

## **ONSHORE PROPERTY & COST OF WELL CONTROL INSURANCE**

### **ONSHORE PROPERTY**

It is understood and agreed that this Onshore Property Section is subject to the Limits of Liability stated in the Schedule and to the limitations, terms, definitions, exclusions, conditions and endorsements of the General Conditions, and this Section.

#### **SECTION I**

#### **FIRE INSURANCE**

#### **Operative Clause**

The **Insurer** agrees with the **Insured** that if the **Property Insured** as per the Schedule of Onshore Property held on file with the **Insurer**, or any part thereof, shall be destroyed or damaged by Fire, Lightning or Explosion, howsoever arising, at any time during the **Period of Insurance**, the **Insurer** will make good by payment or reinstatement or repair, all such **Loss or Damage**; provided, that notice of the **Occurrence** shall have been first given by the **Insured** during the **Period of Insurance** in accordance with General Condition 3. If the **Insured** first gives notice of an **Occurrence** within 90 days after the end of the **Period of Insurance** in accordance with General Condition 3, notice of that **Occurrence** shall be deemed to have been first given during the **Period of Insurance**.

#### **DEFINITION**

#### **"Occurrence"**

means the happening of direct physical destruction, direct physical loss of, or direct physical damage to the **Property Insured**. All destruction, losses and damages that happen as a result of or are attributable to directly or indirectly, one event, accident, disaster, condition or cause shall be added together and deemed to be one **Occurrence**, regardless of the number of locations, properties or **Insureds** involved. That one **Occurrence** shall be deemed to have happened on the date when the first loss or damage included in that one **Occurrence** happened.

#### **BASIS OF INDEMNITY**

##### **1. REINSTATEMENT**

Assets other than Stocks:

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24X7 Toll Free No: 1800 266 7780 Fax: 022 6693 8170 Email: [customersupport@tata-aig.com](mailto:customersupport@tata-aig.com)

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- (a) The basis of loss settlement shall be the cost of replacing or reinstating property of the same kind or type or as may be declared, but neither superior to nor more extensive than the **Property Insured** when new.

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- (b) Payments in excess of the actual value of the property at the time of the Loss can only be made after expenditure has been incurred by the **Insured** in replacing or reinstating the property damaged, and the total amount paid shall not exceed the amount of such expenditure.
- (c) The amount payable under this Section shall in no case exceed the sum expressed in the Schedule of Onshore Property held on file with the **Insurer** against each item insured and in the whole the total sum insured.
- (d) Failing reinstatement or replacement the **Insurer** shall not be liable for more than the actual value of the property at the time of its **Loss or Damage**.

Stocks:

Unless otherwise specified, the indemnity provided for stocks shall be based upon the normal accountancy practice of the **Insured** in preparing opening and closing stocks for the balance sheet calculation.

Catalysts:

The basis of loss settlement in respect of catalysts shall be the actual cash value at the time of **Loss or Damage**.

2. NEW TECHNOLOGY

If equipment should be technologically obsolete, or not available as it is no longer manufactured, it may be substituted by equipment which replaces the capacity of the original.

3. RECORDS AND DOCUMENTS

In the event of computer systems records including software, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description being lost or damaged, the basis upon which the amount payable in respect of such **Loss or Damage** is to be calculated shall be the cost of reinstating, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to the **Insured** of the said information; or, if such is not required, the replacement cost of materials as blank stationery and media at the time and place of the **Loss or Damage**.

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#### 4. PUBLIC AUTHORITIES

This Section covers the additional costs and disbursements of replacement or reinstatement of the damaged property by a peril insured hereunder incurred solely by reason of the necessity to comply with any regulations, Bye-laws or Statutory provisions relating to the reinstatement of property including the demolition and reinstatement of any portion of the **Property Insured** not damaged by the loss.

The amount recoverable under this extension shall not include:

- a) the cost in complying with any such Regulations, Bye-laws or Statutory Provisions where destruction or damage occurs prior to **Inception Date** of this Policy, or if not insured by this Section, or where notice to comply has been served upon the **Insured** prior to the occurrence of the said damage;
- b) any increased rates, taxes, duties, charges, levies or assessment as a result of complying with such Regulations, Bye-laws or Statutory Provisions.

The **Insurer's** liability for Public Authorities shall be sub-limited to ten percent (10%) of the Sum Insured at the location or USD50,000,000 any one **Occurrence**, whichever the lesser.

#### 5. EXPEDITING EXPENSES

Coverage under this Section is extended to include additional costs and expenses reasonably incurred by the **Insured** or on their behalf in connection with or incidental to expediting the commencement, carrying out or the completion of the repair, reinstatement or replacement of the interest hereunder as a consequence of an **Occurrence** covered by the terms of this Section. Such additional costs and expenses include but are not limited to:

- (a) Expenses of chartered carriage or delivery
- (b) Chartered and/or other travel (including by sea or air) of the **Insured**; directors, officers, **Employees**, agents, contractors, sub-contractors, consultants or representatives
- (c) Overtime or penalty rates of wages and other related allowances and payments
- (d) Hire of additional labour equipment, materials or services
- (e) Accommodation including meals and other associated costs
- (f) Additional administration and/or overhead expenses

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The **Insurer's** liability for Expediting Expenses shall be sub-limited to ten percent (10%) of the Scheduled value of the **Property Insured**, or USD10,000,000 any one **Occurrence**, whichever the lesser.

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## 6. MINOR WORKS

It is understood and agreed that this Section automatically covers minor alterations, construction, re-construction, additions, maintenance, modification work and any testing and commissioning arising therefrom, carried out on any of the **Property Insured** under this Section, subject to an estimated contract value at the commencement of the contract not exceeding USD10,000,000 any one Project.

Notwithstanding other terms and conditions herein, this Minor Works coverage shall only pay in excess of more specific insurance, if any, arranged in respect of minor works.

## EXCLUDED CAUSES

This Section does not cover:

- (a) Loss by theft during or after the occurrence of a fire or after any other peril covered by this Section;
- (b) Loss of profit or other consequential loss, damage or destruction of any kind or description;
- (c) **Loss or Damage** to electrical plant or apparatus caused by self-ignition, but this exclusion shall only apply to that part of the electrical plant or apparatus in which self-ignition occurs;
- (d) **Loss or Damage** occasioned by or through or in consequence of the burning or destruction by other means of property by order of any Government or Local Authority, or Public Authority unless such authority is exercised to prevent the spread of fire at the time of and during a conflagration and only when necessary for the declared purpose of retarding same;
- (e) **Loss or Damage** to property which, at the time of the happening of such **Loss or Damage**, is insured by or would, but for the existence of this Section, be insured by any Marine Policy or Policies. This Section shall exclude absolutely any loss amount which would have been payable under the Marine Policy or Policies had this Section not been effected. Coverage hereunder is limited to property whilst on land only;
- (f) the deliberate and sustained operation of the **Insured's** plant, machinery, pipeline or other equipment outside of the design specification, having due regard to normal industry standards and practice, on the specific or intentional instructions of the **Insured** unless in an attempt to avert or mitigate a loss hereunder, the onus being on the **Insured** to prove that such

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actions were so taken. However, the foregoing shall not be deemed to exclude malicious acts of **Employees** or representatives of the **Insured**.

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## EXCLUDED PROPERTY

This Section excludes:

1. **Loss or Damage** to property (including oil and gas) located below the level of any wellhead.
2. **Loss or Damage** to any natural underground structure or reservoir;
3. property in course of construction or erection or dismantling or undergoing testing or commissioning other than as provided elsewhere under this Policy; however this Exclusion shall not apply in respect of routine maintenance, overhaul, repair works or similar which may require testing and commissioning prior to restarting the plant; it is also understood that bringing up from shutdown shall not be construed as testing.
4. **Standing Timber** as may be insured elsewhere.

In the event that coverage is required in respect of Excluded Property 4. above, the Forestry Insurance Extension attached hereto shall apply.

## SPECIAL CONDITIONS APPLICABLE TO THIS SECTION

### 1. FIRE FIGHTING

It is specifically agreed that, this Section of the policy covers the cost of fire fighting expenses.

