

a

Engineering Project Insurance Policy

Endorsements

Endorsements to the Engineering Project Insurance Policy

Optional Cover Extensions

EPI 01	Premium Instalments
EPI 02	Airfreight Expediting Expenses Cover
EPI 03	Existing Property Cover
EPI 04	Guarantee Maintenance Cover
EPI 05	Strike Riot Civil Commotion Cover
EPI 06	Multiple Insured's Cover
EPI 07	Vibration, Weakening and Removal of Support Cover (Third Party Liability)
EPI 08	Vibration, Weakening and Removal of Support Cover with Work Method Statement (Third Party Liability)
EPI 09	Underground Facilities Cover (Third Party Liability)
EPI 10	Prior Use and Occupancy Cover
EPI 11	Underground Construction, Additional Costs Cover

Optional Cover Restrictions

EPI 20	Visits Maintenance Cover
EPI 21	Earthquake Exclusion
EPI 22	Exclusion of Crops (Third Party Liability)

Technical Clauses

EPI 40	Storage of Materials
EPI 41	Fire Fighting Facilities
EPI 42	Structures in Earthquake Zones
EPI 43	Used and/or Second Hand Plant
EPI 44	Pipelines, Conduits and Cables
EPI 45	Road Construction
EPI 46	Ground Water Pumping Operations
EPI 47	Underground Construction
EPI 48	Piling Works
EPI 49	Works Time Schedule
EPI 50	Hydrocarbon Processing Industry
EPI 51	Catalysts
EPI 52	Cold and Hot Testing and Commissioning

EPI 01

Premium Instalments

Endorsement No.

Notwithstanding anything contained herein to the contrary, it is hereby agreed that the Deposit Premium shall be payable in instalments on the due dates as undernoted:

On the Policy inception date
on the
on the
on the	<u>.....</u>
Total Deposit Premium due	<u>.....</u>

EPI 02

Airfreight Expediting Expenses Cover

Endorsement No.

Notwithstanding anything contained herein to the contrary, it is hereby agreed that as of the inception date of this Policy and subject otherwise to all the Policy terms and conditions the cover provided by Memorandum 3.3.11 Expediting Expenses is extended to include the difference in freight costs between those calculated at normal or standard rates of reimbursement and those actually incurred for airfreight.

Sum Insured in respect of each and every accident:

EPI 03

Existing Property Cover

Endorsement No.

It is hereby agreed that as of inception date of this Policy, the cover provided by Section 1 Material Damage is extended to apply to the undernoted Existing Property of the Employer:

.....
.....

Sum Insured in respect of each and every accident:

Provided that:

- (A) the accidental physical loss of or accidental physical damage to such property arises as a direct result of the execution of the Contract by the Contractor(s) at the Construction Site;
- (B) the Insurers shall not be liable for:
 - (a) the cost of rectifying damage to the property, which existed prior to the commencement date of the cover;
 - (b) loss or damage by theft, or any attempt thereat, and by disappearance and shortage;
 - (c) loss or damage, which can be reasonably foreseen to be inevitable having regard to the nature of the Works to be executed, or the manner of its execution;
- (C) the Deductible(s) for Existing Property is (are) as follows:
 - (a) in respect of loss or damage due to or arising out of vibration, weakening or removal of supports, subsidence, collapse, cracking or fracturing:

..... percent of the indemnity, subject to a minimum of, each and every accident;
 - (b) in respect of loss or damage due to or arising out of any other cause:

....., each and every accident.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of (B)(a) and/or (B)(c) above any loss or damage is not covered hereunder, the burden of proving that such loss or damage is covered shall be upon the Insured.

EPI 04**Guarantee Maintenance Cover**

Endorsement No.

Notwithstanding anything contained herein to the contrary, it is hereby agreed that as of the inception date of this Policy, sub-paragraph (a) of Memorandum 3.3.2 Maintenance Period is replaced by the following sub-paragraph:

- (a) arising from a cause occurring prior to the commencement of the Maintenance Period; or

EPI 05**Strike, Riot, Civil Commotion Cover**

Endorsement No.

Notwithstanding anything contained herein to the contrary, it is hereby agreed that as of the inception date of this Policy, sub-paragraph (c) of General Exclusion 5.1 War and Allied Perils is cancelled and replaced by the following:

- (c) popular rising, and civil commotion assuming the proportions of or amounting to a popular rising.

