policy. Each Insured recognises that Section Four of the Policy is issued by the Insurers in reliance upon such statements and in consideration of the premium to be paid by the Insured.

**19. FORFEITURE**

If an Insured shall breach any provision of Section Four of the Policy, there shall be no coverage for that Insured as to the particular claim in connection with which the breach occurred, provided that there is no statute to the contrary in the country or state in which the insurance was made.

If any Insured shall make any demand for indemnity under this Section Four of the Policy that is false or fraudulent, as regards amount or otherwise, this Section Four of the Policy shall become null and void, and all coverage hereunder shall be forfeited.

**20. DISCOVERY CLAUSE**

Claims under Section Four of the Policy shall only be recoverable hereunder if the Insured has discovered and reported such loss, damage or Occurrence to the Insurers within 12 months from expiry of the Project Period set out in Item 3 of the Declarations to Section Four and concurrent with specific maintenance period(s) set out in Item 3 of the Declarations to Section Four and described in Sub-Section I, Terms and Conditions, Clause 19 below.

This clause shall not, however, restrict the time otherwise allowed for establishing the extent and/or effecting of repairs and/or presentation of a claim in respect of such loss and/or damage discovered and reported in accordance with the foregoing paragraph.

**SUB-SECTION I—PHYSICAL DAMAGE**

**1. COVERED PERILS**

Subject to the terms, conditions and exclusions herein, Sub-Section I insures against all risks of physical loss of and/or physical damage to the property covered hereunder, provided such loss or damage arises from an Occurrence within the Policy Period set out in Item 3 of the Declarations to Section Four.

**2. COVERED PROPERTY**

This insurance covers works executed anywhere in the world in the performance of all contracts relating to the Project including (provided they are included in the contract values declared to the Insurers and insured herein) materials, components, parts, machinery, fixtures, equipment and any other property destined to become a part of the completed project, or used up or consumed in the completion of the project. This insurance shall also cover (provided they are declared to and agreed by the Insurers) all temporary works, plant, equipment, machinery, materials, outfits and all property associated therewith, whether such items are intended to form a permanent part of the works or not, including site preparatory work and subsequent operational risks.

It is understood and agreed that any insured equipment and/or property that is not for incorporation into the contract works shall be covered whilst it is being utilised in the Project and whilst in transit from the Project site(s) until the earlier of the date of arrival at its final destination or the 30<sup>th</sup> day after its removal from the Project site(s).

### **3. POLICY LIMIT**

The Insurers' total liability under Sub-Section I for all claims arising out of any one Occurrence shall not exceed 125% of the latest agreed Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause (each of which is separately limited under the appropriate coverage clauses).

In the event of escalation as provided under clause 5 of Sub-Section I, the Insurers' total liability under Sub-Section I for all claims arising out of any one Occurrence shall not exceed 150% of the initial Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause, and the Escalation Clause (each of which is separately limited under the appropriate coverage clauses).

Notwithstanding anything contained herein, the Insurers' maximum limit of liability in respect of Sub-Section I shall not exceed the Schedule "A" value in the aggregate.

### **4. DEDUCTIBLES**

The Insurers' liability under Sub-Section I of Section Four of the Policy shall be subject to the Deductibles set out in Item 5 of the Declarations to Section Four.

### **5. ESCALATION CLAUSE**

Whereas the values stated in the Declaration at the time the risk was bound represent the Estimated Completed Value and are therefore provisional, it is agreed that the final completed value of the property insured herein shall be the insured value.

Should the insured values, determined as above:-

- a. exceed the provisional value stated in Schedule B, the Insureds agree to declare to the Insurers hereon the amount of such excess and to pay premium

as agreed, and the Insurers agree to accept their proportionate share of the increase; or

- b. be less than the provisional value stated in Schedule B, the sum insured by the Insurers shall be reduced proportionately, and the Insurers agree to return premium as agreed on the amounts by which their respective lines are reduced.

Nevertheless, should the insured value exceed 125% of the initial declared value as per Schedule B, then the limits of indemnity under Sub-Section I shall be 125% of the initial schedule values, any one Occurrence, but always subject to the limits of recovery as provided for elsewhere in Section Four of the Policy and in accordance with the agreed "B" scheduled amounts as per the Declarations to Section Four at the time of loss.

## **TERMS AND CONDITIONS**

(Sub-Section I only)

### **1. BASIS OF RECOVERY**

In the event of an Occurrence covered under Sub-Section I of Section Four of the Policy, the Insurers agree to indemnify the Insured on the following basis:-

- a. items repaired or replaced – 'New for Old' plus towage, installation and all other costs necessarily incurred and duly justified in repair or replacement – as per latest agreed Schedule B.
- b. replacement with items which are redesigned or of new design – provided such replacement is actually commenced and no repairs or replacements are carried out on the item which sustained physical loss or physical damage, indemnification hereunder shall be on the basis of reasonably estimated figures in accordance with paragraph 1a. above.
- c. items not repaired or replaced:-
  - (i) for items which are a total and/or constructive total loss, the actual items costs incurred up to time of loss as per latest agreed Schedule B.
  - (ii) for partial physical loss of or physical damage to an insured item, the reasonable depreciation arising from the unrepaired damage, deemed to be the reasonable cost of repairing such damage on a new for old basis plus (in the event repairs are not undertaken for reasons entirely outside the control of the Insured) towage, installation and other similar costs directly incurred in respect of the item lost or damaged, up to the point of loss and, to the extent that such costs have been prepaid or the Insured is committed to paying and is unable to revoke, but not to exceed amounts as per the latest agreed Schedule B.
- d. use of pre-hired vessels/equipment – It is understood and agreed that if, in the event of physical loss and/or physical damage to the property insured which is

covered by Sub-Section I, repairs and/or reinstatement and/or replacement and/or salvage are carried out by vessels and/or craft and/or equipment and/or labour which the Insured have on charter, hire or contracted to them, the cost or the proportion thereof shall be based on the pre-agreed hire or contract rates for such employment when used in or about the repair, reinstatement, replacement, or salvage of losses covered by Sub-Section I and shall be so recoverable as a claim hereon. In the event that the Insured utilises its own vessels, craft, equipment, material or labour for any repair, reinstatement, replacement or other work in respect of physical loss and/or physical damage covered by Sub-Section I, then, subject otherwise to the terms and conditions of Section Four of the Policy, a reasonable charge in respect of such work shall be recoverable as a claim hereon. Provided always that the recoverable costs referred to in this paragraph shall not exceed the costs of employing approved vessels and/or craft and/or equipment and/or materials and/or labour from other available sources.

In respect of paragraphs a. and b. above, in no event shall the Insurers be liable for any increased cost or expense of repair or construction by reason of law, ordinance, regulation, permit or licence regulating construction or repair or any increased cost or expense incurred by reason of betterment or alteration in design.

Additional insurance costs and (re)certification costs attaching to damage repair or replacement work are covered hereunder as part of the values insured subject to inclusion of the original insurance costs in the initial Estimated Final Completed Value of the works.

Provided always that where any of the aforesaid costs relate to retrieval of a damaged item and/or subsequent (re)installation of that repaired item or a replacement, and such costs or part thereof would in any event have been incurred by the Insured irrespective of the insured physical damage, or otherwise benefit the Insured in respect of uninsured matters, then such costs shall be apportioned in a fair and reasonable manner between the Insured and the Insurers.

## **2. INCORPORATED CLAUSES**

The following clauses are incorporated into Section Four of the Policy by reference, with the amendments described below:

- a. Institute Clauses for Builders Risks (1<sup>st</sup> June 1988) amended as below, including the deletion of the Earthquake and Volcanic Eruption Exclusion Clause No. 6, including cost of site preparatory work lost or expended as a result of insured perils, and including modifications to Clause 5, paragraph 5-1, as hereafter quoted/amended:-

### **5. PERILS**

- 5.1 **SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS** this insurance covers all risks of physical loss

of or physical damage to the subject matter insured caused and discovered during the period of the insurance.

**AS SET FORTH IN EXCLUSION 1.I. HEREIN, IN NO CASE SHALL THIS SECTION FOUR OF THE POLICY COVER THE COST OF RENEWING FAULTY WELDS.**

Institute War Clauses Builders Risk (1<sup>st</sup> June 1988).

Institute Strikes Clauses – Builders Risk (1<sup>st</sup> June 1988).

- b. The following conditions shall apply to any parts of the property insured herein that are in storage (ashore or afloat), loading, unloading and in transit other than by means of their own buoyancy or by means of floatation tanks. These conditions shall continue until midnight on the day on which off-loading at final offshore site is completed and shall include the Collision Clause provisions of the Institute Clauses for Builders Risks (1<sup>st</sup> June 1988).

Subject as applicable to:-

Institute Cargo Clauses (A) 1<sup>st</sup> January 1982

Institute Classification Clause 13<sup>th</sup> April 1992, where property insured is carried as cargo.

Institute War Clauses 1<sup>st</sup> January 1982.

Institute War Clauses (Air) 1<sup>st</sup> January 1982.

Institute War Clauses (Post) 1<sup>st</sup> January 1982.

Institute Strikes, Riots and Civil Commotion Clauses (Cargo) 1<sup>st</sup> January 1982.

Institute Strikes, Riots and Civil Commotion Clauses (Air Cargo) 1<sup>st</sup> January 1982.

The MAR Form is deemed incorporated herein in respect of transits covered under the 1<sup>st</sup> January 1982 Clauses.

**3. LOSS NOTIFICATION**

The Insured will render a signed and sworn proof of loss after an Occurrence as soon as may be reasonably practicable thereafter (taking into consideration the nature of the Insured's operation) stating the time, place and cause of loss, the interest of the Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.



**4. ERRORS AND OMISSIONS**

Any unintentional or inadvertent error or omission in name or description under Sub-Section I shall not operate to the prejudice of the Insured, provided that the error or omission is corrected when discovered by the Insured and advised to the Insurers prior to any Occurrence giving rise to a claim hereunder.

**5. PROJECT ALTERATIONS AND AMENDMENTS**

The Insurers agree to hold covered all amendments and alterations to the Project specification subject to the terms and conditions of Section Four of the Policy for a period of 60 days from the date of such amendments and/or alterations, subject to the Principal Insured notifying the Insurers of any material and/or significant alterations promptly within the 60-day period. In order for coverage for such material and/or significant amendments and alterations to extend beyond 60 days, the Principal Insureds and the Insurers must agree upon the additional premium to be applied.

**6. POLLUTION HAZARD CLAUSE**

Subject to the terms and conditions of Section Four of the Policy, this insurance covers physical loss of or physical damage to the property insured hereunder directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, provided such act of governmental authority has not resulted from want of due diligence by the operator for the Principal Insureds to prevent or mitigate such hazard or threat.