### 2. IMMEDIATE REPAIRS

It is agreed that in case of **Loss or Damage** the **Insured**, if they so elect, may immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the **Insurer** or its representatives. The **Insured** shall not dispose of any damaged property without the prior agreement of the **Insurer**. Neither the **Insurer's** right to supervise such work nor the **Insurer's** supervision of such work shall constitute an undertaking on behalf of or for the benefit of the **Insured** or others that such work has been safely or properly done.

### 3. TEMPORARY REMOVAL

Subject to the following provisions, the **Property Insured** by this Section (other than stocks if insured hereon) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes, elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or inland waterway or whilst temporarily stored elsewhere.

The amount recoverable under this Condition shall not exceed the amount which would have been recoverable had the **Loss or Damage** occurred in

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that part of the Premises from which said **Property Insured** is temporarily removed.

This clause does not apply to **Property Insured** if and so far as it is otherwise insured by a more specific policy

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#### 4. FEES

The insurance provided by this Section shall include an amount in respect of fees necessarily incurred in the Reinstatement of the **Property Insured** consequent upon its **Loss or Damage** (but not for the preparation of any claim), it being understood that the amount payable for such fees shall not exceed those authorised under the scales of the various institutions or bodies regulating such charges. This clause shall also include reasonable costs incurred by the **Insured** of a like nature.

Any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate or repair any building(s) insured hereunder; provided that the **Insurer** shall not be liable for payment of any fines and/or penalties imposed upon the **Insured** by any such Authorities.

The **Insurer's** liability for Fees shall be sub-limited to USD25,000,000 any one **Occurrence**.

#### 5. INTERESTS OF OTHER PARTIES

The insurable interest of lessors, financiers, trustees, mortgagees, owners and all other parties shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of **Loss or Damage**. The **Insurer** shall also waive all rights of subrogation against these said parties.

Where the insurance covers the interest of more than one party, any act of neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act of neglect whereby the risk of **Loss or Damage** has increased, give notice in writing to the **Insurer**.

### GENERAL CONDITIONS APPLICABLE TO THIS SECTION

#### 1. CESSATION

Under either of the following circumstances the insurance ceases to attach as regards the property affected unless the **Insured** before the **Occurrence** of any **Loss or Damage**, obtains the approval of the **Insurer**:

- (a) If the trade or manufacture carried on be significantly altered, or if the nature of the occupation of or other circumstances affecting the

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properties insured or containing the **Property Insured** be changed in such a way as to materially increase the risk of **Loss or Damage** by fire or any other peril insured against.

- (b) If the interest in the **Property Insured** passes from the **Insured** otherwise than by will or operation of law.

## 2. REINSTATEMENT BY THE INSURER

It shall be optional for the **Insurer** to take all, or any part of the damaged property at the agreed or appraised value. They may also discharge their obligation to indemnify the **Insured** under this Section by repairing, rebuilding or replacing the property lost or damaged with other of like kind and quality within a reasonable time on giving notice of their intention so to do within thirty (30) days after the receipt of the proof of loss. The **Insured** shall not in any case be entitled to abandon any property to the **Insurer** whether taken possession of by the **Insurer** or not.

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## SECTION II

### ALL RISKS ENDORSEMENT TO THE ONSHORE PROPERTY SECTION

It is understood and agreed that this Endorsement is subject not only to the terms of the Section to which this Endorsement is attached, but also to the terms of the General Conditions of the Policy to which this Endorsement is attached.

It is understood and agreed that coverage provided by the Onshore Property Section is extended to include the following:-

The **Insurer** agrees with the **Insured** that if the **Property Insured** as per the Schedule of Onshore Property held on file with the **Insurer**, or any part thereof, shall be destroyed or damaged by sudden, unforeseen and accidental physical destruction or Loss or Damage firstly and wholly attributable to any cause, except as hereinafter provided, howsoever arising, at any time during the **Period of Insurance**, the **Insurer** will make good by payment or reinstatement or repair, all such Loss or Damage; provided, that notice of the **Occurrence** shall have been first given by the **Insured** during the **Period of Insurance** in accordance with General Condition 3. If the **Insured** first gives notice of an **Occurrence** within 90 days after the end of the **Period of Insurance** in accordance with General Condition 3, notice of that **Occurrence** shall be deemed to have been first given during the **Period of Insurance**.

In consequence of the above, it is understood and agreed that Excluded Causes (a) and (c), as contained in Onshore Property Fire Insurance Section, are hereby deleted.

The following additional exclusions apply with respect to this All Risk Endorsement only:-

- (i) wear and tear, inherent vice, latent defect, gradual deterioration, rusting, metal fatigue, oxidation, damp, change in temperature or humidity caused by weather conditions, action of air or light or natural heating or drying, subsidence, heave, normal settling, shrinkage or expansion in buildings or foundations, corrosion, erosion of soil or landslip;
- (ii) seepage or pollution, direct or indirect;
- (iii) insects and vermin, fermentation, evaporation, loss of weight, contamination or change in quality (except where such is directly caused by an occurrence which is not otherwise excluded);
- (iv) failure, breakdown, malfunction, derangement, collapse or rupture of any mechanical or electrical or electronic machine, apparatus or equipment

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whatsoever, or explosion of steam boilers or pressure vessels to the extent not excluded under the Machinery Breakdown Extension attached hereto;

- (v) short-circuiting, self-heating, leakage or surge of electrical current, overloading or excessive power. However, this exclusion shall not apply to such **Loss or Damage** if caused by lightning;
- (vi) withdrawal or go-slow of labour or deliberate cessation of work by **Employees** of the **Insured**;
- (vii) leakage or overflowing of the contents of any storage tank, vessel or other container;
- (viii)
  - (a) error or omission in design, plans or specifications
  - (b) damage to process materials during manufacturing or processing directly resulting from error or omission in such manufacturing or processing;
  - (c) the cost of rectifying faulty or defective materials or workmanship occasioned by the **Insured** or any of their **Employees**;
- (ix) the deliberate and sustained operation of the **Insured's** plant, machinery, pipeline or other equipment outside of the design specification, having due regard to normal industry standards and practice, on the specific or intentional instructions of the **Insured** unless in an attempt to avert or mitigate a loss hereunder, the onus being on the **Insured** to prove that such actions were so taken. However, the foregoing shall not be deemed to exclude malicious acts of **Employees** or representatives of the **Insured**;
- (x) clean-up costs other than as provided under the Removal of Debris extension contained in the General Conditions;
- (xi) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the **Property Insured** by the **Insured** or any **Employees** of the **Insured** acting alone or in collusion with any other persons;
- (xii) well blow out, cratering, cost of well control or re-drill expenses.

The Excepted Causes (i) to (vii) above shall not be deemed to exclude any further **Loss or Damage** from a peril not excluded by this Endorsement occasioned as a consequence of the Excepted Causes listed herein. Further nothing contained herein shall be deemed to exclude Fire and Explosion howsoever caused except as excluded by the Section to which this Endorsement attaches.

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SPECIFIC CONDITION APPLICABLE TO THIS ALL RISK ENDORSEMENT ONLY

**SEVENTY TWO HOURS CLAUSE**

It is agreed that any **Loss or Damage** to the **Property Insured** under this Endorsement arising during one period of seventy two (72) consecutive hours caused by the same storm, tempest, flood, hail, earthquake, earth tremor, seaquake, tidal wave, tsunami or other seismic activity, volcanic eruption, hurricane, typhoon, tornado or windstorm shall be deemed to be a single **Occurrence** and therefore to constitute one **Occurrence** with regard to the **Underlying Amounts** and limits of liability set forth in the Schedule.

For the purpose of the foregoing, the commencement of any such seventy two (72) hour period shall be decided at the discretion of the **Insured**, it being understood and agreed however that there shall be no overlapping in any two or more such seventy two (72) hour periods in the event of **Loss or Damage** occurring over a more extended period of time.

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### SECTION III

#### MACHINERY BREAKDOWN EXTENSION TO THE ONSHORE PROPERTY SECTION

It is understood and agreed that this Extension is subject not only to the terms of the Section to which this Extension is attached, but also to the terms of the General Conditions of the Policy to which this Extension is attached.

