

Policy No



## **COMMERCIAL & POLITICAL RISK INSURANCE**

### **POLICY WORDING**

Policy No

	<b>Page</b>
<b>RISK DETAILS</b>	<b>3</b>
<b>POLICY WORDING</b>	<b>5</b>
<b>Article 1. Insuring Agreement</b>	<b>5</b>
<b>Article 2. Definitions</b>	<b>6</b>
<b>Article 3. Warranties applying to the management of the Insured Contract</b>	<b>9</b>
<b>Article 4. Conditions applying to the management of the Insured Contract</b>	<b>9</b>
<b>Article 5. Conditions applying to the operation of this policy</b>	<b>10</b>
<b>Article 6. Exclusions</b>	<b>16</b>
<b>Article 7. Law and Jurisdiction</b>	<b>17</b>
<b>SCHEDULE 1 FORMAT OF PROOF OF LOSS</b>	<b>18</b>

*Please note that the final contract of insurance will contain five additional administrative sections.*



Policy No

## COMMERCIAL & POLITICAL RISK INSURANCE

### RISK DETAILS

POLICY NO:

TYPE: COMMERCIAL & POLITICAL RISK INSURANCE

INSURED:

INSURED'S ADDRESS:

INTEREST: Policy in respect of the Insured's interest in the Insured Contract entered into with the Buyer.

POLICY PERIOD: From to , both days inclusive, at the Insured's Address.

POLICY LIMIT: INR..... (being ...% indemnity)

INSURED PERCENTAGE:

SITUATION: Foreign Country(ies):  
Insured's Country:

CONDITIONS: As per the Policy Wording section below.

CHOICE OF LAW  
& JURISDICTION:

Law: Indian  
Jurisdiction: Court at New Delhi, India

See also Article 7 of the Policy Wording section below.



Policy No

- DEFINITIONS:
1. Buyer:
  2. Goods/Services:
  3. Insured Contract:
  4. Insured's Country:
  5. Insured Percentage:
  6. Policy Currency:
  7. Third Party Country(ies):\*

Further terms used in this contract are defined under the heading 'Definitions' in the Policy Wording section below.

WAITING PERIOD: 180 days from the Date(s) of Loss for causes of loss 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7 and 1.8. 30 days from the Date(s) of Loss cause of loss 1.9.

PREMIUM: INR.....

PAYMENT TERMS: Premiums are payable by the Insured to Insurers

Premium payment terms are specified in Article 5.4 of the Policy Wording section below.

TAXES PAYABLE  
BY INSURED AND  
ADMINISTERED BY  
INSURERS:

RECORDING,  
TRANSMITTING &  
STORING  
INFORMATION:

It is agreed that the Insured, Insurers may store electronically information and data relating to this contract and may communicate it by letter, fax or e-mail, as appropriate.

INSURER CONTRACT

DOCUMENTATION: This document constitutes the contract of insurance between the Insured and the Insurers.

Policy No

## COMMERCIAL & POLITICAL RISK INSURANCE

### POLICY WORDING

In consideration of the payment of the Premium and subject to the terms, conditions and limitations set forth in this Policy, the Insurers agree as follows:

#### ARTICLE 1. INSURING AGREEMENT

This Policy is to indemnify the Insured for the Insured Percentage of its Loss as hereinafter defined up to but not exceeding the Policy Limit in all under this Policy as a result of the occurrence during the Policy Period of one or more of the following causes of loss:

##### 1.1 **Import Embargo**

the cancellation or non-renewal of a previously issued and currently valid authority to import the Goods/Services into the Foreign Country or the implementation of any law, order, decree or regulation having the force of law which prevents the import of the Goods/Services into the Foreign Country;

##### 1.2 **Export Embargo**

the cancellation or non-renewal of a previously issued and currently valid authority to export the Goods/Services from the Insured's Country or the Third Party Country (if applicable) or the implementation of any law, order, decree or regulation having the force of law which prevents the export of the Goods/Services from the Insured's Country or the Third Party Country (if applicable);

##### 1.3 **Buyer Termination**

the termination of the Insured Contract by the Buyer in circumstances where the Buyer has no contractual right to terminate the Insured Contract;

##### 1.4 **Buyer Non-Performance**

the failure of the Buyer to perform all or part of its obligations under the Insured Contract provided that such failure or refusal renders it commercially impracticable for the Insured to fulfil its obligations under the Insured Contract;