Coverage provided by the above paragraph shall also extend to cover any other physical loss or physical damage caused or inflicted by order of any governmental body or agency after consultation with officials and engineers of the Insured relating to the insured project but only in respect of interests covered by Sub-Section I, and always subsequent to physical loss and physical damage resulting from a peril insured against.

**7. DEFECTIVE PARTS**

The insurance afforded by Sub-Section I covers physical loss and/or physical damage to the property insured herein occurring during the Policy Period and resulting from a Defective Part, faulty design, faulty materials, faulty or defective workmanship or latent defect even though the fault in design may have occurred prior to the attachment date of the declaration to Section Four the Policy.

Sub-Section I, however, does not provide coverage for loss or damage to (including the cost of modifying, replacing or repairing) any Defective Part itself, unless all of the following are satisfied:

- a. such Defective Part has suffered physical loss or physical damage during the Policy Period;
- b. such physical loss or physical damage was caused by an insured peril external to that part; and

c. the defect did not cause or contribute to the physical loss or physical damage.

In no case shall Sub-Section I provide coverage for any cost or expense incurred by reason of betterment or alterations in design.

In the event of the total physical loss or total physical destruction of one or more of the items listed in the Schedule "B" attached to Section Four of the Policy, then this exclusion shall only apply to an identifiable part or parts of such scheduled item or items.

For the purposes of this clause a "Defective Part" shall mean any part of the subject matter insured which is or becomes defective and/or unfit or unsuitable for its actual or intended purpose, whether by reason of faulty design, faulty materials, faulty workmanship, a combination of one or more thereof or any other reason whatsoever. The term "Defective Part" shall also include such ancillary components, which are not themselves faulty, but which would normally be removed and replaced by new components when the component that is faulty is rectified.

This clause shall prevail in the event of any conflict or inconsistency with any other clause forming part of Section Four of the Policy. The terms of this clause are not intended and shall not be construed as providing coverage not otherwise provided under Section Four of the Policy.

## **8. GENERAL AVERAGE AND SALVAGE CHARGES**

General Average and Salvage charges are payable as provided in the contract of affreightment, or if there be no contract of affreightment according to York/Antwerp Rules 1990 amended. In the event the contributory value for the purpose of contribution to General Average or Salvage charges exceed the insured value, it is agreed that such General Average or Salvage charges shall nevertheless be paid in full by the Insurers hereon, provided always that the amount recoverable under Sub-Section I in respect of partial loss arising from any one casualty shall not exceed the value applicable to the item.

General Average deposits are payable on production of General Average Deposit receipts.

The Insurers agree, if required, to provide General Average guarantees or Salvage security in respect of property insured by Section Four of the Policy.

## **9. SUE AND LABOUR CLAUSE**

It is further agreed that in the case of any imminent physical loss or physical damage to the property insured hereunder, which is the direct result of a peril insured against, the Insureds, their servants and their agents may sue, labour and travel for, in and about the defence, safeguard and recovery of the subject matters insured without prejudice to this insurance and may incur reasonable expenses in efforts to avert or minimise a loss which may fall under Sub-Section I.

The expense so incurred shall be borne by the Insureds and the Insurers proportionately to the extent of their respective interests. No acts of the Insurers or the Insureds in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

The Insurers limit of liability under this clause shall be 25% of the scheduled value contained in the latest agreed Schedule B at time of loss of the item or items that are the subject of such sue and labour.

**10. ADDITIONAL WORK**

In the event that the structure or property insured is set down or wrongly positioned, which is the direct result of a peril insured against, the Insurers shall indemnify the Insureds for the cost of additional work that is required in respect of positioning or repositioning, sinking, submerging and stabilising the property insured herein insofar as such cost does not fall within the cover afforded by the sue and labour clause. However the Insurers' liability under this clause shall not exceed the percentage amount that would be recoverable under the sue and labour clause and then only to the extent that the Section Four Policy Limit is not exhausted by a claim under the sue and labour clause.

**11. REMOVAL OF WRECK, WRECKAGE AND/OR DEBRIS**

Following an Occurrence covered by Sub-Section I, the Insurers shall indemnify the Insureds for all costs of or incidental to the actual or attempted raising, removal or destruction of the wreckage and/or debris of the insured property, or the provision and maintenance of lights, markings, audible warnings for such wreckage and/or debris when the incurring of such costs is compulsory by any law, ordinance or regulation or when the Insured hereunder is liable for such costs under written contract or when such wreckage and/or debris interferes with the Insured's normal operations.

The Insurers' limit of liability under this clause shall be 25% of the scheduled value contained in the latest agreed Schedule B at time of loss of the item or items which are the subject of such removal of wreckage and/or debris.

**12. TESTS, LEAK AND/OR DAMAGE SEARCH COSTS**

If it becomes necessary to repeat any test(s) and/or trial(s) or to carry out subsequent test(s) and/or trial(s) as a result of a physical loss or physical damage to the property insured arising from an Occurrence covered under Sub-Section I, the Insurers will bear the cost of any such repeated and/or subsequent test(s) and/or trial(s) subject to a sub-limit of to be agreed each declaration (100%) any one Occurrence, but never to exceed original expenditure as identified in the latest agreed Schedule B.

**13. STAND-BY CHARGES**

Subject to a sub-limit of to be agreed each declaration any one Occurrence aggregated at to be agreed each declaration over the declaration to the Section Four Policy

Period, the Insurers shall indemnify the Insureds for the cost of stand-by time on vessels and/or craft and/or equipment actively engaged in the course of repair following an Occurrence covered under Sub-Section I, where the Insureds are prevented from working in, around or about the damaged property by bad weather, including named hurricanes.

**14. CLAIM SURVEYS/ADJUSTING CLAUSE**

In the event of physical loss and/or physical damage to property insured arising from an Occurrence covered under Sub-Section I, the Insured may in case of emergency and over weekends instruct one of the following loss adjusters to effect a damage survey: (1) \_\_\_\_\_ for all cargo claims, and (2) \_\_\_\_\_ for all other claims. Such firms instructed on an emergency basis shall act as loss adjusters on behalf of the Insurers. In any other circumstances, loss adjusters shall be appointed by the Insurers upon loss/incident notification from the Insured according to Clause 3 above.

**15. WARRANTY**

Warranted London Offshore Consultants and/or Global Maritime and/or Noble Denton Associates and/or London Salvage Association approve and issue as applicable certificates on the project as follows.

Conceptual – Certificates to be issued prior to relevant load-outs/installations.

- i. Procedures for laying, burying, jetting and rock dumping, trenching (all if and as applicable) including the tie-ins of same and installation of spool pieces and risers.
- ii. Positioning and orientation procedures for jackets at offshore site(s).
- iii. Piling in procedures in respect of ii. Above.
- iv. Procedures in respect of the sequence of and/or scope and pattern of laying of anchor patterns and temporary moorings for the positioning of Heavy Lift Vessels/Barges (if not dynamically positioned) and pipe laying barges in the vicinity of existing offshore installations.

Physical – Certificate(s) to be issued prior to commencement of relevant work.

- i. Load-outs, tugs, tows, towages and stowages (including sea fastening) in relation to barge movements from/to as advised each declaration and/or to offshore sites.
- ii. Lifting and orientation/setting down/securing procedures at offshore sites.

Conceptual – Certificate(s) to be issued prior to relevant load-outs/installations.

Load-outs, stowage and sea-fastening on heavy lift vessel for transit.

Physical – Certificate(s) to be issued prior to commencement of relevant work.

Lifting and orientation/setting down/securing procedures at offshore site, of jackets and/or topsides.

## 16. **TERRORIST "BUY-BACK" CLAUSE**

### i. Coverage

Subject to the terms and conditions to which reference is made below, the Insurers shall indemnify the Insureds under this clause for physical loss and/or physical damage that would be recoverable under Sub-Section I of Section Four of the Policy but for the existence of the following clause in Sub-Section I, Exclusion 2:

“Notwithstanding anything to the contrary contained in this sub-section, there shall be no liability whatsoever for any loss caused by, or resulting from, or incurred as a result of:-

- a. (i) the detonation of an explosive and/or  
(ii) any weapon of war  
and is caused by any person acting maliciously or from a political motive.
- b. any act for political or terrorist purposes of any persons, and whether or not agents of a sovereign power, and whether the physical loss, damage or expense resulting therefrom is accidental or intentional".

### iii. Cancellation, Automatic Termination, Suspension and Amendment of Terms from Time of Load Out

#### a. (i) Amendment of Terms

Coverage under this clause may be cancelled by the Insurers giving notice effective on the expiry of 14 days from midnight Greenwich Mean Time on the day on which notice is issued. The Insurers agree however to reinstate this insurance subject to agreement between the Insurers and the Insured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions.

#### (ii) Notice of Cancellation

Coverage under this clause may also be cancelled by the Insurers or the Insured giving notice not less than seven days prior to the end of each period of three months from inception.

- b. Whether or not such notice of cancellation has been given coverage under this clause shall TERMINATE AUTOMATICALLY:

- (i) Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, The United Kingdom, United States of America, France, Commonwealth of Independent States (formerly U.S.S.R.), The People's Republic of China; or
    - (ii) Upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioaction force or matter, whensoever detonation may occur.
  - c. The coverage afforded by this clause shall be suspended in respect of the property concerned in the event of the property being appropriated, requisitioned or confiscated or nationalised by any authority of Government (whether civil, military or de facto) of the state in which the property is owned or registered.
  - d. Provided that there have been no claims hereunder, pro rata return of premium shall be payable to the Insured in the event of either cancellation by notice from the Insurers or the automatic termination or suspension by reason of the operation of this Sub-Section of Section Four of the Policy.
- iv. Held Covered

In the event of the interest being requisitioned for title or use, or confiscated, nationalised, pre-empted or otherwise appropriated wholly or in part, coverage under this clause shall continue to cover the contingent liability of the Insured in respect of the coverage provided under this clause for a period of fourteen days after such event. Thereupon coverage under this clause the insurance shall terminate unless there be prior agreement by the Insurers to continue.

## **17. FORWARDING CHARGES**

In respect of transit(s) insured hereunder, if as a result of an Occurrence covered by the terms of Sub-Section I, the insured transit is terminated at a port or place other than that to which the property insured is covered under this insurance, the Insurers will reimburse the Insured for any extra charges properly and reasonably incurred in unloading, storing and forwarding the property insured to the destination to which it is insured hereunder.

The Insurers will bear the cost of any such extra charges subject to a sub-limit of to be agreed each declaration (100%) any one Occurrence.

## **18. PAYMENT OF CLAIMS**

It is agreed that all claims covered under Sub-Section I shall be payable to the Insured's representative identified in Item 8 of the Declarations to Section Four not

later than thirty (30) days after presentation and acceptance of proofs of loss by the Insurers or their approved representatives.