Notwithstanding anything contained in the Onshore Property Section to the contrary, the **Insurer** agrees (subject to the terms and conditions hereof which shall, so far as the nature of them respectively permits, be deemed to be conditions precedent to the right of the **Insured** to recover hereunder) to indemnify the **Insured** in respect of sudden, unforeseen and accidental physical Breakdown of the **Property Insured** as per the Schedule of Onshore Property held on file with the **Insurer** directly and wholly attributable to any cause, except as hereinafter provided, occurring during the **Period of Insurance**; provided, that notice of the **Occurrence** shall have been first given by the **Insured** during the **Period of Insurance** in accordance with General Condition 3. If the **Insured** first gives notice of an **Occurrence** within 90 days after the end of the **Period of Insurance** in accordance with General Condition 3, notice of that **Occurrence** shall be deemed to have been first given during the **Period of Insurance**.

#### DEFINITION OF COVER PROVIDED BY THIS EXTENSION

"**Breakdown**" shall mean sudden and accidental **Loss or Damage** necessitating repair or replacement before working can be resumed resulting from

- i) defects in material, design, construction, erection or assembly;
- ii) fortuitous working accidents such as vibration, maladjustment, loosening of parts, molecular fatigue, centrifugal force, abnormal stresses, defective or accidental lack of lubrication, water hammer or local overheating (except in the case of boilers or similar plant when followed by explosion), failure or faults in protection devices, failure or faults in connected machines;
- iii) excessive or insufficient electrical pressure, failure of insulation, short circuits, open circuits or arcing or the effects of static electricity;
- iv) incompetence, negligent acts or lack of skill of **Employees** or third parties;

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- v) falling, impact, collision or similar occurrences, obstruction or the entry of foreign bodies;
- vi) any other cause not otherwise excluded.

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## TERRITORIAL SCOPE

The Insurance afforded under this Machinery Breakdown Extension applies whilst the **Property Insured** is working or at rest or being dismantled or moved for the purpose of cleaning, inspection, overhauling or being re-erected in another position within the Territorial Limits shown in the Schedule including during inland transit (including inland waterways) and as per Temporary Removal Extension contained in the Onshore Property Section.

## EXCEPTIONS TO THE MACHINERY BREAKDOWN EXTENSION

The **Insurer** shall not be liable for:

- (i) **Loss or Damage** caused by fire, the extinguishing of a fire, direct lightning, explosion, aircraft and other aerial devices or articles dropped therefrom, collapse of buildings, theft or any attempt thereat;

For the purpose of this Extension "explosion" shall not mean the bursting or disruption of turbines, boilers, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformer switches or oil immersed switchgear;

- (ii)
  - (a) wastage of material, wearing away or wearing out of any part of a machine caused by or resulting from ordinary usage, rust, boiler scale or other deposits, corrosion or deterioration due to chemical or atmospheric conditions or otherwise scratching of painted or polished surfaces;
  - (b) slowly developing deformation, distortion, cracks, fractures, blisters, laminations, flaws or grooving or the making good of defective tube joints or other defective joints or seams unless such defects result in damage otherwise insured under this Extension;
- (iii) the damage by the imposition of abnormal conditions directly or indirectly resulting from wilful overload beyond design limitations, it being understood that this exclusion shall not exclude any testing of insured property during the bringing up from shutdown provided that such operations are within design limits;
- (iv) loss of use of any machine or consequential Loss or Damage of any nature whatsoever;

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- (v) **Loss or Damage** caused by tidal wave, subsidence, landslide, rockfall, hurricane, typhoon, cyclone, volcanic eruption or other convulsion of nature, flood, inundation or escape of water from water containing apparatus;
- (vi) **Loss or Damage** caused by the wilful act or wilful neglect of the **Insured** or his representatives. However, the foregoing shall not be deemed to exclude malicious acts of **Employees** or representatives of the **Insured**;
- (vii) (a) **Loss or Damage** to or loss of use of **Property Insured** directly or indirectly caused by seepage or pollution;  
(b) the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances;
- (viii) **Loss or Damage** due to any faults or defects known to the **Insured** at the time this Policy was arranged and not disclosed to the **Insurer**;
- (ix) accidental damage indemnifiable under the Fire Insurance or All Risks Endorsement of this Section;
- (x) **Loss or Damage** to foundations and/or masonry, exchangeable or replaceable parts and attachments such as flexible drives or tools used for cutting, drilling, grinding, polishing or similar purposes or moulds, patterns pulverising and/or crushing surfaces, screens and/or sieves, engraved cylinders, ropes, chains, belts, elevator and/or conveyor bands, refractory linings, batteries, tyres, connecting wire and/or cables, flexible pipes, jointing and/or packing material and/or all other parts not made of metal (except the insulation of electrical conductors), fuels, filter fillings, cooling media, lubricants, catalysts, chemicals and/or other operating media and/or materials used in the course of process;
- (xi) **Loss or Damage** to boilers and/or pressure vessels due to or arising from flue gas and/or chemical explosion.

**SPECIAL CONDITIONS APPLICABLE TO THIS MACHINERY  
BREAKDOWN EXTENSION**

**1. VALUATION AND ADJUSTMENT OF LOSSES**

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In case of **Loss or Damage** insured under this Extension, the basis of adjustment unless otherwise endorsed hereon shall be the Replacement Cost.

"Replacement Cost" shall mean all expenses necessarily incurred to repair, rebuild or replace with new materials of like kind and quality including dismantling and re-erection charges incurred for the purpose of effecting repair.

Replacement Cost shall be determined as of the date of settlement of any claim for **Loss or Damage** under this Extension.

In the event that any **Property Insured** is not repaired, rebuilt or replaced, the basis of adjustment shall be the actual cash value of such **Property Insured**.

2. REPAIRS

In the event of a **Breakdown** of any **Property Insured** likely to give rise to a claim hereunder, the **Insurer** shall have the right to take over and control all necessary repairs, such repairs to be completed to the satisfaction of the **Insured**.

3. REMOVAL

Such insurance as is afforded under this Extension shall also apply while the **Property Insured** is being removed because of imminent danger of **Loss or Damage**.

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## SECTION IV

### **ENDORSEMENTS TO THE ONSHORE PROPERTY SECTION**

It is understood and agreed that notwithstanding anything contained in EXCLUDED CAUSES (e) to the contrary, or the clauses attached hereto, coverage provided by this Section is extended to include offshore and/or onshore pipelines.

Pipelines to the seaward side of the Chart Datum shall be deemed to be “offshore”. For avoidance of doubt, it is clarified that “Landfall” defined as “mean low-tide mark” shall be the demarcating point. Even if part of an offshore pipeline is physically located onshore, as demarcated by Landfall, that part which lies onshore shall be considered onshore, and the rest offshore.

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## ENDORSEMENT I

### MOULD, FUNGUS, WET AND DRY ROT AND BACTERIA EXCLUSION

It is understood and agreed that this Policy does not insure against any loss, damage or expense consisting of, caused by, contributed to, or aggravated by mould, moss, mildew, fungi, spores, bacterial infestation or any similar organism, wet or dry rot and extremes of temperature or humidity, whether directly or indirectly the result of a covered peril. This includes, but is not limited to, the cost for investigation, testing, remediation services, extra expense or business interruption. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. If loss otherwise covered by this Policy occurs and the cost of removal of debris is increased due to the presence of rust, mould, moss, fungus, bacterial infestation, wet or dry rot and extremes of temperature or humidity, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in, on, or about the covered property to be removed.

All other terms and conditions remain unchanged

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**ENDORSEMENT II**  
**ASBESTOS CLAUSE**

It is understood and agreed that:-

- A. This Policy only insures asbestos physically incorporated into an insured building or structure, and then only that part of the asbestos which has been physically damaged during the **Period of Insurance** by one of these Listed Perils:-

**Fire; Smoke; Explosion; Lightning; Windstorm; Hail; Direct impact of vehicle, aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or Accidental discharge of fire protective equipment.**

This coverage is subject to all limitations in the Policy to which this endorsement is attached and, in addition, to each of the following specific limitations:-

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
3. The **Insured** must report to the **Insurer** the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the **Insurer** more than twelve (12) months after the expiration, or termination, of the **Period of Insurance**.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
  - (i) any faults in the design, manufacture or installation of the asbestos;
  - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

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- B. Except as set forth in the foregoing Section A., this Policy does not insure asbestos or any sum relating thereto.

All other terms and conditions remain unchanged

## SECTION V

### COST OF WELL CONTROL

It is understood and agreed that this Cost of Well Control Section is subject to the Limits of Liability stated in the Schedule and to the limitations, terms, definitions, exclusions, conditions and endorsements of the General Conditions, and this Section.

