

**Sales Literature**

Marine Delay in Start-Up policy covers physical loss of or damage to Project Cargo whilst under transit and loss of Gross Profit or Fixed costs including Debt servicing and additional expenditure incurred to prevent reduction in turnover on account of failure of cargo to arrive at the Project site in time. The cover under the policy is divided into two sections.

**Section I**

***This section covers loss of or damage to Project Cargo whilst under transit. With respect to transit, there are various types of covers available per transit mode. Various underwriting considerations are taken into account to decide the cover suitable for a particular transit mode.***

**Transit by Sea / Ocean**

The covers available for Ocean Voyage / Sea Voyage are classified as under:

- a) All Risks – All Risks cover physical loss or damage and expenses other than those excluded in the clauses. Example Institute Cargo Clauses (A) 1.1.1982 / Institute Cargo Clauses (B) 1.1.2009
- b) Basic Risks – Basic Risks cover physical loss or damage and expenses on Named perils basis. The perils covered are listed under the clause. Example Institute Cargo Clauses (B) 1.1.1982 / Institute Cargo Clauses (B) 1.1.2009 / Institute Cargo Clauses (C) 1.1.1982 / Institute Cargo Clauses (C) 1.1.2009.

Below gives a comparative analysis of the various covers available under the Policy

Type of Risks	Covered (√) / Not Covered (×)		
	ICC(A)	ICC(B)	ICC(C)
Fire or Explosion	√	√	√
Vessel being Stranded, Grounded, Sunk or Capsized	√	√	√
Overturning or Derailment of Land Conveyance	√	√	√
Collision or Contact of vessel with any object other than water	√	√	√
Discharge of Cargo at the Port of Distress	√	√	√
Earthquake, Volcanic	√	√	×

Eruption and Lightning			
General Average Sacrifice	√	√	√
Jettison	√	√	√
Washing Overboard	√	√	×
Entry of Sea / Lake / River water into the Vessel, Craft, Hold, Conveyance, Container, Liftvan or Place of Storage	√	√	×
Total loss of Package Lost Overboard or Dropped whilst Loading onto or Unloading from the Vessel or Craft	√	√	×
Rainwater Damage	√	×	×
Piracy	√	×	×
Deliberate Damage or Destruction by Wrongful Act of any Person or Persons	√	×	×
Frustration of Voyage resulting into Extra Charges incurred for Unloading, Storing and Forwarding to Destination	√	√	√
Reasonable Charges incurred to avert / minimize Losses and Charges incurred to protect the rights of recovery against carriers	√	√	√
Liability under BTBC	√	√	√
<b><u>Other Extraneous Perils</u></b>			
Sifting of Cargo	√	×	×
Breaking, Crumbling, Crushing, Denting	√	×	×
Heating & Sweating	√	×	×
Infestation, Mould, Mildew	√	×	×
Hook / Sling losses	√	×	×
Contact with Mud /	√	×	×

Oil / Other cargo			
Shortage, Theft, Pilferage, Non Delivery / Short Delivery	√	×	×
Other Fortuitous losses	√	×	×

### Transit by Air

The cover available under transit by Air is classed under Institute Cargo Clauses (Air). These are similar to all risks cover of Sea / Ocean Voyage. This covers physical loss of or damage and expenses other than those excluded in the Clauses.

### Transit by Road / Rail

The covers available for Road / Rail Voyage are classified as under:

- a) All Risks – All Risks cover physical loss or damage other than those excluded in the clauses. Example Inland Transit (Rail or Road) Clause (A)
- b) Basic Risks – Basic Risks cover physical loss or damage on Named perils basis. The perils covered are listed under the clause. Example Inland Transit (Rail or Road) Clause (B) / Inland Transit (Rail or Road) Clause (C)

The table below gives a comparative analysis of the various covers available under the Policy

Type of Risks	Covered (√) / Not Covered (×)		
	ITC(A)	ITC(B)	ITC(C)
Fire	√	√	√
Lightning	√	√	√
Breakage of Bridges	√	√	×
Collision with/by the Carrying vehicle	√	√	×
Overturning of Carrying Vehicle	√	√	×
Derailment and accidents of like nature	√	√	×
Rainwater Damage	√	×	×
Deliberate Damage or Destruction by Wrongful Act of any Person or Persons	√	×	×
Reasonable Charges incurred to avert / minimize Losses and	√	√	√

Charges incurred to protect the rights of recovery against carriers			
<b>Other Extraneous Perils</b>			
Sifting of Cargo	√	×	×
Breaking, Crumbling, Crushing, Denting	√	×	×
Heating & Sweating	√	×	×
Infestation, Mould, Mildew	√	×	×
Hook / Sling losses	√	×	×
Contact with Mud / Oil / Other cargo	√	×	×
Shortage, Theft, Pilferage, Non Delivery / Short Delivery	√	×	×
Other Fortuitous losses	√	×	×