## **19. MAINTENANCE**

The cover provided hereunder shall be no wider than that contained elsewhere in Section Four of the Policy. Coverage under Sub-Section I only shall continue during the maintenance period(s) specified in individual contracts but not exceeding a further 12 months from expiry date of the Project Period as set out in Item 3 of the Declarations to Section Four. During such maintenance period(s), coverage is limited to physical loss or physical damage resulting from or attributable to:

- a. faulty or defective workmanship, construction, material or design arising from a cause occurring prior to the commencement of the maintenance period; and
- b. operations carried out by Other Insureds during the maintenance period(s) for the purpose of complying with their obligations in respect of maintenance or the making good of defects as may be referred to in the conditions of contract, or by any other visits to the site necessarily incurred to comply with qualifications to the acceptance certificate.

## **20. OTHER INSURANCE**

The insurance afforded under Sub-Section I shall be primary to, and receive no contribution from, any other insurance maintained by or for the Principal Insured(s) and/or Other Insured(s).

### **DEFINITIONS**

(Sub-Section I only)

1. The phrase “**the property insured hereunder**” shall be substituted for the word “**vessel**,” as used in the Incorporated Clauses, where the context of Sub-Section I of Section Four of the Policy allows.
2. The word “**launch**” shall be deemed to include skidding onto and off launch barge/vessel and/or mating and/or floating in dry dock and/or flooding thereof and/or transfer of the property insured into water and/or emplacement and/or positioning in water at site.
3. The term “**Occurrence**,” wherever used in Sub-Section I of Section Four of the Policy, shall mean one loss, accident, disaster or casualty or series of losses, accidents, disasters or casualties arising out of one event;
  - i. as respects windstorm, all tornadoes, cyclones, hurricanes, similar storms and systems of winds of a violent and destructive nature, arising out of the same atmospheric disturbance within any period of seventy-two consecutive hours commencing during the period of this insurance, shall be considered one event;
  - ii. each earthquake, shock or volcanic eruption, shall constitute one event



hereunder, provided that if more than one earthquake, shock or volcanic eruption shall occur within any period of seventy-two consecutive hours commencing during the period of this insurance, such earthquake, shocks or volcanic eruptions shall be deemed to be one event within the meaning hereof.

**EXCLUSIONS**  
(Sub-Section I only)

1. The coverage afforded by Sub-Section I shall not apply to:
  - a. vessels or other watercraft, except for floating materials that are destined to become a permanent part of the completed Project and are declared to and accepted by the Insurers prior to loss;
  - b. aircraft and/or helicopters;
  - c. temporary works, site preparatory works, property and/or equipment that are not owned by the Principal Insureds and are not for incorporation in the contract work, unless separately scheduled hereunder and agreed by the Insurers at an additional premium prior to loss;
  - d. penalties for non-completion of or delay in completion of contract or part or non-compliance with contract conditions;
  - e. any claim by reason of the platforms and/or structures being placed in the wrong locations unless caused by an Occurrence which is covered by the terms of Sub-Section I;
  - f. loss of use or delay in "start up" of the property insured howsoever caused;
  - g. liability assumed under contracts or otherwise for "Performance Guarantees" given by suppliers;
  - h. infidelity of a Principal Insured or with the knowledge of a Principal Insured;
  - i. costs of repairing, correcting or rectifying wear and tear, rust and oxidation and fluctuations in temperature;
  - j. any claim arising from or in connection with the dumping of rocks and/or similar materials, where such rocks and/or similar materials have been placed in the wrong position or location;
  - k. all operations, temporary or permanent works, assets or equipment (whether destined to be a permanent part of the project or not) for which related budgeted costs are not included within the latest agreed Schedule B;
  - l. the costs or expenses of repairing, renewing or replacing faulty welds;
  - m. loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
    - i. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
    - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly

- or nuclear component thereof;
- iii. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
  - iv. radioactive contamination however caused whenever or wherever happening;
2. The following clauses i. And ii. Are only to apply to property on land and/or installed at the offshore location, but they shall not be construed to exclude physical loss or physical damage caused by mines, bombs, torpedoes, missiles or other weaponry remaining from previous hostilities or military exercises.
- i. Notwithstanding anything to the contrary contained herein, this sub-section does not cover loss or damage directly or indirectly occasioned by, happening through, or in consequence of war (whether war be declared or not), invasion, acts of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority except as otherwise provided in Sub-Section I of Section Four of the Policy.
  - ii. There shall be no liability whatsoever for any claim caused by or resulting from, or incurred as a consequence of:
    - a. (1) The detonation of an explosive.
    - (2) Any weapon of war and caused by any person acting maliciously or from a political motive.
    - b. Any act for political or terrorist purposes of any persons, whether or not agents of a Sovereign Power, and whether the loss, damage or expense resulting therefrom is accidental or intentional.

However, Exclusion 2. Ii. Above is subject to Terrorist Buyback Clause 16. Herein.

## **SUB-SECTION II—LIABILITY**

### **INSURING AGREEMENT**

#### **1. COVERAGE**

The Insurers agree, subject to the limitations, terms, conditions and exclusions herein, to indemnify the Insured(s) for Ultimate Net Loss which the Insured(s) shall be obligated to pay by reason of

- i. liability imposed upon the Insured(s) by law, and/or
- ii. Express Contractual Liability,

for Bodily Injury or Property Damage caused by an Occurrence, provided always that the Occurrence takes place during the Project Period and arises out of the activities described in the Scope of Insurance section herein.

## **2. DEDUCTIBLE**

Regardless of the number of:

- i. Insureds under Section Four of the Policy,
- ii. persons or organisations who sustain Bodily Injury or Property Damage, or
- iii. claims made or suits brought on account of Bodily Injury or Property Damage,

The Insurers shall only be liable for Ultimate Net Loss exceeding the Deductible set forth in Item 5 of the Declarations to Section Four in respect of each and every Occurrence including expenses, liability, debris removal, uncollected accrued charges and legal fees, and/or defence charges, or all combined.

## **3. LIMIT OF LIABILITY**

The Sub-Section II Limit of Liability stated in Item 4 of the Declarations to Section Four is the limit of the Insurers' liability under Sub-Section II for all Ultimate Net Loss by reason of any one Occurrence without regard to the number of Insureds, claims or claimants. The Limit of Liability shall be reduced and may be exhausted by Ultimate Net Loss payments. The Insurers shall not be obligated to make any Ultimate Net Loss payment once the Limit of Liability is met, or upon deposit of the available Limit of Liability in a court of competent jurisdiction.

## **4. DEFENCE AND SETTLEMENT**

The Insurers shall not be called upon to assume charge of the settlement or defence of any claim or suit brought or proceeding instituted against the Insured(s), but the Insurers shall have the right and shall be given the opportunity to associate with the Insured(s) in the defence and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve amounts payable by the Insurers, in which event the Insured(s) and the Insurers shall co-operate in all things in the defence of such claim, suit or proceeding.

## **TERMS AND CONDITIONS**

(Sub-Section II only)

### **1. NOTICE TO INSURERS**

In the event of an Occurrence, the Insured(s) shall provide written notice to the Insurers as soon as is practicable stating the following:

- (1) the specific Occurrence; and
- (2) the damages which may result or has resulted from the Occurrence; and
- (3) the circumstance by which the Insured(s) first became aware of the Occurrence.

In respect of Claims to which Sub-Section II, Exclusion 15 applies, the Insured(s) shall provide such notice within the timing requirements set forth in that exclusion.

### **2. ADMISSION OF LIABILITY**

The Insured(s) shall not in any way acknowledge or admit any liability on account of any Occurrence nor settle nor negotiate the settlement of any claim or suit resulting therefrom, nor without the consent of the Insurers, incur any expense other than such immediate medical or surgical aid as is imperative at the time of the accident.

### **3. OTHER INSURANCE**

If other valid and collectible insurance with any other insurer is available to the Insured(s) covering a loss also covered by this Sub-Section II of Section Four of the Policy, other than insurance that is specifically stated to be excess of Section Four of the Policy, the insurance afforded by Sub-Section II shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make Section Four of the Policy subject to the terms, conditions and limitations of other insurance.

### **4. CROSS LIABILITIES**

In the event of one Insured incurring liability to any other of the Insureds, this Sub-Section II of Section Four of the Policy shall cover the Insured against whom the claim is or may be made in the same manner as if separate policies had been issued to each Insured. However, the inclusion of more than one Insured hereunder shall not operate to increase the Limit of Liability.

In no case shall this Sub-Section II of Section Four of the Policy provide coverage for any physical loss of or physical damage to or defects discovered in the property insured under Sub-Section I.

Coverage in respect of Other Insureds does not apply to actual or alleged liability to

other contractors and/or vendors and/or suppliers for consequential loss, loss of profit or business interruption.

### **DEFINITIONS**

(Sub-Section II only)

1. **“BODILY INJURY”** means bodily injury, sickness or disease, including death resulting therefrom (and including damages allowed for loss of services) and mental anguish, provided such injuries are accidentally sustained by any person by reason of the Insured's operations as declared hereto.
2. **“CLAIMS EXPENSES”** shall mean reasonable legal costs and other expenses incurred by or on behalf of the Insured(s) in the defence of any covered claim including attorney's fees and disbursements, investigation, adjustment, appraisal, appeal costs and expenses and pre- and post- judgement interest, excluding salaries, wages and benefits of the Insured's employees and the Insured's administrative expenses.
3. **“DAMAGES”** shall mean compensatory damages, monetary judgements, awards, and/or compromise settlements entered with the Insurers' consent, but shall not include fines or penalties, punitive damages, exemplary damages, equitable relief, injunctive relief or any additional damages resulting from the multiplication of compensatory damages.
4. **“EXPRESS CONTRACTUAL LIABILITY”** means liability that the Insured has expressly assumed prior to any Occurrence covered by this Section Four of the Policy in:
  - a. any written contract; or
  - b. any oral contract reduced to writing within 7 days after the contract is orally agreed.
5. **“OCCURRENCE”** means an accident, including continuous or repeated exposure to conditions, which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured.
6. **“PROPERTY DAMAGE”** means physical loss of or direct damage to or destruction of tangible property, including the loss of use thereof, and including the loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence during the declaration to the Policy Period, and such losses are accidentally sustained by reason of the Insured's operations as declared to the Insurers.
7. **“ULTIMATE NET LOSS”** shall mean the total sum the Insured is obligated to pay as Damages, and shall include Claims Expenses in respect of claims covered under this Section Four of the Policy.