#### 1. COVERAGE

The **Insurer** agrees, subject to the Limits of Liability, terms and General Conditions of this Policy, to reimburse the **Insured** for actual costs and/or expenses incurred by the **Insured** (a) in regaining or attempting to regain control of any and all well(s) insured hereunder which get(s) out of control, including any other well that gets out of control as a direct result of a well insured hereunder getting out of control, but only such costs and/or expenses incurred until the well(s) is (are) brought under control as defined in Paragraph 2b of this Section; and (b) in extinguishing or attempting to extinguish (i) fire above the surface of the ground or water bottom from well(s) insured hereunder or from any other well(s) which are burning as a direct result of well(s) insured hereunder getting out of control or (ii) fire above the surface of the ground or water bottom which may endanger the well(s) insured hereunder.

Relief Wells are automatically held covered under this Section subject to notice to the **Insurer** as soon as possible.

Coverage under this Section is subject to notice of the **Occurrence** having been first given by the **Insured** during the **Period of Insurance** in accordance with General Condition 3. If the **Insured** first gives notice of an **Occurrence** within 90 days after the end of the **Period of Insurance**, or, if later, within 90 days after the termination date as described in the Termination of Coverage condition 5b(2) or 5b(3), in accordance with General Condition 3, notice of that **Occurrence** shall be deemed to have been first given during the **Period of Insurance**.

#### 2. CO-VENTURERS

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It is understood and agreed that this Section shall be deemed to insure the interest of the **Insured** together with the interest of any or all co-venturer(s) for whom the **Insured** is responsible to provide insurance such as is provided under this Section on the interests covered hereunder if so required, subject to prior declaration to and agreement by the **Insurer**.

The cover granted under the immediate preceding paragraph in respect of co-venturer(s) shall be limited to the property or operations in which a co-venturer(s) has a common interest with the **Insured** and shall be subject in all respect to the terms, clauses and conditions of this Section.

A co-venturer(s) shall be deemed to be named as an additional **Insured** hereunder for the period(s) of time that their interest is insured hereunder only when the **Insured** is contractually obligated to provide such coverage and loss(es), if any, shall be adjusted with and payable to the **Insured** and the co-venturer(s), if additional **Insureds** hereunder, as their respective rights and interests may appear.

### 3. BLOWOUT PREVENTER WARRANTY

It is warranted that where the **Insured** is the operator or joint operator on any insured well being drilled, deepened, serviced, worked over, completed and/or reconditioned, a blowout preventer of standard make will, when in accordance with all regulations, requirements and normal and customary practices in the industry, be set on the surface casing or on the wellhead and installed and tested in accordance with usual practice. Where the **Insured** is a non-operator on any insured well, he will endeavour to see that the operator complies with the warranty set out in this Condition 3.

### 4. ABANDONMENT

There can be no abandonment to the **Insurer** of any property.

### 5. ATTACHMENT AND TERMINATION OF COVERAGE

#### a. Attachment of Coverage:

- (1) In respect of any well(s) insured hereunder coverage shall attach when the **Insured** acquires an interest in such well(s) unless coverage attaches later by operation of any of Paragraphs 5a(2), (3) or (4) below;
- (2) In respect of any well(s) insured hereunder spudded in during

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the **Period of Insurance**, coverage shall attach at the time of "spudding in";

- (3) In respect of any well(s) in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the **Inception Date** of the Policy to which this Section attaches, coverage shall attach upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning;
- (4) In respect of any other well(s) insured hereunder, coverage shall attach at the **Inception Date** of the Policy to which this Section attaches.

b. Termination of Coverage:

- (1) In respect of any well(s) insured hereunder, coverage shall terminate when the **Insured** ceases to have an interest in such well(s) unless coverage is terminated sooner by operation of any of Paragraphs 5b(2), (3) or (4) below;
- (2) In respect of any well(s) which are insured hereunder during drilling only, by virtue of the **Insured's** electing not to purchase coverage for Producing and/or Shut-In and/or Plugged and Abandoned wells, coverage shall terminate upon either total and/or complete abandonment or completion of such well(s), which shall include the setting of the "Christmas Tree", pumping equipment or well head equipment or the dismantling or removal of the drilling equipment from the drill site, or the termination of the **Insured's** responsibility under contract, whichever shall first occur, except that, if removal of the drilling equipment from the drill site occurs first, then the period of time between complete removal of such equipment and the commencement of completion operations shall not exceed thirty (30) days in order for said completion operations to be covered hereunder;
- (3) In respect of any well(s) insured hereunder in the course of being drilled, deepened, serviced, worked over, completed and/or reconditioned at the expiry or cancellation of the policy to which this Sections attaches, coverage shall terminate upon final termination of said drilling, deepening, servicing, working over, completing and/or reconditioning, notwithstanding the fact that said final termination may occur later than said expiry or cancellation;

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- (4) In respect of any other well(s) insured hereunder, coverage shall terminate at the expiry or cancellation of this Section, or (if plugged and abandoned wells are not insured hereunder) upon total and/or complete abandonment of the wells, whichever shall first occur.

6. TERMINATION OF EXPENSES

In any circumstances, the **Insurer's** liability for costs and/or expenses incurred in regaining or attempting to regain control of a well(s) shall cease when the well(s) is (are) brought under control as defined in Paragraph 7b of this Section.

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## 7. DEFINITIONS APPLICABLE TO THIS SECTION

### a. Well Out of Control:

For the purposes of this Section, a well(s) shall be deemed to be out of control only when there is an unintended flow from the well(s) of drilling fluid, oil, gas or water above the surface of the ground or water bottom,

- (1) which flow cannot promptly be
  - (a) stopped by use of the equipment on site and/or the blowout preventer, storm chokes or other equipment; or
  - (b) stopped by increasing the weight by volume of drilling fluid or by the use of other conditioning materials in the well(s), or
  - (c) safely diverted into production,or
- (2) which flow is declared to be out of control by the appropriate regulatory authority.

Nevertheless, and for the purposes of this Section, a well shall not be deemed out of control solely because of the existence or occurrence of a flow of oil, gas or water into the well bore which can, within a reasonable period of time, be circulated out or bled off through the surface controls.

### b. Well Brought under Control:

In any circumstances the **Insurer's** liability for expenses of regaining control of well(s) shall cease when the well(s) is controlled and no action or further action is required by regulatory authority(ies) to ensure permanent control, or, if later, when the well is/or can be returned to the same producing, shut-in or similar status.

### c. Expenses:

Expenses recoverable hereunder shall include costs of materials and supplies required, the services of individuals or firms specialising in controlling wells, and directional drilling and similar operations necessary to bring the well(s) under control, including costs and

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expenses incurred at the direction of regulatory authorities to bring the well(s) under control, and other expenses included within Clause 1 of this Section.

d. Occurrence

The term **Occurrence** shall be defined as one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event.

- (1) As respects windstorm, all tornadoes, cyclones, hurricanes, similar storms and systems of winds of a violent and destructive nature, arising out of the same atmospheric disturbance within any period of seventy-two (72) consecutive hours commencing during the **Period of Insurance**, shall be considered one event.
- (2) Each earthquake shock or volcanic eruption shall constitute one event hereunder, provided that, if more than one earthquake shock or volcanic eruption shall occur within any period of seventy-two (72) consecutive hours commencing during the **Period of Insurance**, such earthquake shocks or volcanic eruptions shall be deemed to be one event within the meaning hereof.

8. PARTIAL INTEREST CLAUSE

The Limit of Liability, the **Insured's** retention(s), any sub-limit of liability set forth in any Endorsement hereto, and the rates expressed herein are for a 100PCT interest. In the event that the interest of the **Insured** in any one well insured hereunder does not amount to 100PCT, then said Limit of Liability, the **Insured's** retention(s), any sub-limit of liability set forth in any Endorsement hereto, and the rate(s) applicable to that well, shall be reduced proportionately and shall apply in the same proportion as the total interest of the **Insured** in said well insured hereunder bears to 100PCT. In the event of a well getting out of control which gives rise to a claim(s) recoverable hereunder, the **Insurer** shall in no event be liable under this Section hereof or Endorsement hereto for a greater percentage interest in any such claim than the **Insured's** percentage interest in the well with respect to which, and at the time that, such well getting out of control took place.

