

## **Introduction:**

A Contractor's All Risk (CAR) policy is a comprehensive insurance designed to protect construction projects from financial loss due to sudden and unforeseen physical damages or third-party liability.

## **Who can avail of "Contractor's All Risk"?**

This Policy is suitable for covering Civil Engineering projects where the civil construction work is more than 50% of project cost. For example, for projects such as residential, office buildings, hospitals, schools, theatres, roads, railways, bridges, factories, warehouses, interior decoration works, irrigation and drainage facilities. The policy can be availed by Contractors, Builders, Building Owners (Principals), Subcontractors, and Suppliers.

## **What is the coverage under the policy?**

The cover for the Contractor's All Risk insurance policy starts from the commencement of the unloading of materials at the construction site and continues during the storage and expires only when the project is handed over to the Principal. There are two sections under the policy: -

**Section I – Material Damage:** any sudden and unforeseen physical loss or damage to the property insured, other than those specifically mentioned under the exclusions of the policy.

**Section II – Third Party:** Liability to Third Party Bodily Injury and Property Damage.

## **What is the Sum Insured in the Policy?**

**Section I:** Sum Insured should not be less than the complete erected value of the property, inclusive of freight, customs duty, erection cost.

**Section II:** The Sum insured amount for Third party liability should be declared by the insured based on the following:

1. Limit of indemnity in respect of any one accident or series of accidents arising out of one event
2. Total limit of Section II during policy period

## **What are the exclusions under the policy?**

### **Section I:**

The Company shall not, however, be liable for –

- (a) the first amount of the loss arising out of each and every occurrence shown as Excess in the schedule;
- (b) loss discovered only at the time of taking an inventory;
- (c) normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;
- (d) loss or damage due to faulty design
- (e) 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;
- (f) the cost necessary for rectification or correction of any error during erection, unless resulting in physical loss or damage;
- (g) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities, cheques, packing materials such as cases, boxes, crates;

- (h) any damage or penalties on account of the Insured's non-fulfilment of the terms of delivery or completion under his Contract of Erection or of any obligations assumed thereunder, including consequential loss of any kind or description or for any aesthetic defects or operational deficiencies
- (i) loss of or damage to vehicles licensed for general road use or water borne vessels or Machinery/Equipment mounted or operated or fixed on floating vessels/craft/barges or aircraft.

**Section II:**

The Company will not indemnify the Insured in respect of –

- a) The Excess stated in the Schedule is to be borne by the Insured in any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy
- c) 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.

**General exclusions:**

The Company 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 or war like operations (whether war be declared or not) civil war, rebellion, revolution insurrection, mutiny, civil commotion, military or usurped power martial law conspiracy, confiscation commandeering a group of malicious person or persons acting on behalf of or in connection with any political organisation requisition or destruction or damage by order of any Government de jure or de facto or by any Public, municipal or Local Authority.
- (b) Nuclear reaction, Nuclear radiation or Radioactive contamination.
- (c) Wilful act or wilful negligence of the insured or of his responsible representative.
- (d) Cessation of work whether total or partial.
- (e) Terrorism

***What is the duration of the policy?***

The Liability of the Company shall commence (notwithstanding any date to the contrary specified in the Schedule) only from the time of commencement of work after the unloading of the property specified in the schedule from any conveyance at the site specified in the schedule, whichever is earlier and shall expire on the date specified in the schedule. However, the Company's liability expires also for parts of the insured contract works taken over or put into service by the Principal prior to the expiry date specified in the policy whichever shall be earlier.

If actual construction period is shorter than the period indicated in the schedule, no refund of premium shall be allowed unless specifically allowed by Insurer.

At the latest, the insurance shall expire on the date specified in the Schedule but if the work of construction included in the insurance is not completed within the time specified hereunder, the Company may extend the period of insurance but the Insured shall pay to the Company additional premium at rates to be prescribed by the Company.

### ***What is the Claims procedure?***

**Intimation:** Insured can call 18602580000 /18604250000 or write to us at [care@royalsundaram.in](mailto:care@royalsundaram.in)

**Submission:** The Claim documents to be submitted by the insured are given below:

1. Claim form
2. FIR/Final Report
3. Meteorological Report in case of Act of God Perils
4. Proof in support of the Cause of Loss/Operation of Insured peril
5. Books of Accounts
6. Stock Register
7. Repair/Reinstatement Bills
8. Proof of Reinstatement
9. CKYC documents PAN, ROC certificate, Aadhaar, GST Registration Certificate
10. Any other document: There may be specific requirements depending upon the merits of each case

**Process:** The company will assign a surveyor to assess and evaluate the loss. If the claim is found to be in order, as per the policy terms, conditions, or warranties, and does not fall under the policy exclusions, we will offer a settlement of the claim to the insured. The claim will be processed, and payment will be made by online fund transfer.

As regards liability claims, the Court decides the liability amount, and the same will be settled by Us.

### ***What is the cancellation process?***

This insurance may be terminated at the request of the Insured at any time, in which case the Insurers will refund the appropriate premium amount, subject to the following conditions:

- a) Claims experience under the policy as on date of cancellation should be less than 60% of reworked premium.
- b) The unexpired period is not less than 3 months or 25% of the policy period whichever is less.
- c) Testing period should not have commenced.

This insurance may also at any time be terminated at the option of the Insurer by 15 days' notice to that effect being given to the Insured in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation.

### **Grievance Redressal Procedure:**

1. In case of any grievance the insured person may contact the company through  
 Website: <https://www.royalsundaram.in/customer-service>  
 Contact Numbers: 1860 258 0000, 1860 425 0000  
 E-mail: [manager.care@royalsundaram.in](mailto:manager.care@royalsundaram.in)  
 Sr. Citizen can email us at: [seniorcitizengrievances@royalsundaram.in](mailto:seniorcitizengrievances@royalsundaram.in)  
 Fax: 044-7117 7140

Courier: Grievance Redressal Unit  
Royal Sundaram General Insurance Co. Limited  
Vishranthi Melaram Towers, No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam, Chennai – 600097.

Insured 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 may contact the grievance officer

Mr. T M Shyamsunder  
Grievance Redressal Officer,  
Royal Sundaram General Insurance Co. Limited,  
Vishranthi Melaram Towers, No.2/319, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai – 600097.  
For updated details of grievance officer, kindly refer the link <http://www.royalsundaram.in>.

If Insured is not satisfied with the redressal of grievance through above methods, the insured may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. Grievance may also be lodged at IRDAI Integrated Grievance Management system <https://bimabharosa.irdai.gov.in>.

## 2. 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 – Bima Bharosa Portal by registering Your complaint at <https://bimabharosa.irdai.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 <https://bimabharosa.irdai.gov.in/> for more details.

## 3. Insurance Ombudsman

If the **Insured** is not satisfied with the redressal of grievance through above methods, the **insured** may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017. You can approach the Council for Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers are available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at [www.irdai.gov.in](http://www.irdai.gov.in). For the updated list of the offices of the Insurance Ombudsman, request you to visit the website of the Council for Insurance Ombudsman at <https://www.cioins.co.in/ombudsman> or on our company website at [www.royalsundaram.in](http://www.royalsundaram.in). You can also lodge online complaint with the Council for Insurance Ombudsman through the website of Council for Insurance Ombudsmen (CIO) at [www.cioins.co.in](http://www.cioins.co.in)

**Section 41 in the Insurance Act, 1938****41. Prohibition of rebates**

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

***Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.***