### **EXCLUSIONS**

(Sub-Section II only)

The insurance afforded by Sub-Section II does not apply to actual or alleged liability:

1. arising out of operations in intentional violation of any national, international, federal or state statute or law;
2. caused by any automobile, tractor, trailer, vehicle (other than hand propelled), team, locomotive, freight cars or aircraft. This exclusion shall not apply to any crawler type tractor, ditch or trench digger, power crane, shovel, grader, scraper and similar equipment, not subject to motor vehicle registration;
3. for Bodily Injury or Property Damage directly or indirectly occasioned by, happening through or in consequence of:
  - a. war (whether declared or not), invasion, acts of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of property by or under the order of any government or public or local authority; or
  - b. the consequence of any act for political or terrorist purposes of any person or persons whether or not agents of a sovereign power and whether or not the loss, damage or expenses resulting therefrom is accidental or intentional;
4. for indemnification of persons for damage to or loss of their tools, materials or equipment while performing operations for any Insured;
5. arising out of the use or operation of watercraft, whether owned, time chartered, bareboat chartered or operated by any Insured, or for which any Insured may be responsible other than as declared hereto;
6. to an Insured's employees, whether the Insured is liable as an employer or in any other capacity, including without limiting the generality of the foregoing any liability under any workers' compensation law, unemployment compensation law, disability benefit law, United States Longshoremen's and Harbour Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not.
7. to the spouse, child, parent, brother, sister, relative, dependent or estate of any employee of an Insured arising out of the bodily and/or personal injury to or illness or death of said employee, whether the Insured may be liable as an employer or in any other capacity whatsoever;
8. arising out of Bodily Injury to any employee of the Insured, including without limiting the generality of the foregoing any such liability for (i) indemnity or contribution whether in tort, contract or otherwise and (ii) any liability of such other parties assumed under contract or agreement;
9. of any employee of any Insured with respect to Bodily Injury to another employee of the Insured sustained in the course of such employment;
10. which any director, officer, partner, principal, employee or stockholder of the Insured may have to any employee of any Insured;
11. for loss of or damage to any well or hole,
  - i. which is being drilled or worked over by or on behalf of the Insured, or

- ii. which is in the care, custody or control of the Insured, or
  - iii. in connection with which the Insured has provided services, equipment or materials;
12. for any cost or expense incurred in redrilling or restoring any such well or hole or any substitute well or hole;
13. for loss of or damage to any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery, or any other equipment while it is below the surface of the earth in any well or hole:
- i. which is being drilled or worked over by or on behalf of the Insured, or
  - ii. which is in the care, custody or control of the Insured, or
  - iii. in connection with which the Insured has provided services, equipment or materials;
14. for costs or expenses incurred in
- i. controlling or bringing under control any wells or holes, or
  - ii. extinguishing fire in or from any such wells or holes, or
  - iii. drilling relief wells or holes, whether or not the relief wells or holes are successful;
15. for Bodily Injury or Property Damage directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply when the Insured has established all of the following conditions:

- a. the seepage, pollution or contamination was caused by an event;
- b. the event first commenced on an identified specific date during the Policy Period set out in Item 3 of the Declarations to Section Four;
- c. the event was first discovered by the Insured within 14 days of such commencement;
- d. The Insurers received written notification of the event from the Insured within 60 days of the Insured's first discovery of the event; and
- e. the event did not result from the Insured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a) to e) are satisfied, this Section Four of the Policy does not apply to any actual or alleged liability:

- i. to evaluate, monitor, control, remove, nullify or clean up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by any statute, rule, ordinance, regulation or imposed by contract;
- ii. to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party;

- iii. for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any Insured, or which is or was at any time in the care, custody or control of any Insured (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
  - iv. arising directly out of the transportation by the Insured of oil (other than fuel or other substances used in furtherance of the Insured's operations) or other similar substances by watercraft; or
  - v. arising directly or indirectly from seepage, pollution or contamination which is intended from the standpoint of the Insured or any other person or organisation acting for or on behalf of the Insured;
16. for or arising out of the handling, processing, treatment, storage, disposal, dumping, monitoring, controlling, removing or cleaning-up of any waste materials or substances, or arising out of such waste materials during transportation;
  17. for loss of, damage to, or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Insured;
  18. for loss of or damage to sub-surface oil, gas, water, or other substance or material, or for the cost or expense of reducing to physical possession above the surface of the earth any oil, gas, water, or other substance or material, or for the cost or expense incurred or rendered necessary to prevent or minimise such loss or damage;
  19. for fines, penalties, punitive or exemplary damages, including treble damages or any other damages resulting from multiplication of compensatory damages;
  20. arising out of goods or products manufactured, sold, handled or distributed by the Insured or by others trading under his name, including any container thereof;
  21. for damage to or loss of or loss of use of:
    - i. property owned or occupied by or rented or leased to the Insured;
    - ii. property used by the Insured; or
    - iii. property in the care, custody or control of the Insured or over which the Insured is for any purpose exercising physical control;
  21. for the costs of removal, recovery, repair, alteration or replacement of any product (or any part thereof) which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired or altered by or on behalf of the Insured in the normal course of the Insured's operations;
  22. arising from any negligence, error or omission, malpractice or mistake in providing or failing to provide professional services, which is committed or alleged to have been committed by or on behalf of any Insured in the conduct of any of the Insured's business activities. Professional services include but are not limited to the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering, or data processing services;
  23. for Bodily Injury or Property Damage directly or indirectly arising out of: asbestos; carpal tunnel; coal dust; polychlorinated biphenyl's; methyl tertiary butyl ether; silica; benzene; lead; talc; dioxin; electromagnetic fields; pharmaceutical or medical



- drugs/products/substances/devices; or any substance containing such material or any derivative thereof;
24. for Bodily Injury, Property Damage or expense directly or indirectly caused by or contributed to by or arising from:
- i. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - iii. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
  - iv. radioactive contamination however caused whenever or wherever happening;
25. assumed under a warranty for the fitness or quality of the Insured's products or a warranty that work performed by or on behalf of the Insured will be done in a workmanlike manner;

## SECTION FOUR

### DECLARATIONS TO SECTION FOUR

1. **INSURED:** \_\_\_\_\_ as Principal Insureds and/or \_\_\_\_\_ as Contractors and/or \_\_\_\_\_ as Sub-Contractors and/or \_\_\_\_\_ as Manufacturers and/or \_\_\_\_\_ as Suppliers as other Insureds for the Respective Rights and interests as per wording.
2. **PROJECT:** As agreed each declaration.
3. **SECTION FOUR POLICY PERIOD:** PROJECT PERIOD (Sub-Section I and Sub-Section II)

Section Four of the Policy attaches at to be agreed each declaration, and insures in respect of each part, item or portion of the property insured herein which is at the risk of an Insured at inception or which becomes at risk of an Insured after inception and shall cover continuously thereafter until completion of the last part, item or portion of the property insured herein, expected not later than to be agreed each declaration. The Project Period may be extended at terms and premium to be agreed by the lead Insurer and/or their Reinsurers.

Coverage shall attach from the time materials and/or parts come at risk of an Insured including work carried out at contractors and/or sub-contractors and/or manufacturers and/or suppliers premises and all transits (on and offshore) and shall continue during all operations until expiry as defined above.

Legal and/or Contractual Liability Coverage shall attach from commencement of signing individual contracts.

#### MAINTENANCE PERIOD (Sub-Section I only)

Coverage under SUB-SECTION I-PHYSICAL DAMAGE shall continue during the maintenance period(s) of specific contracts (subject to the terms, conditions and exclusions in the wording), up to a period of 12 months after expiry of the Project Period.

#### DISCOVERY PERIOD (Sub-Section I and Sub-Section II)

The Discovery Period (subject to the terms and conditions in the wording) shall commence on the same date as and run concurrently with the 12 month Maintenance Period.

**2. INTEREST/  
POLICY LIMIT: SUB-SECTION I –PHYSICAL DAMAGE**

The Insurers' total liability under Sub-Section I for all claims arising out of any one Occurrence shall not exceed 125% of the latest agreed Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause (each of which is separately limited under the appropriate coverage clauses).

In the event the Insurers accept additional premium from the Insured under the Escalation Clause, the Insurers' total liability under Sub-Section I for all claims arising out of any one Occurrence shall not exceed 150% of the initial Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause, and the Escalation Clause (each of which is separately limited under the appropriate coverage clauses).

Notwithstanding anything contained herein, the Insurers' maximum limit of liability in respect of Sub-Section I shall not exceed the Schedule "A" value in the aggregate.

**SUB-SECTION II – LIABILITY**

To be agreed each declaration for any one Occurrence.

**5. DEDUCTIBLES: SUB-SECTION I**

i. To be agreed each declaration each and every Occurrence in respect of all cargo sendings.

ii. To be agreed each declaration each and every Occurrence in respect of Onshore Fabrication Risks.

iii. To be agreed each declaration each and every Occurrence in respect of tows within waters to final offshore site

or

To be agreed each declaration each and every Occurrence in respect of transocean tows or heavy lift movements to final offshore site.

iv. To be agreed each declaration each and every Occurrence in respect of offshore works and associated subsequent maintenance; but

v. To be agreed each declaration for up to 24" diameter

pipes or to be agreed each declaration for over 24" diameter pipes each and every Occurrence in respect of installation of pipelines, cables, tie-ins, risers, spool, pieces and any other subsea, and associated subsequent maintenance.

- vi. 48 hours each and every Occurrence in respect of stand-by charges.
- vii. To be agreed each declaration each and every Occurrence in respect of all non-specified hereunder.

#### SUB-SECTION II – LIABILITY

To be agreed each declaration for any one Occurrence.

- 6. **PREMIUM:** To be agreed each declaration payable in instalments at:-
- 7. **INITIAL  
ESTIMATED  
FINAL  
CONTRACT  
VALUE (100%):** To be agreed each declaration.

### SECTION FIVE

#### LIABILITY INSURANCE

**This is a claims made liability section which is not subject to the terms and conditions of any other insurance. It should be read carefully by the Insured.**

## **I. INSURING AGREEMENTS**

### **1. COVERAGE**

In consideration of the payment of the premium set out in Item 9 of the Declarations to Section Five and in reliance upon the statements in the proposal referred to in Item 11 of the Declarations to Section Five and any supplementary information pertaining thereto, The Insurers agree subject to the insuring agreements, conditions, exclusions, definitions and declarations contained in this Section Five, to indemnify the Insured in respect of their operations anywhere in the world, for Ultimate Net Loss by reason of the liability imposed upon the Insured by law or assumed under an indemnification contract, for damages in respect of a claim for Bodily Injury and/or Personal Injury and/or Property Damage and/or Advertising Injury which the Insured neither intended nor expected nor reasonably should have expected, resulting from an accident which first commences on an identifiable specific date on or after the retroactive date set out in Item 6 of the Declarations to Section Five PROVIDED

- (a) such claim made is first received by the Insured during the policy period set out in Item 5 of the Declarations to Section Five, OR
- (b) the Insured gives written notification of such accident which notification is received by the Insurers within 90 days of such accident and the date of such receipt is during the policy period set out in Item 5 of the Declarations to Section Five, OR
- (c) the Insured gives written notification of the discovery of his involvement in such accident which consists of unintended fire or explosion; lightning; impact of aircraft, automobile, railroad locomotive or rolling stock; impact, capsizing or sinking of watercraft; but only if the notification is received by the Insurers within 90 days of such discovery and the date of such receipt is during the policy period set out in Item 5 of the Declarations to Section Five, OR
- (d) the Insured gives written notification of the discovery of such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury to a named individual person or named individual entity arising out of such accident; but only if the notification is received by the Insurers within 90 days of such discovery and the date of such receipt is during the policy period set out in Item 5 of the Declarations to Section Five.