##### 1.5 **War and Revolution**

Policy No

war, civil war, insurrection, rebellion, revolution, sabotage and/or terrorism involving or within the Foreign Country and/or the Insured's Country and/or the Third Party Country (if applicable) that prevents the performance of the Insured Contract for the duration of the Waiting Period;

**1.6 Non-Consularisation**

the failure or refusal of an overseas embassy, consulate or other officially constituted authority of the Foreign Country to undertake any necessary consularisation, legalisation, attestation or other approval of documentation properly submitted by the Insured and/or its suppliers or agents that prevents the performance of the Insured Contract or receipt of the Insured Payment(s);

**1.7 Buyer Non-Payment**

the failure or refusal by the Buyer to pay an Insured Payment(s) on its Due Date(s) and in accordance with the Insured Contract. Buyer Non-Payment also includes the operation of a law, order, decree, regulation or judicial decision in the Foreign Country that gives or purports to give the Buyer a discharge of its liability in respect of Insured Payments thereby relieving it of its obligation to pay for the Goods/Services;

**1.8 Transfer**

political events or economic difficulties arising in the Foreign Country or legislative or administrative measures including moratorium taken in the Foreign Country, which are events of difficulties or measures which prevent or delay transfer of the Insured Payment(s) due under the Insured Contract during the Policy Period;

**1.9 Non-Honouring of Arbitration Award**

the failure of the Buyer to honour an arbitration award in favour of the Insured made in accordance with the terms and conditions of the Insured Contract or a court judgement in favour of the Insured, whether or not such failure or refusal occurs during the Policy Period (notwithstanding the preamble to this condition) provided that the subject matter of such award or judgement originated during the Policy Period and was advised to the Insurers in accordance with Article 5.9 of this Policy and provided that the Insured has used its best endeavours to enforce such award or judgement.

## ARTICLE 2. DEFINITIONS

- 2.1 **Buyer** means the entity (including any agent thereof) specified in the Risk Details.
- 2.2 **Buyer Information** means information on the financial condition or business of the Buyer that has been supplied to the Insured by the Buyer or by third parties.
- 2.3 **Claim Payment Date** means the last day of the Waiting Period.
- 2.4 **Customary Due Diligence** means due diligence of a standard that would be expected of an experienced exporter in the Insured's Country.

Policy No

- 2.5 **Date(s) of Loss** means for Preshipment/Manufacturing Losses the date of occurrence of the cause of loss and for Postshipment/Non-Payment Losses for each Insured Payment its Due Date. For cause of loss 1.9 (Non-Honouring of Arbitration Award) Date(s) of Loss means the date on which the arbitration award or court judgement in favour of the Insured is due for payment.
- 2.6 **Due Date(s)** means for each Insured Payment its original due date without regard to any acceleration or rescheduling.
- 2.7 **Foreign Country** means the country specified as such in the Risk Details in which the Buyer is domiciled or from which the Buyer is to make Insured Payment(s).
- 2.8 **Goods/Services** means the goods and/or services specified in the Risk Details.
- 2.9 **Information** means the information specified in the Information section of this Policy.
- 2.10 **Insured** means the entity insured under this Policy as specified in the Risk Details.
- 2.11 **Insured Contract** means the contract entered into between the Insured and the Buyer specified in the Risk Details.
- 2.12 **Insured Payment(s)** means any amount owing under the Insured Contract (including any payments which have become owing in accordance with the Insured Contract following the termination of the Insured Contract).
- 2.13 **Insured Percentage** means the percentage specified in the Risk Details.
- 2.14 **Insured's Country** means the country specified as such in the Risk Details.
- 2.15 **Insurers** means the insurers underwriting this policy.
- 2.16 **Leading Insurers** means the Slip Leader and the Other Agreement Parties as specified in the Subscription Agreement.
- 2.17 **Loss** means
- (a) for Preshipment/Manufacturing Risk Loss(es) the amount of any costs, expenses and commitments incurred by the Insured, including any contractual penalties paid in respect of termination of subcontracts, plus loss of profit being up to a maximum of 10% of the loss allocated to the Insured Contract according to the Insured's standard accounting practice as independently verified by the Insured's auditors and calculated as at the Date of Loss LESS
    - (i) any amount (including advance payments) irrevocably received by the Insured from any source as or towards payment for the Goods/Services which are the subject of the Preshipment/Manufacturing Risk Loss;

Policy No

- (ii) any salvage and recoveries made from the resale of unfinished or unshipped Goods/Services and any other salvage, recoveries and savings in respect of the Goods/Services and the Insured Contract.

