

**CEAR Insurance – Endorsement 14219**  
**Special Insurance Condition: Directional Drilling**

This endorsement forms part of *Section I*

and is subject otherwise to the terms, provisions, conditions, limitations and exclusions contained in the *Policy* or endorsed thereon except for the following:

**1. Conditions**

- 1.1. The *Insurer* shall not indemnify the *Insured* for loss or damage occurring during directional drilling operations, unless
  - 1.1.1. a soil analysis required for drilling operations in accordance with latest technical standards has been carried out prior to the commencement of work, and
  - 1.1.2. the *Insured* contractor is familiar with the drilling technique.

**2. Special Exclusions**

- 2.1. The *Insurer* shall not indemnify the *Insured* for loss or damage resulting from:
  - 2.1.1. missing the target point of the drilling,
  - 2.1.2. deviations from the scheduled direction,
  - 2.1.3. loss of or change in the drilling mud (e.g. bentonite), and
  - 2.1.4. damage to the outer insulation of the pipeline in the area of directional drilling.

**3. Sum insured**

The *Sum Insured* shall be the drilling costs plus the material value of the pipeline to be drilled plus the value of the drilling equipment.

**4. Limit of Indemnity**

The Limit of Indemnity for any one *Occurrence* of loss or damage shall not exceed the limit specified below.

**Limit of Indemnity:** Enter limit.

**5. Deductible**

In respect of each and every *Occurrence* of loss or damage, the *Insurer* shall not be liable for the *Deductible* specified below.

**Deductible:** 20% of the loss amount, with a minimum of Enter deductible. for each and every loss/*Occurrence*.