9. DELIBERATE DAMAGE

This Section also covers expenses incurred by the **Insured** in regaining control

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of all well(s) covered by this Section directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, provided such act of any governmental authority has not resulted from want of due diligence by the **Insured**, to prevent or mitigate such hazard or threat.

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#### 10. EXCLUSIONS APPLICABLE TO THIS SECTION

The **Insurer** shall have no liability for expense in connection with bodily injury, illness, disease, death, workers' compensation, loss of hole, loss of drill stem, damage to any part of drilling rig or producing rig and equipment, **Loss or Damage** to property, loss of production, all fishing costs, all expense of conditioning well(s) to resume drilling operations.

#### 11. REPORTING

It is understood and agreed that as soon as possible after the **Inception Date** of the policy the **Insured** shall advise details of wells which are drilling at the **Inception Date** plus any which have been drilled and are not yet completed.

#### 12. EXTENDED TERMINATION

Wells being drilled at the **Inception Date** or commenced during the **Period of Insurance** shall be covered hereon until expiry of this Section without additional premium. In respect of development well(s) which are commenced in any one **Annual Period** but not completed until the following **Annual Period** or **Annual Periods**, it is agreed that the drilling rates shall apply for such period(s) with production rates payable in the **Annual Period** production actually commences.

In respect of exploratory wells which are commenced in any one **Annual Period** but which are not completed or tested until the following **Annual Period** or **Annual Periods**, it is agreed that drilling rates shall apply for the whole of such period(s). In respect of both development and exploratory wells, cover hereon to remain in force until such well(s) are finally completed and/or abandoned.

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**EXTRA EXPENSE ENDORSEMENT TO  
THE COST OF WELL CONTROL SECTION**

Notwithstanding anything contained herein to the contrary it is understood and agreed that this Section is extended to cover:-

1. All expenses incurred as a result of a well out of control as defined in the Section to which this Endorsement is attached in recovering or restoring all or part of a well to the depth and conditions that existed immediately prior to a blowout through washover, fishing or any other salvage operations.
2. The additional Drilling Expense incurred as a result of blowout as defined to redrill all or part of a well which cannot be recovered by washover, fishing or other salvage operations to the depth and conditions that existed immediately prior to a blowout.

Drilling Expense as used herein shall mean the cost of all services and materials expended in the drilling, testing, coring, logging and completing of a well (to the extent that completion operations had already been undertaken) including the cost of property permanently set in the well below the surface of the ground, but excluding the value of any contractor's drilling or well service equipment above or below the surface of the ground.

3. Expense which the **Insured** is legally obligated to incur at the direction of any Government or other regulatory body in order to prevent damage to property of others.

The **Insurer's** liability under this Endorsement is limited to the same percentage of all Expenses recoverable hereunder as is recoverable under the Section to which this Endorsement is attached (the Cost of Well Control Retention shall not apply or be taken into account for the purposes of this extension).

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## **SOCIAL RESPONSIBILITY ENDORSEMENT TO THE COST OF WELL CONTROL SECTION**

If as a result of a claim to this Section the **Insured** makes payments or incurs expense of a social or moral nature, including the removal of human remains, excluding any legal liability, on proof of such expenditure or payment such amount shall, subject to the limit of liability of this insurance, be paid by the **Insurer** hereon. The **Insurer** may require the appointment of an independent loss adjuster to verify the quantum of any Loss payable under the terms of this clause.

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## UNDERGROUND CONTROL OF WELL ENDORSEMENT TO THE COST OF WELL CONTROL SECTION

1. In respect of wells insured hereunder, this Section is endorsed to cover reimbursement to the **Insured** for actual costs and/or expenses incurred in regaining or attempting to regain control of an unintended sub-surface flow of oil, gas, water and/or other fluid from one sub-surface zone to another sub-surface zone which, unless controlled, prevents continuation of the drilling, producing or other status of the well that existed prior to the Loss.
  
2. The **Insurer's** liability for costs and expenses incurred by reason of this Endorsement shall cease at the time that:
  - (i) the flow is controlled and no action or further action is required by the regulatory authority(ies) to ensure permanent control or, if later
  
  - (ii) the well is/are or can be returned to the same producing, shut-in or similar status.

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### **MAKING WELLS SAFE ENDORSEMENT TO THE COST OF WELL CONTROL SECTION**

It is understood and agreed that this Section is endorsed to cover reimbursement to the **Insured** for the actual costs and expenses incurred in preventing the occurrence of a Loss insured hereunder when the drilling and/or workover and/or production equipment has been directly lost or damaged, but only when, in accordance with all regulations, requirements and normal and customary practices in the industry, it is necessary to re-enter the original well(s) in order to continue operations to restore production from or plug and abandon such well(s).

The **Insurer's** liability for costs and expenses incurred by reason of this paragraph shall cease at the time that

- (i) operations or production can be safely resumed, or
- (ii) the well is or can be safely plugged and abandoned

whichever shall first occur.

### **EXTENDED REDRILLING ENDORSEMENT TO THE COST OF WELL CONTROL SECTION**

In respect of wells insured hereunder, this Section is endorsed to cover reimbursement to the **Insured** for actual costs and expenses reasonably incurred to restore or redrill a well insured hereunder, or any part thereof, which has been lost or otherwise damaged as a direct result of physical loss of or physical damage to the drilling and/or workover and/or production equipment and/or platform by lightning; fire, explosion or implosion above the surface of the ground or water bottom; collision with land, sea or air conveyance or vehicle; windstorm; collapse of derrick or mast; flood; strikes; riots; civil commotions or malicious damage; and earthquake, volcanic eruption or tidal wave; and in respect of offshore wells only, impact of anchors, chains, trawlboards or fishing nets.

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## **EVACUATION EXPENSES ENDORSEMENT TO THE COST OF WELL CONTROL SECTION**

The **Insurer** agrees that this Section is extended to indemnify the **Insured** for costs and/or expenses which the **Insured** incurs in the evacuation of persons and/or property but only where and to the extent the **Insured** is obliged to incur such costs and/or expenses and only in the event that the evacuation has taken place by the order of any local governmental or any regulatory authority or public emergency service, and only following the happening of an **Occurrence** covered hereunder, which has resulted, or would result, in a claim under this Section.

Costs and/or expenses, if covered under this Endorsement, shall include but not be limited to all reasonable costs of transportation, costs of storage, keeping or lodging and/or maintaining evacuated persons and/or property. However, it is specifically understood and agreed that coverage provided by this Endorsement shall exclude loss of use of evacuated property and loss of earnings of evacuated persons.

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## **DELIBERATE WELL FIRING ENDORSEMENT TO THE COST OF WELL CONTROL SECTION**

In the event that a well, which has suffered a blowout within the terms and conditions of this Section, has to be deliberately fired (a) at the Provincial or Federal Government's direction or (b) by the operator, due to the fact that Governmental Personnel are not available, for safety reasons to prevent bodily injury (including employees) and/or property damage to third parties, coverage as afforded hereunder shall not be prejudiced.

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## CARE, CUSTODY AND CONTROL ENDORSEMENT TO THE COST OF WELL CONTROL SECTION

1. This Section is endorsed to cover the **Insured's** legal or contractual liability as oil lease operator(s) (or Co-Venturer(s) where applicable) for physical loss or physical damage to, or expenses of salvage of, oil field equipment, including but not limited to drill pipe, drill collars, subs, drill bits and core barrels, leased or rented by the **Insured** or in its care, custody and control at the site of any well insured under the Cost of Well Control Section.
2. The **Insurer's** liability in respect of claims under this Endorsement is limited to USD10,000,000 any one **Occurrence**.
3. The **Insurer's** limit of liability specified in Clause 2 of this Endorsement shall be excess of the **Insured's** retention as set forth in the Schedule in respect of 100 PCT interest, any one **Occurrence**.
4. In the event that in-hole salvage expenses or fishing costs are incurred in respect of equipment for which the **Insured** has assumed responsibility and which is lost or damaged as a result of a peril insured against in this Endorsement, the maximum amount recoverable for such salvage expenses or fishing costs shall be 25 PCT of the value of the lost or damaged equipment in the hole at the time of Loss and which is the object of salvage or fishing efforts, always subject to the overall limit of liability specified in this Endorsement.
5. Notwithstanding anything contained herein to the contrary, the **Insurer** shall not be liable for claims in respect of loss of or damage to:-
  - a. equipment owned by the **Insured** or in which the **Insured** has a financial interest;
  - b. drilling or workover rigs or any component thereof;
  - c. diamond bits and/or diamond bit core barrels;
  - d. mud, chemicals, cement, the well or casing installed therein;
  - e. in-hole equipment whilst in the hole, unless the **Insured's** liability has resulted from physical loss or physical damage to such equipment as a result of (1) an **Occurrence** giving rise to a claim which would be recoverable under the Cost of Well Control Section of this Policy if the **Insured's** retention applicable to the Cost of Well Control Section were nil, or (2) fire, windstorm or total loss of drilling or workover rig