EPI 06**Multiple Insured's Cover**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy:

- (a) Memorandum 4.3.1 Cross Liability is cancelled, and
- (b) the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is agreed that if the Insured described in the Schedule comprises more than one insured party, each operating as a separate and distinct entity, then (save as provided in this Special Condition) cover under this Policy shall apply in the same manner and to the same extent as if individual policies had been issued to each such insured party, provided that the total liability of the Insurers to all of the insured parties collectively shall not exceed the Sums Insured and Limits of Liability, including any inner sums or limits stated elsewhere in this Policy or endorsed herein.

It is understood and agreed that any payment, or payments, by Insurers to any one or more such insured parties shall reduce, to the extent of that payment, Insurers liability to all such parties arising from any one occurrence of loss, damage or injury giving rise to a claim under this Policy and (if applicable) in the aggregate.

It is further understood that the insured parties will, at all times, preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss, damage or injury.

It is further understood and agreed that Insurers shall be entitled to avoid liability to or (as may be appropriate) claim damages from any of the insured parties in circumstances of fraud, material misrepresentation, material nondisclosure or breach of any warranty or condition of this Policy, each referred to in this Special Condition as a Vitiating Act.

However, it is agreed that (save as provided in this Special Condition) a Vitiating Act committed by one or more insured parties shall not prejudice the right to indemnity of any other insured party or parties who has or have an insurable interest and who has not or have not committed a Vitiating Act.

EPI 07

Vibration, Weakening and Removal of Support Cover (Third Party Liability)

Endorsement No.

It is hereby agreed that as of the inception date of this Policy:

- (a) Exclusion 4.2.(j) is cancelled, and
- (b) the Deductible(s) in respect of the cover thus provided by Section 2 Third Party Liability for accidental loss of or damage to physical property due to or arising out of vibration, weakening or removal of support, subsidence, collapse, cracking and fracturing is (are) as follows:

..... percent of the indemnity, subject to
a minimum of each and every accident;

..... percent of the indemnity, subject to
a minimum of each building, each and every
accident.

EPI 08

**Vibration, Weakening and Removal of Support
Cover with Work Method Statement
(Third Party Liability)**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

In consideration of the Insured having declared to the Insurers details of the third party properties in the Works area and supplied a Survey Report to Insurers on the structural condition of certain agreed such properties.

It is hereby agreed that:

- (A) Exclusion 4.2.(j) is cancelled, and
- (B) without derogation of any of the obligations of the Insured as contained in the General Conditions of this Policy,
 - (a) the working methods adopted by the contractors for the execution of the Works in proximity to certain agreed third party properties shall follow those as set forth in a Work Method Statement by the contractors, which shall include the safety precautions to be taken by them; and
 - (b) in the event of an accident occurring to any of such agreed third party properties, the contractor shall take, at his own expense, immediate steps to minimise any loss or damage, ensure the safety of the working area, and suspend operations in that area until the Work Method Statement has been reviewed by the Insured and clearance given in writing by the Insurers for the work to proceed.
- (C) the Deductible(s) in respect of the cover thus provided by Section 2 "Third Party Liability for accidental loss of or damage to physical property due to or arising out of vibration, weakening or removal of support, subsidence, collapse, cracking and fracturing" is (are) as follows

..... percent of the indemnity, subject to
a minimum of each and every accident;

..... percent of the indemnity, subject to
a minimum of each building, each and every
accident.

EPI 09

**Underground Facilities Cover
(Third Party Liability)**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy:

- (A) Exclusion 4.2.1(k) is cancelled, and
- (B) the following Condition is added to the Special Conditions:

It is a condition of this Policy that where work is due to be executed which could physically affect existing underground pipe and cable services or other underground property or facilities by relocating, strengthening, adding to, or altering the services, property or facilities, or their supports or protections, the Insured shall:

- (a) prior to the commencement of such work, obtain from the Public or Local Authority involved, or the owners of the ground (whichever is most appropriate) a plan showing the precise route across, or position within, the Construction Site of such services, property or facilities and the depth at which they were laid; and
- (b) use only hand tools when working close to the anticipated position of such services, property or facilities.

