SONARWA General

SONARWA General
Insurance Company Limited

CONTRACTORS ALL RISKS POLICY

Whereas the Insured named in the Schedule has applied to, SONARWA General Insurance Company Ltd, hereinafter called the "Insurer", and has paid or agreed to pay the premium stated in the Schedule as consideration for the indemnity hereinafter contained.

Now this Policy Witnesses that subject to the terms, exceptions and conditions contained herein or endorsed hereon SONARWA General Insurance Company Ltd will indemnify the Insured in respect of loss, damage or liability as detailed in the Schedule arising from any event occurring during the Period of Insurance or during any subsequent period for which the Insurer may accept payment.

Provided always that due observance and fulfilment of the conditions contained in the Schedule, the General Conditions and the Endorsements, which conditions are to be read as part of this Policy, shall so far as the nature of them respectively will be deemed to be conditions precedent to any liability of SONARWA General Insurance Company Ltd under this Policy.

SCHEDULE POLICY SPECIFICATIONS

POLICY No :…………………………….
ACCOUNT No :…………………………….
INSURED : …………………………...
ADDRESS : ………………………….
OCCUPATION : …………………………...
SCOPE OF WORKS :…………………………….
TYPE OF CONTRACT : …………………………

PERIOD OF INSURANCE : from ………. to ………
CONTRACT PERIOD : ……Months
MAINTENANCE PERIOD : ……Months

SUM INSURED, LIMITS OF INDEMNITY AND DEDUCTIBLES

1. **CONTRACT WORKS: ……………………………………...**

2. **Sum insured : Rwf ……………………**

3. THIRD PARTY LIABILITY

3.1. BODILY INJURY

Any one person : Rwf ……………
Any one event : Rwf ……………
Any one period : Rwf …………….

3.2. PROPERTY DAMAGE

Any one event : Rwf ………………..
Any one period : Rwf ……………….

Deductibles:

- ACTS OF GOD: …..% of claim with a minimum of Rwf …………………………
- All other claims: …...% of each and every loss with a minimum of Rwf ……………
- Third party losses :…% of each and every claim with a minimum of Rwf …………
- Under ground cabble excess: ….% each and every loss with a minimum of Rwf ……

3.3. AVERAGE OF INDEMNITY

If at the time of any Damage, the Company finds out that you are under insured, the average clause will be applied in settling the claim.

4. PREMIUM

Net Premium	: **Rwf** ....
FEES	: **Rwf** ……………
TAXES (18 %)	: **Rwf** …………….
TOTAL PREMIUM	**: Rwf** ……………..

5. PREMIUM PAYMENT WARRANTY

It is hereby expressly agreed cover under this Policy is granted subject to full payment of premium within 30 days from inception/renewal. It is further declared and agreed that this policy will be voidable at the insurer discretion if the premium is not paid within the 30 days and the insured shall be compelled to pay premium for the period he has been on cover provided that if a claim has arisen before termination is enforced, full annual premium shall be due to Insurer.

Done at Kigali, on ……/……. 20….

For the Insured, **For the Insurer,**

…………………… **SONARWA General Insurance Company Ltd**

CLAUSES ATTACHING TO AND FORMING PART OF CONTRACTORS ALL RISKS INSURANCE POLICY N0 : ………..…ISSUED IN THE NAMES OF …………………

ENDORSEMENT 001 - COVER FOR LOSS OR DAMAGE DUE TO STRIKE AND CIVIL COMMOTION

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

-The act of any person taking part together with others in any disturbances of the public peace (whether in connection with a strike or lock-out) not being an occurrence mentioned in condition 2 of the Special Condition hereof,
-The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,
-The willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out,
-The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

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

All terms, exclusions, provisions and conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions and any reference to loss damage in the wording of the Policy shall be deemed to include the perils hereby insured against.

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

Special Conditions:

This insurance shall not cover:
Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process operation.
Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
Loss or damage occasioned by permanent or temporary dispossession of any building resulting from the lawful occupation by any person of such building.

This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the occurrences, namely war, invasion, act of foreign enemy, hostilities or warlike operations

(whether war be declared or not), civil war, mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution military or usurped power, any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.
In any action, suit or other proceeding, where the Insurers allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

This insurance may at any time be terminated by the Insurers on notice to that effect being given by registered post to the Insured's last known address, in which case the Insurers shall be liable to repay a ratable proportion of the premium for the unexpired term from the date of cancellation.