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6. This extension shall not cover or contribute to any loss, damage or expense caused by or resulting from delay, loss of use; wear; tear; gradual deterioration; mysterious disappearance; inventory shortage(s); explosion, rupture or bursting of engines, pumps, piping, tanks or any pressure container from internal pressure; electrical injury or disturbance to electrical appliances or wiring resulting from artificial or natural causes (unless fire ensues, and then from loss or damage by fire only); latent defect, faulty design; mechanical failure or breakdown of equipment leased or rented by the **Insured** or in the **Insured's** care, custody and control.
7. The **Insurer** shall not be liable for loss of or damage to equipment beyond the actual sound value of such equipment at the time of loss, ascertained with proper deductions for depreciation, wear, tear and obsolescence. As respects leased or rented equipment, the **Insurer** shall not be liable for any sum greater than that assumed by the **Insured** under the terms of the rental or lease agreement less any trade or volume discount allowed by the leasing or rental company, nor shall the **Insurer's** liability exceed what it would cost to repair or replace any equipment involved in any Loss recoverable hereunder with other equipment of like kind and quality.
8. This Endorsement shall not afford coverage with respect to any drilling operations performed for the **Insured**, or for the account of the **Insured** by another operator, upon which a written contract with the drilling Contractor has not been executed in advance of commencing drilling operations, or within forty eight (48) hours thereafter, incorporating all the provisions and conditions to be effective as respects such drilling operations. Further, this Endorsement shall not extend to any oral agreements prior or subsequent to or simultaneously with the execution of the written contract on such operations, and this Endorsement shall not extend to any subsequent written agreement or rider to the original contract, other than to deepen any well below the specified total depth of the original contract, affecting the assumption of liability by the well owner for contractor's equipment.

The **Insurer** shall have no liability for loss of or damage to equipment if the drilling contract is negotiated on a turnkey or completed well basis.

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## CONTINGENT JOINT VENTURE CLAUSE ENDORSEMENT TO THE COST OF WELL CONTROL SECTION

In the event the **Insured** becomes legally liable in a court of competent jurisdiction for an amount greater than his proportionate ownership interest, the **Insurer** hereon agrees to provide coverage for the **Insured** to the extent that the legal liability increases the **Insured's** working interest percentage liability. Even in the event that the **Insured** becomes legally liable for a greater percentage than his ownership interest, the partial interest portion of this Section shall still apply to the combination of the **Insured's** working interest percentage ownership and the additional percentage(s) for which the **Insured** becomes legally liable.

The **Insurer** shall retain all of the **Insured's** rights of subrogation against any party(ies) for which the **Insurer** has paid claims on behalf of (under the extension of coverage afforded by this Endorsement) to the extent of the **Insurer's** payments.

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## SECTION VI

### OFFSHORE SEEPAGE, POLLUTION & CONTAMINATION ENDORSEMENT (OPOL) TO THE COST OF WELL CONTROL SECTION

#### 1. INSURING AGREEMENT

Subject to the standard OPOL limit of USD120,000,000 (100%) per event, in the event of a **Incident** occurring from an insured **Offshore Facility**, and if as a result any State or States or the **Insured** or anybody acting on their behalf take **Remedial Measures** and/or any **Person** sustains **Pollution Damage**, then the **Insurer**, subject to the limitations, terms and conditions of this Endorsement agrees to indemnify the **Insured** against all sums which the **Insured** may become liable to pay by reason of their obligations under "OPOL" and/or by law be liable to pay as damages for bodily injury (fatal or non-fatal) and/or loss of, or damage to or loss of use of property caused by or alleged to be caused directly or indirectly by seepage, pollution or contamination arising out of the operations stated in the Schedule held on file with the **Insurer**.

#### 2. DEFINITIONS APPLICABLE TO THIS ENDORSEMENT

- (a) The unqualified word "Insured" includes the **Named Insured** and any partner, executive officer, director or stockholder or employee thereof while acting within the scope of his duties as such.
- (b) The term "Ultimate Net Loss" shall be understood to mean the sums paid in the settlement of claims covered by this Endorsement (after making deductions for all recoveries, salvages and other insurance) and shall include **Costs** and expenses incurred with the **Insurer's** consent in the defence of any claim or claims, and also **Costs** and expenses of litigation awarded to any claimant against the **Insured**.
- (c) The word "Costs" shall be understood to mean interest on judgements, investigation, adjustment and legal expenses (excluding however, all expenses for salaried employees and retained counsel of and all office expenses of the **Insured**).
- (d) "Person" means an individual or partnership or any public or private body, whether corporate or not, including a Designated State or other State.

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- (e) "Pollution Damage" means direct physical loss or physical damage (other than loss of or damage to the insured **Offshore Facility** involved) by contamination which results from a **Discharge of Oil**.
- (f) "Discharge of Oil" means any sudden and accidental escape or discharge of oil into the sea from one or more **Offshore Facilities**, occurring during the **Period of Insurance**.
- (g) "Oil" means crude oil and condensate (being those products of natural gas processing which assume liquid form at normal temperature and pressure), whether or not such materials are mixed with or present in other substances.
- (h) "Offshore Facility" means:
  - (1) any well and any installation or pipeline or portion thereof of any kind, fixed or mobile, used for the purpose of exploring for, producing, treating, storing or transporting **Oil** from the seabed or its subsoil;
  - (2) any well used for the purpose of exploring for or recovering gas or natural gas liquids from the seabed or its subsoil during the period that any such well is being drilled (including completion), recompleted or worked upon (except for normal workover operations);or
  - (3) any installation of any kind, fixed or mobile, intended for the purpose of exploring for, producing, treating or storing **Oil** from the seabed or its sub soil where such installation has been temporarily removed from its operational site for whatever reason.

which is located within the jurisdiction of a Designated State (as defined in OPOL) to the extent that it and, in the case of any well, any installation from which it is drilled, are both to seaward of the low-water line along the coast as marked on large scale charts officially recognized by the Government of such Designated State;

provided however that none of the following shall be considered an **Offshore Facility**:

- (i) any abandoned well, installation or pipeline or

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- (ii) any ship, barge or other craft not being used for the storage of **Oil**, commencing at the loading manifold thereof.
- (i) "Incident" means any **Occurrence** or series of **Occurrences** arising out of one event which results in a **Discharge of Oil**.

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- (j) "Remedial Measures" means reasonable measures taken by any Party (as defined in OPOL) from whose insured **Offshore Facility** a **Discharge of Oil** occurs and by any Public Authority to prevent, mitigate or eliminate **Pollution Damage** following such **Discharge of Oil** or to remove or neutralize the **Oil** involved in such discharge, excluding, however, well control measures and measures taken to protect, repair or replace such insured **Offshore Facility**.
- (k) "Public Authority" means the Government of any State recognised as such under international law or custom and any public body or authority (municipal, local or otherwise) within such State competent under the municipal law of such State to carry out **Remedial Measures**.
- (l) "OPOL" means the Offshore Pollution Liability Agreement 1974 and subsequent amendments thereto.

3. INSURED OFFSHORE FACILITIES

It is understood and agreed that this Endorsement covers all offshore wells and offshore facilities declared at the **Inception Date** and also extends to hold covered any alternative or additional offshore wells and/or offshore facilities attaching during the **Period of Insurance**.

4. EXCLUSIONS APPLICABLE TO THIS ENDORSEMENT

- (a) No liability shall attach to the **Insurer** hereunder in respect of any fines or penalties, which shall be deemed to include but not be restricted to, punitive or exemplary damages imposed under the laws of any State.
- (b) This Endorsement does not cover any liability which is insured by or would but for the existence of this Endorsement, be insured by any other existing policies, except in respect of any excess beyond the amount which would have been payable under such other insurance(s) had this Endorsement not been effected.
- (c) This Endorsement does not cover loss of, damage to, loss of use of or cost of clean-up of an insured **Offshore Facility** from which the **Discharge of Oil** emanated.
- (d) This Endorsement does not cover well control measures and repairs or modifications to any insured **Offshore Facility**.