It is agreed that:

- (c) notwithstanding anything contained herein to the contrary, the indemnity under Section 2 "Third Party Liability in respect of existing underground pipe and cable services or other underground property or facilities, their supports or protections" is limited to liability for physical loss or physical damage only, all consequential losses of whatever nature being excluded; and
- (d) the Deductible in respect of such loss or damage as specified in sub-paragraph (a) above, is as follows:

..... percent of the indemnity, subject to
a minimum of each and every accident.

EPI 10

Prior Use and Occupancy Cover

Endorsement No.

It is hereby agreed that as of the inception date of this Policy the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary the insurance under Section 1 Material Damage is extended to indemnify the Insured in respect of accidental physical loss or accidental physical damage to any part of the permanent works occurring during the Construction Period but after being taken over or taken into use of such portion of the permanent works by one of the insured parties.

The cover hereunder ceases upon termination of the construction period.

**EPI 11
Cover**

Underground Construction, Additional Costs

Endorsement No.

It is hereby agreed that as of the inception date of this Policy the following Condition is added to the Special Conditions:

Notwithstanding anything contained to the contrary the insurance under Section 1 Material Damage is in case of total or partial collapse of tunnels, shafts, caverns and similar underground works extended to indemnify the Insured in respect of additional costs of working arising in direct connection with repair or reconstruction as indemnified under Section 1 incurred for

- (a) replacement or restoration of rock or soil which supports or contributes to support the Property, if such rock or soil is lost or if its original state and structure has been destroyed and/or
- (b) difficult repair working conditions, alternative construction method, additional equipment or work force, change of the works programme or
- (c) localised deviation, subject to agreement by the Insurers which is to be obtained prior to commencing any such deviation work.

Sum Insured in respect of each and every accident:

.....

Sum Insured in the aggregate for two or more accidents during the Period of Insurance:

.....

EPI 20**Visits Maintenance Cover**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, Memorandum 3.3.2 Maintenance Period is cancelled, and replaced by the following Memorandum:

Notwithstanding anything contained herein to the contrary, this Policy does not cover loss or damage to the Works, occurring or arising during the Maintenance Period, except when caused by an insured Contractor in the course of any operations carried out by him for the purpose of complying with his obligations under the maintenance clauses of the Contract.

However, the cover provided by this Memorandum shall not include loss or damage caused by or arising out of actions or omissions of the insured Contractor(s) in connection with training, supervision, instruction or normal upkeep and plant management duties during the Employer's business operation of the permanent works, or any part thereof.

EPI 21**Earthquake Exclusion**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Exclusion is added to the General Exclusions:

Notwithstanding anything contained herein to the contrary, this Policy does not cover any loss, damage, or liability, directly or indirectly caused by or resulting from earthquake, volcanic activity or tsunami.

EPI 22**Exclusion of Crops (Third Party Liability)**

Endorsement No.

Notwithstanding anything contained herein to the contrary, it is hereby agreed that as of the inception date of this Policy, the following Exclusion is added to Section 2 Third Party Liability:

The Insurers will not indemnify the Insured in respect of any liability, directly or indirectly, due to or arising from loss or damage to forests, woods, crops, plants, cultures, flowers and fish farms.

EPI 40

Storage of Materials

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Conditions is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is a condition of this Policy that, in respect of materials, plant or machinery at the Site, stored in the open or within any building, and destined for use in connection with the Contract as temporary or permanent works:

- (A) the Insurers shall not be liable to indemnify the Insured for loss or damage as specified in Section 1 Material Damage due to or arising from
 - (a) flood or inundation, unless such materials, plant or machinery are stored above the estimated 20 years return period level for such occurrences at that part of the Site;
 - (b) water (other than flood or inundation), unless such materials, plant or machinery are stored in a watertight building, or are protected by a secure, waterproof covering;
 - (c) fire, unless a Site Fire Safety Plan has been drawn up, which specifically includes instructions regarding the fire precautions to be taken in respect of the storage of such materials, plant or machinery.
- (B) a loss limit shall apply hereunder, as follows:

in respect of each and every accident:

EPI 41**Fire Fighting Facilities**

Endorsement No.