ENDORSEMENT 002 - COVER FOR CROSS LIABILITY LIMIT – RWF. 50,000,000

Where more than one party comprise the Insured each of the parties for the purpose of this Section shall be considered as a separate and distinct unit and the word "Insured" shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties and the Insurers hereby agree to waive all rights of subrogation or action which the Insurers may have or acquire against any of the aforesaid parties arising out of any accident in respect of which a claim is made hereunder.

ENDORSEMENT 003 - MAINTENANCE VISITS COVER – 1 months (After completion of the project)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended for the maintenance period specified hereunder to cover solely loss of or damage to the Contract Works caused by the insured Contractor(s) in the course of the operations carried out for the purpose of complying with the obligation under the maintenance provision of the Contract.

ENDORSEMENT 005 - SPECIAL CONDITIONS CONCERNING THE CONSTRUCTION AND/OR ERECTION TIME SCHEDULE.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

The construction and/or erection time schedule together with any other statements made in writing by the Insured for the purpose of obtaining cover under the Policy as well as technical information forwarded to the Insurer shall be deemed to be incorporated herein.

The Insurer shall not indemnify the Insured in respect of loss or damage caused by or arising out of or aggravated by deviations from the construction and/or erection time schedule exceeding the number of weeks stated below unless the Insurer had agreed in writing to such a deviation before the loss occurred.

ENDORSEMENT 006 - OVERTIME, NIGHT-WORK, WORK ON PUBLIC HOLIDAYS, EXPRESS FREIGHT – NOT APPLICABLE

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (including airfreight).

Provided always that such extra charges are incurred in connection with any loss or damage to the insured items recoverable under the Policy.

If the sum(s) insured of the damaged item(s) is (are) less than the amount(s) required to be insured, the amount payable under this Endorsement for such extra charges shall be reduced in the same proportion.

ENDORSEMENT 102 - SPECIAL CONDITIONS CONCERNING UNDERGROUND CABLES, PIPES AND OTHER FACILITIES.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities and takes all necessary steps to avoid damage to the same.

Claims in respect of loss of or damage to such underground facilities which are in the same position as shown on the undergoing maps (drawings indicating the position of the underground facilities) shall be payable after applying a deductible as appear in the schedule.

Claims in respect of loss of or damage to underground facilities incorrectly shown on the underground map shall be payable after applying the deductible stated under below.

The indemnity shall in any case be restricted to the repair costs of such cables pipes or other underground facilities, any consequential damage and penalties being excluded from the cover.

ENDORSEMENT 103 - EXCLUSION OF LOSS OF OR DAMAGE TO CROPS, FORESTS AND CULTURES.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss, damage or liability directly or indirectly caused to crops, forests and/or any cultures during the execution of the contract works.

ENDORSEMENT 107- WARRANTY CONCERNING CAMPS AND STORES

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the insured for loss, damage or liability directly or indirectly caused to camps and stores by fire, flood or inundation if these camp and stores are located above the highest water level recorded anywhere on the site during the last 10 years and the individual storage units are either at least 50 m apart or separated by fire walls.

ENDORSEMENT 108 - WARRANTY CONCERNING PLANT, EQUIPMENT AND MACHINERY (10 YEARS RETURN PERIOD).

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the insured for loss, damage or liability directly or indirectly caused to construction plant equipment and machinery by flood and inundation if, after the execution of works or in case of any interruption, such construction plant, equipment and machinery are kept in an area not endangered by 10-years floods.

ENDORSEMENT 110 – SPECIAL CONDITIONS CONCERNING SAFETY MEASURES WITH RESPECT TO PRECIPITATION, FLOOD AND INUNDATION.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the insured for loss, damage or liability caused directly or indirectly by precipitation, flood and inundation if adequate safety measures have been taken in designing and executing the project involved.

Adequate safety measures shall mean that allowance is made for precipitation, flood and inundation up to return period of 10 years for the location insured and the entire policy period on the basis of the statistics prepared by the meteorological agencies.

Loss, damage or liability resulting from the Insured’s not immediately removing obstructions (e.g. sand, trees) from watercourses, whether carrying water or not, in order to maintain free waterflow shall not be indemnifiable.

ENDORSEMENT 112 - SPECIAL CONDITIONS CONCERNING FIRE-FIGHTING FACILITIES.