With respect to a) above, for the purpose of applying the each accident retention, the Insurers will treat such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury included in each claim as resulting from a separate accident.

With respect to b) and c) above, the Insurers will only provide indemnity for any claims relating to such notification which claims are first received by the Insured during a period of 7 years from the date such notification is received by the Insurers; in which case, for the purpose of applying the each accident retention, the Insurers will treat all such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury as resulting from one accident; further such accident will be treated as arising

on the date such notification was received by the Insurers or the expiry date of this Section Five, whichever is the earlier.

With respect to d) above, the Insurers will only provide indemnity for any claims relating to such notification which claims are first received by the Insured during a period of 7 years from the date such notification is received by the Insurers; in which case, for the purpose of applying the each accident retention, the Insurers will treat such Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury suffered by each named individual person or each such named individual entity as resulting from a separate accident; further such accident will be treated as arising on the date such notification was received by the Insurers or the expiry date of this Section Five, whichever is the earlier.

Where the accident under b) above or the discovery under c) and d) above takes place within the last 90 days of the period set out in Item 5 of the Declarations to Section Five, such period shall be extended for up to 90 days solely so as to treat any notification received by the Insurers within such extension of 90 days as if it had been received on the expiry date of the policy period set out in Item 5 of the Declarations to Section Five.

In no event shall the liability of the Insurers exceed the relevant limits of liability set out in Item 4 of the Declarations to Section Five; such limits of liability shall apply to the period of this Section Five set out in Item 5 of the Declarations to Section Five combined with the 7 year periods set out above.

## **2. EACH ACCIDENT RETENTION**

Only that part of any payment constituting Ultimate Net Loss shall deplete the each accident retention set out in Item 3 of the Declarations to Section Five. Regardless of the number of claims made against the Insured, the Insured shall always be liable for the each accident retention in respect of each and every accident.

The each accident retention shall be subject to no aggregate limitation regardless of the number of accidents or Claims made against the Insured.

The Insured shall have the right to insure all or part of the each accident retention, but the Insurers shall not be subject to the terms and conditions of such insurance.

## **3. LIMITS OF LIABILITY**

The Insurers shall only be liable for Ultimate Net Loss in excess of the each accident retention set out in Item 3 of the Declarations to Section Five.

Regardless of the number of accidents or claims made against the Insured, the Insurers' total limits of liability shall not exceed the amount of Ultimate Net Loss set out in Item 4 of the Declarations to Section Five. Such limits include defence expenses.

#### **4. JOINT VENTURES**

As regards any liability of the Insured which is insured under this Section Five and arises in any manner whatsoever out of the operations or existence of any joint venture, co-venture, joint lease, joint operating agreement or partnership (hereinafter called the "Joint Venture") in which the Insured has an interest:-

- (a) the each accident retention, and
- (b) the limits of liability of the Insurers under this Section Five shall be limited to the product of (i) the percentage interest of the Insured in the said Joint Venture or such percentage as takes account of any acceptance by the Insurers as set out in Definition 12f) hereof, and (ii) the each accident retention and the limits of liability afforded the Insured by this Section Five, respectively. Where the percentage interest of the Insured in said Joint Venture is not set forth in writing, the percentage to be applied shall be that which would be imposed by law at the inception of the Joint Venture. Such percentage shall not be increased by the insolvency of any members of the said Joint Venture or any other parties. This Joint Venture clause shall not apply to any liability of the Insured where, as a result of the circumstances of an Accident, the terms of the Joint Venture agreement place the whole liability of the Joint Venture on the Insured.

Nothing contained in this Section Five shall make this Section Five subject to the terms and conditions of any other insurance.

### **II. CONDITIONS**

This Section Five is subject to the following conditions:-

#### **1. INSOLVENCY**

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Insured and/or any insurer and/or any Underwriter shall not operate to:-

- (a) deplete the each accident retention set out in Item 3 of the Declarations to Section Five;
- (b) increase the Insurers' liability under this Section Five;
- (c) increase any Insurers' share of liability under this Section Five.

In no event shall any Insurer of this Section Five assume the responsibilities and/or obligations of the Insured and/or any insurer and/or any Underwriter.

#### **2. OTHER INSURANCE**

Where the Insured is, irrespective of this Section Five, entitled to be indemnified in whole or in part by any other insurance in respect of any damages which would otherwise have been indemnifiable in whole or in part by the Insurers of this Section

Five, there shall be no contribution or participation by the Insurers of this Section Five on the basis of any deficiency, concurrent or double insurance for such damages or that part of such damages for which the Insured is entitled to be indemnified by such other insurance. This condition will apply whether or not the Insured is actually indemnified by such other insurance.

**3. NOTICE OF CLAIM**

Prompt notice must be given to the Insurers whenever the Insured has information that a claim, alone or in combination with any other claims, may deplete by 50% or more the each accident retention.

For the purpose of this Condition 3 the Insured will notify the Insurers on the basis that the Insured is liable and further is liable for any amount claimed.

**4. PREVENTION OF FURTHER CLAIMS**

As soon as the Insured becomes aware of an accident or receives a claim, the Insured shall promptly, and at its own expense, take all reasonable steps to prevent further Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury resulting from the same accident or conditions which may give rise to a similar accident.

**5. ATTACHMENT OF LIABILITY**

Liability to pay under this Section Five shall not attach unless and until the Insured has, with the Insurers' prior written consent, paid an amount of Ultimate Net Loss which exceeds the each accident retention set out in Item 3 of the Declarations to Section Five.

**6. DEFENCE**

The Insurers shall not be called upon to assume the handling or control of the defence or settlement of any claim made against the Insured but the Insurers shall have the right, but not the duty, to participate with the Insured in the defence or settlement of any claim which may be indemnifiable in whole or in part by this Section Five.

The Insurers will pay any defence expenses incurred after exhaustion of the each accident retention provided the prior written consent of the Insurers is obtained before those defence expenses are incurred and subject to the Insurers' limits of liability set out in Item 4 of the Declarations to Section Five.

**7. APPEALS**

In the event the Insured elects not to appeal, a judgment which may, in whole or in part, involve indemnity under this Section Five, the Insurers may, following discussion with the Insured, elect to make such appeal at their own cost and expense and shall be liable for the taxable costs and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of the Insurers exceed the relevant limits of liability set out in Item 4 of the Declarations to Section Five plus such cost, expense, costs, disbursements and interest.



**8. APPORTIONMENT OF DEFENCE EXPENSES**

Whenever any written demand received by the Insured for damages is finally resolved by a payment by the Insured which, regardless of the amount thereof, is only covered in part by this Section Five, then the percentage of any defence expenses that can be included in the Ultimate Net Loss shall be calculated by dividing that part of such payment which is covered by this Section Five, by the total amount paid by the Insured.

**9. LOSS PAYABLE**

Any amount for which the Insurers are liable under this Section Five shall be due and payable solely to the Insured's agent set out in Item 13 of the Declarations to Section Five within 30 days after it is agreed by the Insurers.

**10. SUBROGATION**

Where an amount is paid by the Insurers under this Section Five, the Insured's rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to the Insurers. At the Insurers' request the Insured will assist, co-operate and lend its name to the exercise of the Insurers' rights of subrogation. The Insured is hereby authorised to waive any rights of recovery in relation to any other party, provided such waiver is given in writing prior to the relevant accident.

**11. APPLICATION OF RECOVERIES**

All recoveries or payments recovered or received subsequent to a payment by the Insurers under this Section Five, after deduction of all recovery expenses, shall be applied as if recovered or received prior to such payment and all necessary adjustments shall then be made between the Insured and the Insurers.

**12. WAIVER OR CHANGE**

Notice to or knowledge possessed by any person shall not effect a waiver or change in any part of this Section Five or stop the Insurers from asserting any right under this Section Five; nor shall any part of this Section Five be waived or changed, except by endorsement issued to form a part hereof, signed by the Insurers.

**13. ASSIGNMENT**

Assignment of interest under this Section Five shall not bind the Insurers unless and until their written agreement thereto is secured.

**14. CANCELLATION**

Cancellation of this Section Five may be effected either:-

- (a) by the first named Insured set out in Item 1 of the Declarations to Section Five, on behalf of the Insured, or

(b) by the Insurers or their representatives,

sending by certified or registered mail, notice to the other party in a) or b) above stating when, not less than 60 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by the Insurers or their representatives to the first named Insured shown in Item 1 of the Declarations to Section Five shall be sufficient proof of notice and the coverage under this Section Five with respect to all Insureds shall end on the effective date and hour of cancellation stated in the notice. Delivery of such written notice either by the first named Insured or by the Insurers or Insurers' representatives shall be equivalent to sending by certified or registered mail.

If this Section Five shall be cancelled by the first named Insured, the Insurers shall retain the short rate proportion of the premium for the period this Section Five has been in force calculated in accordance with the attached Short Rate Cancellation Table. If this Section Five shall be cancelled by the Insurers, they shall retain the pro rata proportion of the premium for the period this Section Five has been in force.

Notice of cancellation by the Insurers shall be effective whether or not the Insurers have returned or tendered the return of any premium with such notice.

**15. EXTENDED CLAIMS MADE PERIOD**

- (a) If the Insurers decline to renew or cancel this Section Five for reasons other than the Insured's non-payment of premium or non-compliance with the terms and conditions of this Section Five, or
- (b) if the first named Insured declines to renew this Section Five, or
- (c) if the Insurers require the specific exclusion of an accident, product or operations on renewal of this Section Five

then the first named Insured, upon payment of an additional premium calculated at the percentage set out in Item 7 of the Declarations to Section Five of the premium set out in Item 9 of the Declarations to Section Five, shall have the right to extend the period in which a claim made against the Insured after the policy period set out in Item 5 of the Declarations to Section Five, is treated by the Insurers as made on the expiry date set out in Item 5 of the Declarations to Section Five:-

- (i) in respect of a) or b) above: for a period of 3 years,
- (ii) in respect of c) above: for a period of 7 years in respect of the excluded Accident, product or operations,

PROVIDED ALWAYS that such claim results from an accident which first commences prior to or on the expiry date set out in Item 5 of the Declarations to Section Five.