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- (e) No liability shall attach to the **Insurer** hereunder with respect to **Pollution Damage** and **Remedial Measures** taken by the **Insured** arising from an **Incident** if the **Incident**:
- (i) resulted from an act of war, hostilities, civil war, insurrection, or a natural phenomenon of an exceptional, inevitable, and irresistible character;
  - (ii) was wholly caused by an act or omission done with intent to cause damage by a third party;
  - (iii) was wholly caused by the negligence or other wrongful act of any Government or other authority or resulted from compliance with conditions imposed or instructions given by the Government of the State which issued the licence for the block in which the **Offshore Facility** involved is located;
  - (iv) resulted wholly or partially, either from an act or omission done with intent to cause damage by a claimant (as defined in OPOL), or from the negligence of that claimant, in which case any Party thereto which would otherwise be liable hereunder shall be exonerated wholly or partially from its obligations to said claimant.
- (f) This Endorsement does not cover any claims arising directly out of the transportation of **Oil** or other similar substance by watercraft commencing at the loading manifold thereof.
- (g) This Endorsement does not cover any sums which may be due under the "Guarantee" as referred to in paragraph 2 of Clause III of OPOL if such sums are due to financial Guarantees, or the insolvency of any member, nor any membership fees, subscription and contributions due to the Offshore Pollution Liability Association.

## 5. COSTS CLAUSE

In the event of any **Incident** where the **Ultimate Net Loss** is likely to exceed the retention of the **Insured**, no **Costs** shall be incurred without consent of the **Insurer**, and if such consent is given, the **Insurer** shall consider such **Costs** as part of the **Ultimate Net Loss**. No settlement of losses by agreement shall be effected by the **Insured** where the **Ultimate Net Loss** will exceed the retention of the **Insured** without the prior written consent of the **Insurer**.

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6. RIGHT OF DIRECT ACTION

A claimant shall have right of direct action against the **Insurer** but the **Insurer** shall have the same defences, rights and limitations that the **Insured** has.

7. JOINT VENTURES

In any joint venture, co-venture, joint lease, joint operating agreement or partnership (hereinafter called "Joint Venture") in which the **Insured** has an interest, the limit of liability and the retention of the **Insured** shall have applied to them a percentage equivalent to that percentage that the **Insured** has in the Joint Venture plus that percentage as shown in the Schedule held on file with the **Insurer** of the remaining interests for which the **Insured** has agreed to provide insurance.

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## SECTION VII

### SEEPAGE, POLLUTION & CONTAMINATION ENDORSEMENT (NON OPOL) TO THE COST OF WELL CONTROL SECTION

#### 1. INSURING AGREEMENT

The **Insurer**, subject to the limitations, terms and conditions of this Endorsement, agrees to indemnify the **Insured** against:

- (a) all sums which the **Insured** may by law be liable to pay and/or assume by contract for the cost of **Remedial Measures** taken by any State, Country or applicable authority and/or as damages for bodily injury (fatal or non-fatal) and/or loss of, or damage to, or loss of use of property caused by or alleged to have been caused directly by an **Incident** arising from **Insured Facilities** as stated in the Schedule held on file with the **Insurer**.
- (b) the cost of or attempt at removing nullifying or cleaning up seepage, polluting or contaminating substances emanating from insured wells or **Insured Facilities** as stated in the Schedule held on file with the **Insurer**, including, where applicable, the cost of preventing the substances reaching the shore.
- (c) **Costs** and expenses incurred in defence of any claim or claims and also **Costs** and expenses of litigation awarded to any claimant against the **Insured**, even if no payment is made by the **Insurer** hereon in settlement of the claim in dispute under the preceding section(s).

#### 2. DEFINITIONS APPLICABLE TO THIS ENDORSEMENT

- (a) The unqualified word "Insured" includes the **Named Insured** and any partner, executive officer, director or stockholder or **Employee** thereof while acting within the scope of his duties as such.
- (b) The word "Costs" shall be understood to mean interest on judgements, investigation, adjustment and legal expenses (excluding, however, all expenses for salaried employees and retained counsel and all office expenses of, the **Insured**)
- (c) "Person" means an individual or partnership or any public or private body, whether corporate or not, including a State or territory.

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- (d) "Pollution Damage" means direct physical loss or physical damage (other than loss of or damage to the **Insured Facility** involved) by contamination which results from a **Discharge of Oil**.
- (e) "Discharge of Oil" means any sudden and accidental escape or discharge of oil from an **Insured Facility**, during the **Period of Insurance**.
- (f) "Oil" means crude oil and condensate (being those products of natural gas processing which assume liquid form at normal temperature and pressure), whether or not such materials are mixed with or present in other substances.
- (g) "Incident" means any **Occurrence** or series of **Occurrences** arising out of one event which results in one or more **Discharges of Oil**.
- (i) "Remedial Measures" means reasonable measures taken by any Party from whose **Insured Facility** a **Discharge of Oil** occurs and by any Public Authority to prevent, mitigate or eliminate **Pollution Damage** following such **Discharge of Oil** or to remove or neutralize the **Oil** involved in such discharge, excluding however, well control measures and measures taken to protect, repair or replace such **Insured Facility**.
- (j) "Public Authority" means the Government of any Country or State recognised as such under international law or custom and any public body or authority (municipal, local or otherwise) within such State competent under the municipal law of such State to carry out **Remedial Measures**.
- (k) "Insured Facility" means:-
  - (1) any well and any installation or pipeline or portion thereof of any kind, fixed or mobile, used for the purpose of exploring for, producing, treating, storing or transporting **Oil**;
  - (2) any well used for the purpose of exploring for or recovering gas or natural gas liquids during the period that any such well is being drilled (including completion), recompleted or worked upon (except for normal workover operations);or
  - (3) any installation of any kind, fixed or mobile, intended for the purpose of exploring for, producing, treating or storing **Oil** where such installation has been temporarily removed from its operational site for whatever reason.

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3. INSURED FACILITIES

It is understood and agreed that this Endorsement covers all wells and facilities declared at the **Inception Date** and also extends to hold covered any alternative or additional wells and/or facilities declared during the **Period of Insurance**.

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#### 4. EXCLUSIONS APPLICABLE TO THIS ENDORSEMENT

- (a) No liability shall attach to the **Insurer** hereunder in respect of any fines or penalties, which shall be deemed to include but not be restricted to punitive or exemplary damages, imposed under the laws of any State or Country.
- (b) This Endorsement does not cover any liability which is insured by or would, but for the existence of this Endorsement, be insured by any other existing policies except in respect of any excess beyond the amount which would have been payable under such other insurance(s) had this Endorsement not been effected.
- (c) This Endorsement does not cover loss of, damage to, or loss of use in respect of property belonging to the **Insured** or in the **Insured's** care, custody or control.
- (d) This Endorsement does not cover any of the cost of controlling a well nor the cost of drilling relief wells whether or not the relief well be successful.
- (e) This Endorsement does not cover any claims arising directly or indirectly from seepage, pollution or contamination if such seepage, pollution or contamination is intended by the **Insured** or any other **Person** or organization acting for or on behalf of the **Insured**, or results directly from any known condition in violation of or non-compliance with any governmental rule, regulation or law applicable thereto.
- (f) This Endorsement does not cover any claims arising directly out of the transportation of **Oil** or other similar substances by watercraft.

It is understood and agreed that exclusion 4 (f) shall not operate to exclude any claim, otherwise recoverable, arising from the **Insured's** floating offshore production/storage vessels specifically declared hereunder even though such production/storage vessels may be separated, by reason of fortuity or for movement to/from a port or place of repair or maintenance, from the other Field facilities.

#### 5. COSTS CLAUSE

In the event of **Incident** where the **Loss** is likely to exceed the retention of the **Insured**, no **Costs** shall be incurred without the consent of the **Insurer**.

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No settlement of **Loss** by agreement shall be effected by the **Insured** where the **Loss** will exceed the retention of the **Insured**, without the consent of the **Insurer**.