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the insured for loss, damage or liability resulting directly or indirectly from fire and / or explosion if the following requirements are fulfilled:

-Adequate fire-fighting equipment and extinguishing agents of sufficient capacity shall always be available at the site and ready for immediate use

-A sufficient number of workmen shall be fully trained in the use of such equipment and shall always be available at the site and ready for immediate use.

-If storage of material for the construction or erection of the contract work is necessary, storage shall be subdivided into storage units not exceeding the value started below per storage unit. The individual storage units shall either be at least 50 m apart or separated by fireproof walls.

-Welding, soldering or the use of an open flame in the vicinity of combustible material is only permitted if at least one workman suitably equipped with extinguishers and well trained in fire-fighting is present.

At the beginning of testing all fire-fighting facilities designed for the operation of the plant shall be installed and serviceable.

THEFT CLAUSE C LAUSE

Theft within the meaning of this policy shall mean theft following upon Housebreaking (causing actual forcible visible damage to the site Construction Stores or premises or part thereof) and connected therewith or if there shall arise any damage to the said stores or premises, the property of the Insured or for which the insured is legally responsible, which shall be due to any such theft as aforesaid or any attempt thereat, **excluding** theft by or with the connivance of any of the family, construction staff or domestic servants or the Insured or any other person lawfully on the construction site, stores or premises.

WATCHMAN WARRANTY

Equipment under the within mentioned Policy is guarded by watchman solely employed by the Contractor mentioned in the Policy for twenty-four (24) Hours on all days during course of Construction.

If in the event of loss or damage, it is found that the value of materials on site is more than the above Limit, then the amount recoverable by the Insured under the policy shall be reduced in such proportion as the Limit bears to the actual value of the materials on site.

AUTOMATIC REINSTATEMENT OF LOSS CLAUSE

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro-rata basis from the date of such loss to the expiry of the current period of insurance, it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured. Subject otherwise to the terms, exceptions and endorsements of Policy.

SUBROGATION RIGHTS

In the event of a claim under this policy the Company agrees to follow any rights, remedies or relief to which they might become entitled by subrogation against: -

(a) any company being parent and/or subsidiary to the Insured as defined in current Companies Act Legislation.

(b) any company which is a subsidiary and/or parent company of which the Insured are themselves a subsidiary, in each case within the meaning of the current Companies Act.

DEDUCTIBLE.

It is hereby declared and agreed that the insured will be responsible for Frw (see as per schedule) in respect of all claims subject to the terms, exclusions, provisions and conditions in the policy.

RWANDA JURISDICTION CLAUSE.

Notwithstanding anything contained herein to the contrary, it is agreed that the indemnity provided by this policy shall not apply to:

1. Compensation for damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction in Rwanda.
2. Costs and expenses and litigation recovered by any claimant from the insured that are not incurred in and recoverable in Rwanda.

ASBESTOS EXCLUSION CLAUSE.

It is hereby understood and agreed that this agreement shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity provided that the loss or losses are caused or contributed to by the hazardous nature of asbestos.

TERRORISM EXCLUSION CLAUSE FOR CONTAMINATION AND EXPLOSIVES

It is agreed that, regardless of any contributory causes, this Policy does not cover any loss, damage, cost or expense directly or indirectly arising out of:

a. biological or chemical contamination
b. missiles, bombs, grenades, explosives due to any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

For the purpose of a) "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy the burden of proving the contrary shall be upon the Insured.

POLITICAL RISKS EXCLUSION CLAUSE.

The following shall be excluded from this Policy:

Any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

1. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.

2. Abandonment and/or permanent or temporary dispossession resulting from detention, confiscation, seizure, restraint, commandeering, nationalisation, appropriation, destruction or requisition by order of any government de jure or de facto or by any public authority.

3. Mutiny, civil commotion, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.

4. Any riot, strike or public disorder or any act or activity which is calculated or directed to bring about a riot, strike or public disorder in respect of Political events only.

5. Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or government, or any political or local authority, or for the purpose of imposing fear in the public or any section thereof.

6. The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clauses 4 and 5 above.

7. Plundering, looting, war pillage in connection with riots and/or civil commotion.

For the purposes of clauses 5 and 6, any loss or damage occasioned by a labour disturbance, lockout and strike shall not be excluded.