This right of extension must be exercised by the first named Insured giving written notice which must be received by the Insurers within 30 days after the date the refusal to renew, cancellation or exclusion referred to above takes effect and paying the

additional premium to the person or entity set out in Item 10 of the Declarations to Section Five within 45 days after such notice has been received by the Insurers. If the notice is not received by the Insurers within such 30 days the Insured shall not, at a later date, be able to give such notice. If the first named Insured fails to pay the additional premium to the person or entity set out in Item 10 of the Declarations to Section Five within 45 days after such notice has been received by the Insurers, all Insureds' rights under the extended claims made period shall be rendered null and void and the Insurers shall be relieved of all liability under the extended claims made period.

In no event shall the liability of the Insurers exceed the relevant limits of liability set out in Item 4 of the Declarations to Section Five; such limits of liability shall apply to the period of this Section Five set out in Item 5 of the Declarations to Section Five combined with the extended claims made period set out above.

If the first named Insured extends the claims made period in accordance with the above, the Insurers shall not be able to cancel the extension; nor shall the Insured be entitled to any return of all or any part of the additional premium paid in the event that the Insured should cancel the extension.

**16. CURRENCY AND PAYMENT OF PREMIUMS**

Premiums and indemnity payments due under this Section Five are payable in the currencies set out in Item 8 of the Declarations to Section Five. Payment of premiums shall be made by the first named Insured set out in Item 1 of the Declarations to Section Five to the person or entity set out in Item 10 of the Declarations to Section Five. If the first named Insured fails to pay the premium due to the person or entity set out in Item 10 of the Declarations to Section Five, within 45 days after the date(s) set out in Item 9 of the Declarations to Section Five, this Section Five shall be rendered null and void from inception and the Insurers be relieved of all liability under this Section Five. This clause shall take effect whether or not the Insurers have returned or tendered the return of any premium already received.

**17. SERVICE OF SUIT**

If and as attached to this Section Five.

**18. INSPECTION AND INVESTIGATION**

The Insurers shall be permitted but not obligated to inspect the Insured's property and operations at any reasonable time. Neither the Insurers' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are adequate or safe.

In addition to the notice requirements in this Section Five, on request by the Insurers, the Insured will provide full details of all accidents or claims which could deplete the each accident retention or ultimately give rise to indemnity under this Section Five.

The Insured will co-operate fully with the Insurers should the Insurers decide to investigate any such accident or claim or any other accident or claim notified to the Insurers in accordance with other sections of this Section Five. The Insurers may examine and audit the Insured's books and records at any time during normal working hours, as far as they relate to the subject matter of this Section Five.

**19. CROSS LIABILITY**

In the event of claims being made by reason of Bodily Injury suffered by any employee of one Insured which does not arise out of the injured employee's employment, for which another Insured is liable, then this Section Five shall cover the Insured against whom such claim is made in the same manner as if separate policies had been issued to each Insured.

Nothing contained in this Condition 19 shall operate to increase the Insurers' limits of liability set out in Item 4 of the Declarations to Section Five.

**III. EXCLUSIONS**

This Section Five does not apply to any actual or alleged liability:-

1. arising out of an accident, claim, potential claim, circumstance or loss discovered in respect of which the Insured either has given notice to the insurers of any other insurance before the inception date set out in Item 5 of the Declarations to Section Five or where such notice is treated by any insurers as received by such insurers before the inception date set out in Item 5 of the Declarations to Section Five;
2. arising out of an event which commences prior to the retroactive date set out in Item 6 of the Declarations to Section Five;
3. arising out of a breach of contract;
4.
  - (a) arising out of Occupational Disease;
  - (b) arising under any workers' compensation, unemployment compensation or disability laws, statutes, or regulations;
  - (c) for Employers Liability where the claim is made or the injury took place in any state(s) where the Insured is a non-participant or non-subscriber to regular programmes established by that state's workers' compensation, unemployment compensation or disability laws, statutes, or regulations; provided however, that this exclusion does not apply to liability of a third party assumed by the Insured under an indemnification contract;
  - (d) which any Insured may have to its own employee arising out of the actions or omissions of another of its own employees;
  - (e) of an Insured to its employee arising out of the employment of that employee;

5. arising out of any act, error or omission of the Insured, or any other person or entity for whose acts, errors or omissions the Insured is legally liable in respect of the Insured's Employee Benefits including, without limitation, liability under the Employment Retirement Income Security Act of 1974, as amended;  
  
As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Accident or Health Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.
6. for discrimination or humiliation;
7. for Property Damage to property
  - (a) owned, leased, rented or occupied by the Insured;
  - (b) in the care, custody or control of the Insured;
8. for Property Damage to the Insured's products arising out of such products or any part of such products;
9. for Property Damage to property worked on by or on behalf of the Insured arising out of such work or any portion thereof, or out of material, parts or equipment furnished in connection therewith;
10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the Insured's products or work completed by or for the Insured or of any property of which such products or work form a part;
11. for fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages;
12. for Advertising Injury arising out of:-
  - (a) failure to perform under any contract;
  - (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans;
  - (c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;
  - (d) unfair competition;
13. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the Insured to have been met:-

- (a) the seepage, pollution or contamination was caused by an event and
- (b) the event first commenced on an identified specific date during the period set out in Item 5 of the Declarations to Section Five and
- (c) the event was first discovered by the Insured within 144 hours of such first commencement and
- (d) written notification of the event was first received from the Insured by the Insurers within 90 days of the Insured's first discovery of the event and
- (e) the event did not result from the Insured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a) to e) are satisfied, this Section Five does not apply to any actual or alleged liability:-

- (i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by any statute, rule, ordinance, regulation or imposed by contract;
  - (ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party;
  - (iii) for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any Insured, or which is or was, at any time, in the care, custody or control of any Insured (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
  - (iv) in respect of any seepage, pollution or contamination which is directly caused by or arises out of the drilling of, production from, servicing of, operation of, ownership of or participation in wells or holes;
14. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials during transportation;
  15. directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts or foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority, except in respect of accidents taking place in the United States of America, its territories, possessions, or Canada;
  16. not excluded by 15. above, as a result of the use of the Insured's products insofar as they are used in connection with war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection,

military or usurped power or confiscation or nationalisation or requisition or deliberate destruction of or deliberate damage to property;

17. arising out of Aviation products;
18. (a) arising out of ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) arising out of the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) arising out of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
19. (a) arising out of an Insured's capacity, duty or responsibility as an officer, director or trustee of a corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an Insured's duties, responsibilities or accountability as an officer, director or trustee, including without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the Insured's capacity as an officer, director or trustee, or with respect to the capital, assets or securities of the corporation, or any action taken beyond the scope of the Insured's authority as an officer, director or trustee;
- (b) arising out of any violation of any federal or state law regulating, controlling or governing stock bonds or securities of any type or nature, including without limitation, liability under The Securities Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" laws of the various states or other jurisdiction;
- (c) of any officer, director or trustee arising out of a shareholder's derivative action;
- (d) which would be payable under the terms of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by insurance companies in the United States of America, as if any Insured had obtained such coverage in an amount sufficient to pay the full amount being claimed against any Insured and any defence thereof, whether or not any Insured has obtained such coverage;
20. (a) arising out of any violation of any federal or state law regulating, controlling or governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices or conspiracies in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade

Commission Act, the Hart-Scott-Rodino Antitrust Improvements Act and the Racketeer Influenced And Corrupt Organisation Act;

- (b) arising out of any claim made by or on behalf of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Resolution Trust Company, any other depository insurance corporation, the Comptroller of the Currency, the Federal Home Loan Bank board or any other federal or state bank regulatory agency, in its capacity as regulator, receiver, conservator, liquidator, shareholder, successor in interest or assignee of the Insured, whether such claim is brought in the name of such agency or by or on behalf of such agency in the name of any other person;
  - (c) arising out of or contributed to by the dishonesty, infidelity or fraud of any Insured;
21. for any act, negligence, error or omission, malpractice or mistake arising out of professional services, committed or alleged to have been committed by or on behalf of the Insured in the conduct of any of the Insured's business activities. "professional services" in this exclusion means the providing of or approval of opinions, advice, audits, reports, surveys, maps, plans, designs or specifications and supervisory, inspection, legal, medical, accounting, actuarial, architectural, insurance, investment or data processing services;
  22. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury directly or indirectly caused by or arising out of: asbestos; tobacco; coal dust; polychlorinated biphenyls; silica; benzene; lead; talc; dioxin; pesticides or herbicides; electromagnetic fields; pharmaceutical or medical drugs/products/substances/devices; or any substance containing such material or any derivative thereof;
  23. for Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury in the nature of:- hearing loss or damage; human immune virus or acquired immune deficiency syndrome; cumulative trauma disorder, repetitive motion or strain injury, carpal tunnel syndrome;
  24. for the Insured's failure to supply or from fluctuations in supply of any oil, gas, electricity, chemicals, products, materials or services.
  25. arising out of the maintenance, operation or use of any automobile;
  26. arising out of the maintenance, operation or use of any aeroplane, aircraft or helicopter which is designed to fly in the air, atmosphere or space;

Nothing contained in the above exclusions shall extend this Section Five to cover any liability which would not have been covered had these exclusions not been incorporated herein.

#### **IV. DEFINITIONS**

This Section Five is subject to the following definitions:-



**1. ACCIDENT**

The word "accident", wherever used in this Section Five, shall mean an event which first commences on an identifiable specific date on or after the retroactive date set out in Item 6 of the Declarations to Section Five.

**2. ADVERTISING INJURY**

The words "advertising injury", wherever used in this Section Five, shall mean injury to a third party arising out of the Insured's advertising activities, but only if such injury arises out of:-

- (a) libel, slander or defamation,
- (b) any infringement of copyright, titles or slogans,
- (c) any invasion of right of privacy.

**3. AIRCRAFT LIABILITY**

The words "aircraft liability", wherever used in this Section Five, shall mean liability arising out of the maintenance, operation or use of any aeroplane, aircraft or helicopter which is designed to fly in the air, atmosphere or space.

**4. AUTOMOBILE**

The word "automobile", wherever used in this Section Five, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; but the word "automobile", shall not include the contents of any such vehicle, trailer or semi-trailer.

**5. AUTOMOBILE LIABILITY**

The words "automobile liability", wherever used in this Section Five, shall mean liability arising out of the maintenance, operation or use of any automobile.

**6. AVIATION PRODUCTS**

The words "aviation products", wherever used in this Section Five, shall mean any of the Insured's products consisting of or being a part of an aircraft, aeroplane, helicopter, rocket, missile, satellite or other craft designed to fly in the air, atmosphere or space. Aviation products shall not include aviation fuel or lubricants.

**7. BODILY INJURY**

The words "Bodily Injury", wherever used in this Section Five, shall mean all physical injury to a third party human being including death, sickness, disease or disability and all mental injury, anguish or shock to such human being resulting from such physical injury, and all mental injury, anguish or shock suffered by any relative of such human being resulting from such physical injury.