Other Institute & Non-Institute clauses are attached to the policies which clarify the scope of coverage. Extensions are offered under the policy on payment of additional premium or if the Insured agrees for a wider deductible. Some of the extensions are listed below:

- a) Brands Clause
- b) Impact Damage Clause
- c) Air Freight Replacement Clause
- d) Concealed Damage Clause
- e) Loading and Unloading Clause
- f) Debris Removal Clause
- g) Seaworthiness Admittance Clause
- h) Duty Insurance Clause
- i) War and Strike perils as per the relevant Institute Clauses

### **Exclusions**

Various standard exclusions applicable under the policy (only indicative list) are listed below:

- a) Willful Misconduct of the assured.
- b) Ordinary leakage / Loss of weight or volume.
- c) Inadequate Packing / lashing / stacking / stowage of cargo
- d) Inherent vice / Nature of the cargo
- e) Loss arising out of delay
- f) Nuclear or Radioactive force or matter
- g) War / SRCC
- h) Damages for Breach of contract

### **Section II**

***This section covers loss of Gross Profit / Fixed expenses including Debt servicing incurred to avoid delay in scheduled business commencement date at the Project site and additional expenditure incurred to prevent reduction in turnover.***

### **Coverage**

This section covers loss or damage sustained to the Insured's business on account of:

- a) Delay in arrival of Project Cargo which results from an event giving rise to a claim under Section I.
- b) Mechanical breakdown of hull or machinery and/or equipment of the vessel, craft or aircraft on which any Project Cargo is carried.
- c) Mechanical breakdown of any motor or rail vehicle on which any Project Cargo is carried.
- d) The vessel, aircraft or other conveyance on which any Project Cargo is carried is involved in any General Average, Salvage and Lifesaving operation.

### **Exclusions**

- a) Loss or damage to Project Cargo including expenses recoverable under Section I.
- b) Delay as a consequence of Fines, Penalties, Liquidated damages, Punitive damages etc.
- c) Delay as a consequence of Lapse, Cancellation of a lease, import license or regulation / restriction etc.
- d) Delay as a consequence of final positioning.
- e) Delay as a consequence of non-availability of funds.

### **Salient Features of Marine DSU policy**

- a) A policy covering loss or damage to cargo and also consequential damage to project under construction on account of delay due to failure of delivery of cargo at the Project site in time.
- b) Issued to Principals undertaking Infrastructure Construction projects.
- c) Issued from the date the contracts are signed relating to final approval of the project till completion of delivery of Project Cargo or Scheduled Commercial Operation date whichever occurs last.
- d) Premium is based on the value of all the Critical and Non-Critical components including a fair estimate of the loss of Gross Profit, Fixed Expenses and Increased cost of working to prevent reduction in turnover.
- e) Section I covers loss of or damage to Project Cargo due to movements of all components procured from worldwide including India to Project site. Section II covers consequential loss of Gross Profit / Fixed Cost including Debt Servicing and additional expenditure to avoid reduction in turnover.
- f) Valuation and claims under Section I predominantly depend on the valuation of cargo under each movement viz. Domestic procurement and Imports. Claims under Section II depend on Actual Gross Profit lost / Fixed Cost including Debt Servicing incurred and Additional expenditures incurred to prevent reduction in turnover.
- g) Declaration is dispensed with on submission of List of all components critical and non-critical with scheduled shipment dates.

### **Premium Workings and Deductible**

Premium and Deductible are based on factors such as type of cargo, packaging, criticality of items, their impact on the scheduled commencement date of business, alternative and / or contingency plans, workarounds during the period of delay, Indemnity period etc.

### **Claims**

#### **Transit Claims**

In the event of loss of or damage to goods / merchandise under transit, Assured must give immediate notice of such loss or damage to the Insurer and Named Surveyor to carry out survey of the affected goods.

To enable all claims to be dealt with promptly the Assured or their agents are advised to submit all documents corroborating the damages without delay, when applicable, including:

- a) Original Policy or Certificate of Insurance, if available.

- b) Original Invoice Copy and transport document viz. B/L, L/R, AWB, GCN etc. along with weight notes and other shipping specifications.
- c) Landing account and weight notes at final destination.
- d) Correspondence exchanged with the carriers and other parties regarding their liability for the loss or damage.

The list indicated above is only indicative and facts of each claim may require the Insurer to call for additional documents supporting the claim.

### **Delay in Start-Up Claims**

The Insured should produce all necessary and reasonable evidence to investigate and verify a claim under the policy not limiting to

- a) Asset Register, Log Book, Original Bills / Invoices etc.
- b) Plans, Drawings, Supplier Agreements, Advance Agreements for repairs / replacements etc.
- c) Basis for calculation of Gross Profit lost and / or Fixed Expenses and Debt Service charges.
- d) Documents with respect additional expenditure if any incurred to prevent reduction of turnover during the delay period.

The list indicated above is only indicative and facts of each claim may require the Insurer to call for additional documents supporting the claim.