In any action, suit or other proceeding in which the Insurer alleges that by reason of these provisions any loss or damage is not covered by this Policy, the burden of proving such loss or damage is covered shall be upon the Insured.

NUCLEAR ENERGY RISKS EXCLUSION CLAUSE NMA1975, WORLDWIDE EXCLUDING USA AND CANADA.

It is hereby understood and agreed that the insurance under this Policy shall exclude Nuclear Energy Risks, whether such risks are written directly and/or via Pools and/or Associations.

For all purposes of this Policy "Nuclear Energy Risks" shall mean all first party and/or third party insurances (other than Workmen's Compensation and Employers' Liability) in respect of:

(i) all property on the site of a nuclear power station, nuclear reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.
(ii) all property on any site (including but not limited to the sites referred to in (i) above) used or having been used for:-
(a) the generation of nuclear energy; or
(b) the production, use or storage of Nuclear Material.
(iii) any property eligible for Insurance by the relevant local Nuclear Insurance Pool and/or Association, but only to the extent of the requirements of that local Pool and/or Association.
(iv) the supply of goods and services to any of the sites described in (i) to (iii) above, unless such Insurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as under noted, Nuclear Energy Risks shall not include:

(a) any Insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of property as described in (i) to (iii) above (including contractors' plant and equipment);
(b) any Machinery Breakdown or other Engineering Insurance not coming within the scope of (i) above;
Provided always that such Insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

1. The provision of any Insurance whatsoever in respect of:
(a) nuclear Material
(b) any property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear

Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
The provision of any Insurance for the under noted perils:
fire, lightning, explosion; earthquake; aircraft and other aerial devices or articles dropped therefrom; irradiation and radioactive contamination; any other peril insured by the relevant local Nuclear Insurance Pool and/or Association; in respect of any other property not specified in (1) above which directly involves the production, use or storage of Nuclear Material as from the introduction of Nuclear Material into such property.

Definitions:
"Nuclear Material" means Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and

"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:
(i) any Nuclear Reactor.
(ii) any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
(iii) any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

"Nuclear Reactor" means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

"Production, use or storage of Nuclear Material" means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage handling and disposal of Nuclear Material.

"Property" shall mean all land, buildings, structures, plant equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

"High Radioactivity Zone or Area" means:

(i) for Nuclear Power Stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its support and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
(ii) for non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

Additional Nuclear Exclusion Clause unless specifically agreed, for an insured loss involving nuclear material under determined circumstances, this Policy does not cover loss or damage, cost or expense caused directly or indirectly by any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
nuclear material; nuclear fission or fusion; nuclear radiation; nuclear waste from the use of nuclear fuels; nuclear explosives, or any nuclear weapon.

Definitions:
"Nuclear material" as defined in NMA1975.

"Nuclear fission" means a nuclear reaction in which a heavy nucleus splits spontaneously or on impact with another particle with release of energy.
Nuclear fusion" means reaction in which atomic nuclei of low atomic number fuse to form a heavier nucleus with the release of energy.
"Nuclear radiation" means the absorption of electro-magnetic radiation by a nucleus having magnetic moment when in an external magnetic field.

"Nuclear waste" as defined in NMA 1975.
"Nuclear fuels" means a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy.
"Nuclear explosives" means an explosive involving the release of energy by nuclear fission or fusion or both.
"Nuclear weapon" means a nuclear device designed, used or usable for inflicting bodily harm or property damage.

RADIOACTIVE EXCLUSION CLAUSE

Unless specifically agreed for an insured loss involving nuclear material under determined circumstances, this insurance does not cover loss, damage cost or expense of whatsoever nature directly or indirectly caused, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

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

2. the radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

WAR, CIVIL WAR, POLITICAL RISKS EXCLUSION CLAUSE.

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is hereby declared and agreed that this Policy excludes any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

1. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
2. abandonment and/or permanent or temporary dispossession resulting from detention, confiscation, seizure, restraint, commandeering, nationalisation, appropriation, destruction or requisition by order of any Government de jure or de facto or by any public authority.
3. mutiny, civil commotion, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
4. any act, including but not limited to labour disturbance, lock-out, riot or strike, which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government, or any political or local authority, or for the purpose of imposing fear in the public or any section thereof.
5. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause 1, 2, 3.
6. plundering, looting, war pillage in connection with civil commotion or any of the activities referred to in clause 4 above.