**8. CLAIM**

The word "claim", wherever used in this Section Five, shall mean that part of each written demand received by the Insured for damages covered by this Section Five, including the service of suit or institution of arbitration proceedings.

**9. COMPLETED OPERATIONS LIABILITY**

The words "completed operations liability", wherever used in this Section Five, shall mean liability for Bodily Injury and/or Property Damage arising out of the Insured's operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury and/or Property Damage happens after such operations have been completed or abandoned and happens away from premises owned, rented, leased or occupied by the Insured.

"Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

- (a) when all operations to be performed by or on behalf of the Insured under the contract have been completed, or
- (b) when all operations to be performed by or on behalf of the Insured at the site of the operations have been completed, or
- (c) when that portion of the work out of which the Bodily Injury and/or Property Damage arises has been put to its intended use by any person or organisation other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations which require service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise completed, shall be deemed completed.

Completed Operations Liability does not include liability for Bodily Injury and/or Property Damage arising out of:-

- (a) operations in connection with the transportation of property, unless the Bodily Injury and/or Property Damage arises out of a condition in or on an automobile created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials.

**10. DEFENCE EXPENSES**

The words "defence expenses", wherever used in this Section Five, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgment interest, paid or incurred by or on behalf of the Insured.

The salaries, expenses or administrative costs of the Insured or its employees or any insurer shall not be included within the meaning of defence expenses.

**11. EMPLOYERS' LIABILITY**

The words "employers' liability", wherever used in this Section Five, shall mean any liability of an Insured to its employee arising out of the employment of that employee.

**12. INSURED**

Only the following are included in the definition of the "Insured" under this Section Five:-

- (a) the named Insured, as set forth in Item 1 of the Declarations to Section Five,
- (b) the named Insured's subsidiary, owned or controlled companies which have been declared and accepted by the Insurers at the inception date of this Section Five of the policy,
- (c) any person or entity to whom the Insured is obliged by virtue of a written contract entered into before any relevant Accident, to provide insurance within the coverage afforded by this Section Five. Said person or entity shall be covered only to the extent of such obligation of the Insured and then only in respect of products manufactured by or operations carried out by or on behalf of the Insured or of facilities of the Insured or of facilities used by the Insured,
- (d) additional Insureds, other than as provided for in b) or c) above, which have been declared and accepted by the Insurers at the inception date of this Section Five of the policy,
- (e) any officer, director, stockholder, partner or employee of an Insured, but only in respect of a claim made against him in his capacity as such,
- (f) such additional percentage of any joint venture, operation or partnership where the Insured is required by written contract to provide insurance for any other partner in the joint venture and which has been declared to and accepted by the Insurers at the inception date of this Section Five of the policy,
- (g) any person or entity that would otherwise fall under b), d), or f) above but for which the named Insured first seeks coverage after the inception date and during the period of this Section Five of the policy, will automatically be covered hereon subject to the retroactive date for such person or entity being the date from which coverage is required and provided satisfactory advice and full information is received by the Insurers from the first named Insured of such additional person or entity within 45 days after the date such coverage is required. The Insurers' reserve the right to charge such additional premium and/or impose such specific terms, conditions and exclusions upon any person or entity covered under this paragraph g) as the Insurers think fit,

- (h) any subsidiary or affiliated company insured under b), d), f), or g) above which ceases to be a subsidiary or affiliated company during the period set out in Item 5 of the Declarations to Section Five, but only with respect to the remainder of the period set out in Item 5 of the Declarations to Section Five and only in so far as such former subsidiary or affiliated company does not have any other insurance as set out in Condition 2 of this Section Five.

**13. INSURED'S PRODUCTS**

The words "Insured's products", wherever used in this Section Five, shall mean goods or products manufactured, sold, handled or distributed by the Insured or by others trading under the name of the Insured, including any packaging thereof.

**14. OCCUPATIONAL DISEASE**

The words "occupational disease", wherever used in this Section Five, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers' compensation, unemployment compensation or disability benefits, laws, statutes or regulations of any jurisdiction in which the claim is made or the occupational disease arose.

**15. PERSONAL INJURY**

The words "personal injury", wherever used in this Section Five, shall mean:-

- (a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a third party human being;
- (b) libel, slander, defamation of character or invasion of right of privacy of such human being, unless arising out of any advertising activities;
- (c) mental injury, anguish or shock to such human being which results from a) and/or b) above.

**16. PRODUCTS LIABILITY**

The words "products liability", wherever used in this Section Five, shall mean liability for Bodily Injury and/or Property Damage arising out of the Insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury and/or Property Damage happens after physical possession of the Insured's products has been relinquished to others and happens away from premises owned, leased, rented or occupied by any Insured.

**17. PROPERTY DAMAGE**

The words "property damage", wherever used in this Section Five, shall mean physical loss of, physical damage to or physical destruction of tangible property of a third party, including loss of use of the tangible property so lost, damaged or destroyed.

**18. THIRD PARTY**

The words "third party", wherever used in this Section Five, shall mean any company, entity or human being other than an Insured or other than a subsidiary, owned or controlled company or entity of an insured. Notwithstanding definition 12 (e) of this Section Five, an employee of an Insured shall be treated as a Third Party hereunder when making a claim against an Insured.

**19. ULTIMATE NET LOSS**

The words "ultimate net loss", wherever used in this Section Five, shall mean the amount the Insured is obligated to pay, by judgment or settlement, as damages resulting from a claim, including defence expenses in respect of such claim.

**20. WATERCRAFT LIABILITY**

The words "watercraft liability", wherever used in this Section Five, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

**DECLARATIONS TO SECTION FIVE**

- Item 1 Name of the Insured
- Item 2 Underlying Amount(s)
- a) Bodily Injury, Personal Injury, Property damage and/or Advertising Injury, except where a separate amount is specifically shown in b)-f) below or is added by endorsement,  
each accident without aggregate:- Not applicable
- b) Products Liability and Completed Operations Liability combined:-  
each accident:- Not applicable  
annual aggregate:- Not applicable
- c) Employers' Liability: each accident without aggregate:- Not applicable
- d) Watercraft Liability: each accident without aggregate:- Not applicable
- e) Aircraft Liability: each accident without aggregate:- Not applicable
- f) Automobile Liability: each accident without aggregate:- Not applicable
- Item 3 Each Accident Retention in respect of each accident:- Onshore: Rs\_\_\_\_\_
- Offshore Rs\_\_\_\_\_
- Item 4 Limits of Liability (100%)
- a) Limit in respect of each accident which is always subject to b) below:- Rs\_\_\_\_\_
- b) Aggregate limit, separately in respect of:
- (i) Products Liability and Completed Operations Liability combined:- Rs\_\_\_\_\_
- (ii) All other coverages combined:- Rs\_\_\_\_\_
- Item 5 Policy Period (both dates at 00:01 a.m. Local Standard Time)
- a) inception date:-
- b) expiry date (subject to any date of cancellation):-
- Item 6 Retroactive Date:-

Item 7	Extended Claims Made Period percentage of Item 9:-	Not to exceed 100%
Item 8	Currency	
	a) Premiums:	
	b) Indemnity payments:-	
Item 9	Premium:-	As per Policy Schedule
	Payable on (dates):-	As per Policy Schedule
Item 10	Payment of Premium to:-	
Item 11	Proposal dated:-	
Item 12	Additional Insureds accepted by Insurers under Definition 12(b), (d) or (f) :-	Not applicable
Item 13	Indemnity payments to:-	

### SHORT RATE CANCELLATION TABLE

Days Insurance in Force	Per Cent of One Year Premium	Days Insurance in Force	Per Cent of One Year Premium
1	5	154-156	53
2	6	157-160	54
3- 4	7	161-164	55
5- 6	8	165-167	56
7- 8	9	168-171	57
9- 10	10	172-175	58
11- 12	11	176-178	59
13- 14	12	179-182	(6 months) 60
15- 16	13	183-187	61
17- 18	14	188-191	62
19- 20	15	192-196	63
21- 22	16	197-200	64
23- 25	17	201-205	65
26- 29	18	206-209	66
30- 32	(1 month) 19	210-214	(7 months) 67
33- 36	20	215-218	68
37- 40	21	219-223	69
41- 43	22	224-228	70
44- 47	23	229-232	71
48- 51	24	233-237	72
52- 54	25	238-241	73
55- 58	26	242-246	(8 months) 74
59- 62	(2 months) 27	247-250	75
63- 65	28	251-255	76
66- 69	29	256-260	77
70- 73	30	261-264	78
74- 76	31	265-269	79
77- 80	32	270-273	(9 months) 80
81- 83	33	274-278	81
84- 87	34	279-282	82
88- 91	(3 months) 35	283-287	83
92- 94	36	288-291	84
95- 98	37	292-296	85
99-102	38	297-301	86
103-105	39	302-305	(10 months) 87
106-109	40	306-310	88
110-113	41	311-314	89
114-116	42	315-319	90
117-120	43	320-323	91
121-124	(4 months) 44	324-328	92
125-127	45	329-332	93
128-131	46	333-337	(11 months) 94
132-135	47	338-342	95
136-138	48	343-346	96
139-142	49	347-351	97
143-146	50	352-355	98
147-149	51	356-360	99
150-153	(5 months) 52	361-366	100



## **ENDORSEMENT CONTAINING ENERGY EXCLUSIONS TO SECTION FIVE**

Notwithstanding anything to the contrary contained in this Section Five, it is hereby understood and agreed that this Section Five shall not apply to any actual or alleged liability for:-

### **1. LOSS OF WELL OR HOLE**

- (a) loss of or damage to any well or hole
  - (i) which is being drilled or worked over by or on behalf of the Insured,
  - (ii) in connection with which the Insured has provided services, equipment or materials,
- (b) any cost or expense incurred in, or incidental to redrilling or restoring any such well or hole or any substitute well or hole;

### **2. IN-HOLE EQUIPMENT**

loss of or damage to any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery or any other equipment while it is below the surface of the earth in any well or hole

- (a) which is being drilled or worked over by or on behalf of the Insured,
- (b) in connection with which the Insured has provided services, equipment or materials;

### **3. COST OF CONTROL**

any costs or expenses incurred in, or incidental to

- (a) controlling or bringing under control any wells or holes,
- (b) extinguishing fire in or from any wells or holes,
- (c) drilling relief wells or holes, whether or not the relief wells or holes are successful;

### **4. REMOVAL OF DEBRIS**

any costs or expenses incurred in, or incidental to

- (a) the raising, removal or destruction of any wreckage, debris or obstruction, however caused, whether or not the property of the Insured, and whether or

not such raising, removal or destruction is required by law, contract or otherwise,

but this exclusion 4. (a) is deleted following a fortuity only.