It is hereby agreed that as of inception date of this Policy, the following Condition is added to the Special Conditions:

It is hereby agreed that, in addition to complying with the obligations of the General Conditions, the Insured shall:

(A) in general:

- a) draw up, prior to the commencement of work, a Site Fire Safety Plan, which shall include details of the personnel organisation and responsibilities, and the general arrangements for fire prevention, fire detection, and fire fighting;
- b) observe the local law and regulations regarding fire safety;

(B) in particular:

- (a) ensure that, at an early date, all personnel are aware of the contents of the Site Fire Safety Plan and receive training in the use of the fire extinguishing facilities;
- (b) ensure that water supplies on the site for fire fighting purposes are available at the required pressure and volume;
- (c) ensure that fire extinguishers (water, foam and carbon dioxide) are distributed in adequate numbers and appropriately positioned;
- (d) ensure that a procedure for calling the Fire Brigade is laid down, together with the maintenance of reasonable site access for it and operating facilities;
- (e) ensure that a no smoking policy on the site is enforced, other than in a specially designated and protected area;
- (f) ensure that a permit to work system is adopted and special fire precautions are taken whenever hot work (i.e. work involving the application of heat, the use of gas cylinders, tar boilers, or similar equipment) is to be undertaken;
- (g) ensure that action be taken to maintain site cleanliness and regular disposal of waste;
- (h) ensure that sound security arrangements are in place for the site at night, on weekends, and during holiday periods;
- (i) ensure that, at least once every three months, measures are taken to check that all fire fighting facilities are in a fully serviceable condition, and that all employees are observing the requirements of the Site Fire Safety Plan;
- (j) ensure that proper administrative systems and records are kept regarding all aspects of site fire safety.

EPI 42**Structures in Earthquake Zones**

Endorsement No.

It is hereby agreed that as of inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is a condition of this Policy that the Insurers shall not be liable to indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising from earthquake:

- (a) if the permanent works do not conform to the requirements of the local official Earthquake Building Code and
- (b) if the quality of the materials used and workmanship employed to construct the permanent works is not in accordance with the agreed standards as set down in the Contract.

EPI 43**Used and/or Second Hand Plant**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, accidental physical loss or accidental physical damage as specified in Section 1 Material Damage to used and/or second hand plant or machinery, forming part of the permanent works, is covered hereunder, provided that:

- (a) cover shall only apply to such used and/or second hand plant or machinery which is refurbished where necessary, in good working condition and fit for re-use;
- (b) Insurers shall neither be liable for any loss or damage due to or caused by any defects in such plant or machinery as a result of its prior operation nor for any loss or damage caused by testing or experiments whereby normal operating stresses, as originally designed for, are willingly exceeded;
- (c) Insurers liability shall in no case exceed the actual value of each individual item of used and/or second hand plant or machinery;
- (d) for the purpose of this Endorsement actual value shall mean the purchase price paid for the respective item plus additional costs incurred for dismantling, refurbishing (if any), transport, erection, custom duties and other dues as applicable.

EPI 44**Pipelines, Conduits and Cables**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

It is a condition of this Policy that:

- (A) in respect of the construction of underground pipelines, conduits and cables:
- (a) excavated soil and other material shall be deposited at least one metre away from the side(s) of the trench;
 - (b) a sufficient quantity of soil or other material shall be placed as soon as possible on pipes and conduits in a trench to secure such pipes and conduits against heaving or floatation;
 - (c) the maximum length of partially and totally excavated trench, including the trench in which the pipeline or conduit has been laid but not fully backfilled to the level of the adjoining ground and finally compacted, shall not exceed at any one time
in respect of any one work face metres, and overall metres;
- (B) in respect of the construction of pipelines and conduits above and below ground:
- (a) the open ends of pipes and conduits shall be provisionally sealed at the end of each working day and in the event of imminent danger from flooding;
 - (b) loss of pipeline and conduit testing media is excluded hereunder;
 - (c) the Insurers liability under Section 1 Material Damage shall be extended to cover all costs incurred in searching for pipeline leaks but limited to:
 - an amount of each and every accident, and
 - an amount of in the aggregate for all such accidents during the Period of Insurance;
- (C) in respect of the construction of steel pipelines and conduits, above and below ground, all welded seams shall be X-rayed for any deficiencies.

EPI 45

Road Construction

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

It is a condition of this Policy that in respect of road construction, the combined maximum length of excavation work, subgrade and subbase courses not covered by a waterproof wearing course shall not exceed at any one time

in respect of any one work face metres, and overall metres.