6. JOINT VENTURES

In any joint venture, co-venture, joint lease, joint operating agreement or partnership (hereinafter called "Joint Venture") in which the **Insured** has an interest, the limit of liability and the retention of the **Insured** shall have applied to them a percentage equivalent to that percentage that the **Insured** has in the Joint Venture plus that percentage as shown in the Schedule held on file with the **Insurer** of the remaining interests for which the **Insured** has agreed to provide insurance.

**Tata AIG General Insurance Company Limited**

Registered Office: Peninsula Business Park, Tower A, 15th Floor, G.K.Marg, Lower Parel, Mumbai - 400013

24X7 Toll Free No: 1800 266 7780 Fax: 022 6693 8170 Email: [customersupport@tata-aig.com](mailto:customersupport@tata-aig.com)

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### SECTION - Customer Grievance Redressal Procedure

The Company is committed to extend the best possible services to its customers. However, if **you** are not satisfied with **our** services and wish to lodge a complaint, please feel free to call **our** 24X7 Toll free number 1800-266-7780/022-66939500 (toll) or **you** may email to the customer service desk at [customersupport@tata-aig.com](mailto:customersupport@tata-aig.com).

#### Nodal Officer

Please visit **our** website at [www.tataaiginsurance.in](http://www.tataaiginsurance.in) to know the contact details of the nodal officer for **your** servicing branch.

After investigating the grievance internally and subsequent closure, **We** will send **Our** response within a period of 10 days from the date of receipt of the complaint by the Company or its office in Mumbai. In case the resolution is likely to take longer time, **We** will inform **you** of the same through an interim reply.

#### Escalation Level 1

For lack of a response or if the resolution still does not meet **your** expectations, **you** can write to [manager.customersupport@tata-aig.com](mailto:manager.customersupport@tata-aig.com). After investigating the matter internally and subsequent closure, **We** will send **Our** response within a period of 8 days from the date of receipt at this email id.

#### Escalation Level 2

For lack of a response or if the resolution still does not meet **your** expectations, **you** can write to the Head - Customer Services at [head.customerservices@tata-aig.com](mailto:head.customerservices@tata-aig.com). After examining the matter, **We** will send **you** our final response within a period of 7 days from the date of receipt of **your** complaint on this email id. Within 30 days of lodging a complaint with **us**, if **you** do not get a satisfactory response from **us** and **you** wish to pursue other avenues for redressal of grievances, **you** may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme.

Jurisdiction territory	Office of the Ombudsman
State of Gujarat and Union Territories of Dadra & Nagar Haveli and Daman and Diu.	6th Floor, Jeevan Prakash Bldg, Tilak Marg, Relief Road, Ahmedabad - 380001. Tel : 079-25501201/02/05/06 Email:

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	<a href="mailto:bimalokpal.ahmedabad@gbic.co.in">bimalokpal.ahmedabad@gbic.co.in</a>
State of Karnataka.	24th Main Road, Jeevan Soudha Bldg, JP Nagar, 1st Phase, Bengaluru – 560 025. Tel.: 080-22222049/22222048 Fax: 080 - Email: <a href="mailto:bimalokpal.bengaluru@gbic.co.in">bimalokpal.bengaluru@gbic.co.in</a>
States of Madhya Pradesh and Chattisgarh.	2nd Floor, Janak Vihar Complex, 6, Malviya Nagar, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 - 2769203 Email: <a href="mailto:bimalokpal.bhopal@gbic.co.in">bimalokpal.bhopal@gbic.co.in</a>
State of Orissa.	62, Forest Park, BHUBANESHWAR-751 009. Tel.:- 0674-2596455/2596003 Fax : 0674-2596429 Email : <a href="mailto:bimalokpal.bhubaneswar@gbic.co.in">bimalokpal.bhubaneswar@gbic.co.in</a>
States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union territory of Chandigarh.	SCO No.101-103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706468/2772101 Fax : 0172-2708274 Email : <a href="mailto:bimalokpal.chandigarh@gbic.co.in">bimalokpal.chandigarh@gbic.co.in</a>
State of Tamil Nadu and Union Territories - Pondicherry Town and Karaikal (which are part of Union Territory of Pondicherry).	Fathima Akhtar Court, 4th Floor, 453 (old 312), Anna Salai, Teynampet, CHENNAI-600 018. Tel.: 044 - 24333668 / 24335284 Fax : 044-24333664 Email : <a href="mailto:bimalokpal.chennai@gbic.co.in">bimalokpal.chennai@gbic.co.in</a>
States of Delhi.	2/2 A, Universal Insurance Building, Asaf Ali Road, NEW DELHI-110 002. Tel.: 011-23234057/23232037 Fax : 011- 23230858 Email : <a href="mailto:bimalokpal.delhi@gbic.co.in">bimalokpal.delhi@gbic.co.in</a>
States of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.	“Jeevan Nivesh”, 5th Floor, Near Panbazar Overbridge, S.S. Road, GUWAHATI-781 001 (ASSAM). Tel.: 0361 - 2132204 / 2132205 Fax : 0361-2732937 Email : <a href="mailto:bimalokpal.guwahati@gbic.co.in">bimalokpal.guwahati@gbic.co.in</a>

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States of Andhra Pradesh, Telangana and Union Territory of Yanam and a part of the Union Territory of Pondicherry.	6-2-46, 1 <sup>st</sup> Floor, Moin Court, A. C. Guards, Lakdi-Ka-Pool, HYDERABAD-500 004. Tel.: 040 - 65504123 / 23312122 Fax: 040-23376599 Email : <a href="mailto:bimalokpal.hyderabad@gbic.co.in">bimalokpal.hyderabad@gbic.co.in</a>
State of Rajasthan	Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Road, Jaipur - 302 005. Tel.: 0141-2740363 Fax: 0141 - Email : <a href="mailto:bimalokpal.jaipur@gbic.co.in">bimalokpal.jaipur@gbic.co.in</a>
State of Kerala and Union Territory of (a) Lakshadweep (b) Mahe-a part of Union Territory of Pondicherry.	2nd Floor, CC 27/2603, Pulinat Bldg., M. G. Road, ERNAKULAM-682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email : <a href="mailto:bimalokpal.ernakulam@gbic.co.in">bimalokpal.ernakulam@gbic.co.in</a>
States of West Bengal, Sikkim and Union Territories of Andaman and Nicobar Islands.	Hindustan Building. Annexe, 4 <sup>th</sup> Floor, C.R. Avenue, Kolkatta – 700 072. Tel.: 033 - 22124339 / 22124346 Fax : 033 - 22124341 Email : <a href="mailto:bimalokpal.kolkata@gbic.co.in">bimalokpal.kolkata@gbic.co.in</a>
Districts of Uttar Pradesh : Laitpur, Jhasi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar	Jeevan Bhawan, Phase-2, 6 <sup>th</sup> Floor, Nawal Kishore Road, Hazaratganj, LUCKNOW-226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email : <a href="mailto:bimalokpal.lucknow@gbic.co.in">bimalokpal.lucknow@gbic.co.in</a>
Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.	3rd Floor, Jeevan Seva Annexe, S.V. Road, Santacruz(W), MUMBAI-400 054. Tel.: 022-26106960/26106552 Fax: 022 - 26106052 Email : <a href="mailto:bimalokpal.mumbai@gbic.co.in">bimalokpal.mumbai@gbic.co.in</a>

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Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.	3 <sup>rd</sup> Floor, Jeevan Darshan, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-32341320 Fax: 020 -2 Email : <a href="mailto:bimalokpal.pune@gbic.co.in">bimalokpal.pune@gbic.co.in</a>
State of Bihar and Jharkhand.	1st Floor, Kalpana Arcade Building, Bazar Samiti Road, Bahadurpur, Patna 800 006. Tel No: 0612-2680952 Email: <a href="mailto:bimalokpal.patna@gbic.co.in">bimalokpal.patna@gbic.co.in</a>
State of Uttaranchal and the following Districts of Uttar Pradesh : Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghazaibad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur	Bhagwan Sahai Palace , 4th Floor, Main Road, Naya Bans, Sector 15, G.B. Nagar, Noida. NOIDA – 201301 Tel: 0120-2514250/51/53 Email: <a href="mailto:bimalokpal.noida@gbic.co.in">bimalokpal.noida@gbic.co.in</a>

This Policy is subject to IRDAI (Protection of Policyholder's Interests) Regulation, 2017.

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