(b) the removal or recovery of any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery or any other equipment while it is below the surface of the earth in any well or hole;

**5. SUB-SURFACE OPERATIONS**

damage to, loss of or loss of use of property resulting from subsidence caused by sub-surface operations of the Insured;

**6. UNDERGROUND RESOURCES**

loss of or damage to sub-surface oil, gas, water, or other substance or material, or the cost or expense of reducing to physical possession above the surface of the earth any oil, gas, water, or other substance or material, or the cost or expense incurred or rendered necessary to prevent or minimize such loss or damage;

**7. CO-OWNER**

damages to any co-owner of a working interest with respect to such working interest. As used in this exclusion, the term "co-owner of a working interest" means any person or entity working with the Insured, a co-owner, joint venturer or mining partner in mineral properties who participates in the operating expense of such properties or revenues therefrom, or who has the right to participate in the control, development or operation of such properties.

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**GRIEVANCES**

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

Our Grievance Redressal Officer

You can send Your grievance in writing by post or email to Our Grievance Redressal Officer at the following address:

Grievance cell

In case of any grievance the insured person may contact the company through:

Website: [www.universalsompo.com](http://www.universalsompo.com)

Toll free: 1 - 800 - 224030 (For MTNL/BSNL Users) or 1 - 800 – 2004030

E-mail: [contactus@universalsompo.com](mailto:contactus@universalsompo.com)

Courier: Universal Sompo General Insurance Co. Ltd, Unit No- 601 & 602 A Wing, 6th

Floor, Reliable Tech Park, Cloud City Campus; Thane- Belapur Road, Airoli- 400708

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance

If Insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at

[grievance@universalsompo.com](mailto:grievance@universalsompo.com)

For updated details of grievance officer, kindly refer the link [www.universalsompo.com](http://www.universalsompo.com)

Grievance may also be lodged at IRDAI Integrated Grievance Management System - <https://igms.irda.gov.in/>

## 1. Consumer Affairs Department of IRDAI

a.) In case it is not resolved within 15 days or if You are unhappy with the resolution You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number 155255 (or) 1800 4254 732 or sending an e-mail to [complaints@irdai.gov.in](mailto:complaints@irdai.gov.in). You can also make use of IRDAI's online portal - Integrated Grievance Management System (IGMS) by registering Your complaint at [igms.irda.gov.in](http://igms.irda.gov.in).

b.) You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by clicking here. You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India (IRDAI), Consumer Affairs Department - Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad 500032.

c.) You can visit the portal <http://www.policyholder.gov.in> for more details.

## 2. Insurance Ombudsman

You can approach the Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at [www.irdai.gov.in](http://www.irdai.gov.in), or of the General Insurance Council at [www.generalinsurancecouncil.org.in](http://www.generalinsurancecouncil.org.in), the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices. IRDAI Integrated Grievance Management System – <https://igms.irda.gov.in/>

The contact details of the Insurance Ombudsman offices are as below

Office Details	Jurisdiction of Office (Union Territory, District)
<b>AHMEDABAD - Shri Kuldip Singh</b> Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001.	Gujarat, Dadra & Nagar Haveli, Daman and Diu.

<p>Tel.: 079 - 25501201/02/05/06 <a href="mailto:bimalokpal.ahmedabad@cioins.co.in">Email: bimalokpal.ahmedabad@cioins.co.in</a></p>	
<p><b>BENGALURU -</b> Office of the Insurance Ombudsman, Jeevan Soudha Building,PID No. 57-27-N-19 Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 <a href="mailto:bimalokpal.bengaluru@cioins.co.in">Email: bimalokpal.bengaluru@cioins.co.in</a></p>	<p>Karnataka.</p>
<p><b>BHOPAL -</b> Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 - 2769203 <a href="mailto:bimalokpal.bhopal@cioins.co.in">Email: bimalokpal.bhopal@cioins.co.in</a></p>	<p>Madhya Pradesh Chattisgarh.</p>
<p><b>BHUBANESHWAR - Shri Suresh Chandra Panda</b> Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 /2596455 Fax: 0674 - 2596429 <a href="mailto:bimalokpal.bhubaneswar@cioins.co.in">Email: bimalokpal.bhubaneswar@cioins.co.in</a></p>	<p>Orissa.</p>
<p><b>CHANDIGARH -</b> Office of the Insurance Ombudsman,  S.C.O. No. 101, 102 &amp; 103, 2nd Floor,  Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Fax: 0172 - 2708274 <a href="mailto:bimalokpal.chandigarh@cioins.co.in">Email: bimalokpal.chandigarh@cioins.co.in</a></p>	<p>Punjab, Haryana(excluding Gurugram, Faridabad, Sonapat and Bahadurgarh) Himachal Pradesh, Union Territories of Jammu &amp; Kashmir, Ladakh &amp; Chandigarh.</p>
<p><b>CHENNAI -</b> Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet,</p>	<p>Tamil Nadu, Tamil Nadu PuducherryTown and Karaikal (which are part of Puducherry).</p>

<p>CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 <a href="mailto:bimalokpal.chennai@cioins.co.in">Email: bimalokpal.chennai@cioins.co.in</a></p>	
<p><b>DELHI - Shri Sudhir Krishna</b> Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23232481/23213504 Email: bimalokpal.delhi@cioins.co.in</p>	<p>Delhi &amp;  Following Districts of Haryana - Gurugram, Faridabad, Sonapat &amp; Bahadurgarh.</p>
<p><b>GUWAHATI -</b> Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2632204 / 2602205 <a href="mailto:bimalokpal.guwahati@cioins.co.in">Email: bimalokpal.guwahati@cioins.co.in</a></p>	<p>Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.</p>
<p><b>HYDERABAD -</b> Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace,  A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 23312122 Fax: 040 - 23376599 <a href="mailto:bimalokpal.hyderabad@cioins.co.in">Email: bimalokpal.hyderabad@cioins.co.in</a></p>	<p>Andhra Pradesh, Telangana, Yanam and part of Union Territory of Puducherry.</p>
<p><b>JAIPUR -</b> Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 <a href="mailto:bimalokpal.jaipur@cioins.co.in">Email: bimalokpal.jaipur@cioins.co.in</a></p>	<p>Rajasthan.</p>
<p><b>ERNAKULAM - Ms. Poonam Bodra</b> Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg.,  Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336</p>	<p>Kerala, Lakshadweep, Mahe-a part of Union Territory of Puducherry.</p>

<a href="mailto:bimalokpal.ernakulam@cioins.co.in">Email: bimalokpal.ernakulam@cioins.co.in</a>	
<p><b>KOLKATA - Shri P. K. Rath</b>  Office of the Insurance Ombudsman,  Hindustan Bldg. Annexe, 4th Floor,   4, C.R. Avenue,  KOLKATA - 700 072.  Tel.: 033 - 22124339 / 22124340  Fax : 033 - 22124341  <a href="mailto:bimalokpal.kolkata@cioins.co.in">Email: bimalokpal.kolkata@cioins.co.in</a></p>	<p>West Bengal,  Sikkim,  Andaman &amp; Nicobar  Islands.</p>
<p><b>LUCKNOW -Shri Justice Anil Kumar Srivastava</b>  Office of the Insurance Ombudsman,  6th Floor, Jeevan Bhawan, Phase-II,  Nawal Kishore Road, Hazratganj,  Lucknow - 226 001.  Tel.: 0522 - 2231330 / 2231331  Fax: 0522 - 2231310  Email: bimalokpal.lucknow@cioins.co.in</p>	<p>Districts of Uttar Pradesh :  Lalitpur, Jhansi, Mahoba,  Hamirpur, Banda,  Chitrakoot, Allahabad,  Mirzapur, Sonbhadra,  Fatehpur, Pratapgarh,  Jaunpur, Varanasi, Gazipur,  Jalaun, Kanpur, Lucknow,  Unnao, Sitapur, Lakhimpur,  Bahraich, Barabanki,  Raebareli, Sravasti, Gonda,  Faizabad, Amethi,  Kaushambi, Balrampur,  Basti, Ambedkarnagar,  Sultanpur, Maharajgang,  Santkabirnagar, Azamgarh,  Kushinagar, Gorkhpur,  Deoria, Mau, Ghazipur,  Chandauli, Ballia,  Sidharathnagar.</p>
<p><b>MUMBAI -</b>  Office of the Insurance Ombudsman,   3rd Floor, Jeevan Seva Annexe,   S. V. Road, Santacruz (W),  Mumbai - 400 054.  Tel.: 69038821/23/24/25/26/27/28/28/29/30/31  Fax: 022 - 26106052  <a href="mailto:bimalokpal.mumbai@cioins.co.in">Email: bimalokpal.mumbai@cioins.co.in</a></p>	<p>Goa,  Mumbai Metropolitan  Region  excluding Navi Mumbai &amp;  Thane.</p>
<p><b>NOIDA - Shri Chandra Shekhar Prasad</b></p>	<p>State of Uttaranchal and the  following Districts of Uttar  Pradesh:</p>

Office of the Insurance Ombudsman,  
 Bhagwan Sahai Palace  
 4th Floor, Main Road,  
 Naya Bans, Sector 15,  
 Distt: Gautam Buddh Nagar,  
 U.P-201301.  
 Tel.: 0120-2514252 / 2514253  
 Email: [bimalokpal.noida@cioins.co.in](mailto:bimalokpal.noida@cioins.co.in)

Agra, Aligarh, Bagpat,  
 Bareilly, Bijnor, Budaun,  
 Bulandshehar, Etah,  
 Kanooj, Mainpuri,  
 Mathura, Meerut,  
 Moradabad, Muzaffarnagar,  
 Oraiyya, Pilibhit, Etawah,  
 Farrukhabad, Firozbad,  
 Gautambodhanagar,  
 Ghaziabad, Hardoi,  
 Shahjahanpur, Hapur,  
 Shamli, Rampur, Kashganj,  
 Sambhal, Amroha, Hathras,  
 Kanshiramnagar,  
 Saharanpur.

**PATNA - Shri N. K. Singh**  
 Office of the Insurance Ombudsman,  
 2nd Floor, Lalit Bhawan,  
 Bailey Road,  
 Patna 800 001.  
 Tel.: 0612-2547068  
 Email: [bimalokpal.patna@cioins.co.in](mailto:bimalokpal.patna@cioins.co.in)

Bihar,  
 Jharkhand.

**PUNE - Shri Vinay Sah**  
 Office of the Insurance Ombudsman,  
  
 Jeevan Darshan Bldg., 3rd Floor,  
  
 C.T.S. No.s. 195 to 198,  
 N.C. Kelkar Road, Narayan Peth,  
 Pune – 411 030.  
 Tel.: 020-41312555  
 Email: [bimalokpal.pune@cioins.co.in](mailto:bimalokpal.pune@cioins.co.in)

Maharashtra,  
 Area of Navi Mumbai and  
 Thane  
 excluding Mumbai  
 Metropolitan Region.