EPI 46**Ground Water Pumping Operations**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

The Insurers shall not be liable for:

- (a) loss of or damage to works due to breakdown of the ground water pumping system unless standby pumping facilities, equivalent to at least the capacity of the largest operating pump, are installed and ready for immediate use prior to the commencement of the pumping operations;
- (b) any expenses incurred in respect of ground water pumping operations.

EPI 47**Underground Construction**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is agreed that in respect of tunnels, shafts, caverns and similar underground works:

- (A) Insurers shall not be liable for:
- (a) the cost of removing overbreak material excavated beyond the minimum net line provided in the plans, nor the cost of filling the cavities produced by such overbreak;
 - (b) the costs of safety measures taken to support, reinforce, stabilise rock or soil, irrespective of whether loss or damage has occurred, is imminent or has not yet manifested itself;
 - (c) loss of bentonite, grouting material, or other ground stabilisation fluids and/or materials;
 - (d) losses incurred due to abandonment or cessation of works.
- (B) The Insured shall constantly undertake investigations and monitor any movement of rock or soil, preserve the results thereof and take all reasonable measures to prevent loss or damage, all in accordance with recognised best practice standards.
- (C) In the event of partial or total collapse and subject to the Memorandum 3.3.1 Basis of Indemnity and (A) above the Insurers shall be liable for the costs actually incurred in direct connection with accidental physical loss or accidental physical damage for repairs, reconstruction, replacement or other reasonably chosen solutions to complete the Works but
- (a) excluding such measures which should have been taken prior to the occurrence of loss or damage in order to prevent or mitigate such loss or damage;
 - (b) not exceeding the original cost of the collapsed portion of the construction.
- (D) The Deductible in respect of each and every accident is

EPI 48**Piling Works**

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is a condition of this Policy that the Insurers shall not be liable to indemnify the Insured under Section 1 Material Damage in respect of:

- (A) foundation piles and/or casings and/or sheet pile constructions which are:
 - (a) misplaced and/or misaligned;
 - (b) lost or damaged during driving and/or extraction;
 - (c) the subject of individual or block disconnection or declutching;
- (B) the cost of repair, replacement, or rectification of piling work necessitated by leakage or infiltration of fluids or material at seams, joints, connections and/or beneath sheet pile constructions or into casings, unless such leakage or infiltration is a direct consequence of other physical loss or damage for which indemnity is provided by this policy;
- (C) any abandoned piling work, unless such abandonment is a direct consequence of other physical loss or damage for which indemnity is provided by this Policy;
- (D) piles which have failed to pass a load test or to reach the required bearing load, unless such failure is a direct consequence of other physical loss or damage for which indemnity is provided by this policy.

EPI 49

Works Time Schedule

Endorsement No.

It is hereby agreed that as of the inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is a condition of this Policy that if any calendar date as contained in the Works Time Schedule varies in respect of any material part or unit of the works by more than the period stated below, such variation shall be regarded as a material change to which the obligations as set forth in General Condition 7.3 will apply.

Calendar date variation: weeks

EPI 50**Hydrocarbon Processing Industry**

Endorsement No.

It is hereby agreed that as of inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is agreed in respect of Section 1 Material Damage that as from the introduction of any hydrocarbon feedstock, the Insurers shall not be liable for any loss or damage to:

- (a) reforming units due to overheating or cracking of any tubes;
- (b) the permanent works or any part thereof due to overheating or cracking following or arising from any exothermic reaction;
- (c) the permanent works or any part thereof due to an intentional deviation from prescribed techniques or the intentional short-out and/or overriding of safety devices or automatic controls.

EPI 51

Catalysts

Endorsement No.

It is hereby agreed that as of inception date of this Policy, the following Condition is added to the Special Conditions:

Notwithstanding anything contained herein to the contrary, it is agreed in respect of Section 1 Material Damage that:

- (a) accidental physical loss of or accidental physical damage (as insured under Section 1 Material Damage) to catalysts is covered hereunder, but only to the extent of the value stated below:

in the aggregate for the whole Period of
Insurance:.....

- (b) any change in the chemical composition or any contamination of the catalyst(s) is excluded hereunder, unless such change or contamination is the direct consequence of an accidental physical loss or accidental physical damage as insured under Section 1 Material Damage.