Notwithstanding the foregoing, for the purposes of clauses 5 and 6, any loss or damage occasioned directly by a labour disturbance, lock-out, riot or strike in order to bring about any social or economic change which is not politically motivated not be excluded.

If the Company alleges that by reason of this exclusion, loss, damage, cost or expense is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.

Contractors' All Risks Insurance Policy

Whereas the Insured named in the Schedule hereto has made to **SONARWA General Insurance Company Ltd** (hereinafter called "the Insurer") a written proposal by completing a Questionnaire which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein,

Now this Policy of Insurance witnesses that subject to the Insured having paid to the Insurer the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon the Insurer will indemnify the Insured in the manner and to the extent hereinafter provided.

General Exclusions

The Insurer will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organi- zation, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
b) nuclear reaction, nuclear radiation or radioactive contamination;
c) wilful act or wilful negligence of the Insured or of his representatives;
d) cessation of work whether total or partial.

In any action, suit or other proceeding where the Insurer alleges that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

Period of Cover

The liability of the Insurer shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. The Insurers' liability expires for parts of the insured contract works taken over or put into service.
At the latest the insurance shall expire on the date specified in the Schedule. Any extensions of the Period of Insurance are subject to the prior written consent of the Insurer.

General Conditions

1. The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.

3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurer to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations,
4. (a) Representatives of the Insurer shall at any reasonable time have the right to inspect
and examine the risk and the Insured shall provide the representatives of the Insurer with all details and information necessary for the assessment of the risk.

b) The Insured shall immediately notify the Insurer by telephone or telegram as wells as in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.
No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance is confirmed in writing by the Insurer.
5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall
a) immediately notify the Insurer by telephone or telegram as well as in writing, giving all indication as to the nature and extent of loss or damage;
b) take all steps within his power to minimize the extent of the loss or damage;
c) preserve the parts affected and make them available for inspection by a representative or
surveyor of the Insurer;
d) furnish all such information and documentary evidence as the Insurer may require;
e) inform the police authorities in case of loss or damage due to theft or burglary.
The Insurer shall not in ally case be liable for loss, damage or liability of which no notice has been received by
the Insurer within fourteen (14) days of its occurrence.
Upon notification being given to tile Insurer under this condition, the insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Insurer shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Insurer does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.
The liability of the Insurer under this Policy in respect of any item sustaining damage shall cease if the said item is not replaced or repaired properly without delay.

6. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers.
7. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the

parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.

8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in the case of arbitration taking place as provided herein, within three months after the arbitrator or arbitrators or umpire have made their award, all benefit under this Policy shall be forfeited.

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

Section I - Material Damage

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

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

Special Exclusions to Section I

The Insurers shall not, however, be liable for

a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;

b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;

c) loss or damage due to faulty design;

d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;

e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;

f) loss or damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable;

g) loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;

h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;

i) loss or damage discovered only at the time of taking an inventory.

Provisions Applying to Section I

Memo 1 -Sums Insured

It is a requirement of this insurance that the sums insured stated in the Schedule shall not be less than for item 1 : the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the Principal;

for items 2 and 3: the replacement value of construction plant, equipment and construction machinery; which shall mean the cost of replacement of the insured items by new items of the same kind and same capacity; and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Insurers.

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

Memo 2 - Basis of Loss Settlement

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

a) in the case of damage which can be repaired - the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
b) in the case of a total loss - the actual value of the items immediately before the occurrence of the loss less salvage,

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

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

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

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

Memo 3 - Extension of Cover

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

Section II - Third Party Liability

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

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

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

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

a) all costs and expenses of litigation recovered by any claimant from the Insured, and

b) all costs and expenses incurred with the written consent of the Insurers, provided always that the liability of the Insurers under this section shall not exceed the limits of indemnity stated in the Schedule.

Special Exclusions to Section II

The Insurers will not indemnify the Insured in respect of

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
2. the expenditure incurred, in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;
3. damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement);
4. liability consequent upon

a) bodily injury to or illness of employees or workmen of the Contractor(s) or the principal(s) or any other firm connected with the project which or part of which is insured under Section I, or members of their families;

b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the principal(s) or any other firm connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;

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

d) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Special Conditions Applying to Section II

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurers who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may require.

2. The Insurers may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Insurers shall thereafter be under no further liability in respect of such accident under this section.