The premium paid under this Policy shall not be included in this calculation of Loss.

- (b) for Postshipment/Non-Payment Loss(es) the amount of any Insured Payment due and payable by the Buyer on the Due Date and unpaid LESS
  - (i) any amount which the Insured irrevocably receives from the Buyer or any other party in payment of the Insured Payment after the Due Date and prior to the end of the Waiting Period;
  - (ii) any other salvage, savings, recovery or set-off made by the Insured in respect of the Insured Payment including but not limited to any savings of taxes or commissions on unpaid amounts of the Insured Payment.
- (c) for Non-Honouring of Arbitration Award Losses the amount of the unpaid arbitration award or court judgement made in the Insured's favour in accordance with the terms of the Insured Contract LESS the amount (if any) which the Buyer is entitled to credit to his own account by way of payment, credit, set-off or counterclaim in respect of the Insured Contract and/or which the Insured is able to appropriate as or towards payment of the said award (except where allowed for in the said award).

- 2.18 **Non-Honouring of Arbitration Award Loss(es)** means loss(es) occurring as a result of cause of loss 1.9 of the Insuring Agreement.
- 2.19 **Postshipment/Non-Payment Loss(es)** means loss(es) occurring after the establishment of an amount owing in accordance with the terms of the Insured Contract.
- 2.20 **Policy** means this contract of insurance consisting of the following sections: Risk Details, this Policy Wording, Information, Security Details, Subscription Agreement, Fiscal and Regulatory, Broker Remuneration and Deductions, and any endorsements.
- 2.21 **Policy Currency** means the currency specified in the Risk Details.
- 2.22 **Policy Limit** means the limit specified in the Risk Details, being the maximum aggregate liability of the Insurers under this Policy.
- 2.23 **Policy Period** means the period specified in the Risk Details.
- 2.24 **Premium** means the amount(s) of premium specified in the Risk Details.
- 2.25 **Preshipment/Manufacturing Loss(es)** means loss(es) occurring prior to the establishment of an amount owing in accordance with the terms of the Insured Contract.
- 2.26 **Risk Details** means the first section of this Policy.



Policy No

- 2.27 **Schedule 1** means the schedule attached to this wording specifying the format of the Insured's proof of loss.
- 2.28 **Third Party Country** means (if applicable) the country specified in the Risk Details.
- 2.29 **Waiting Period** means the period specified in the Risk Details, commencing on the Date(s) of Loss, at the end of which Insurers are liable to indemnify the Insured for any valid claim(s) under this Policy.

### **ARTICLE 3. WARRANTIES APPLYING TO THE MANAGEMENT OF THE INSURED CONTRACT**

For the avoidance of doubt no term of this Policy (whether express or implied) is a warranty unless it is expressly set out in this article.

#### **3.1 Insured Contract Effective**

The Insured warrants that at inception of this Policy the Insured Contract is legally binding upon and signed by or on behalf of all necessary parties and is in force and that all arrangements for the proper fulfilment thereof consistent with sound commercial practice have been made by the Insured. The Insured also warrants that each Insured Payment at the time of its establishment constitutes a legally valid and enforceable obligation of the Buyer in the Foreign Country, subject only to the application of the bankruptcy laws of the Foreign Country.

#### **3.2 No Material Change to Insured Contract**

The Insured warrants that it shall not agree any material change to the terms and conditions of the Insured Contract without the prior written agreement of the Leading Insurers, such agreement not to be unreasonably withheld or delayed.

### **ARTICLE 4. CONDITIONS APPLYING TO THE MANAGEMENT OF THE INSURED CONTRACT**

#### **4.1 Allocation of Payments**

(a) **Allocation of payments between Insured Payments and other payment obligations of the Buyer**

The Insured shall use its best endeavours to ensure that the Buyer (or in the event of the insolvency of the Buyer, any receiver or administrator) allocates monies equitably between the Insured Payment(s) and other payments owed by the Buyer to the Insured and without preference to payment obligations not covered by this Policy.

(b) **Allocation of monies received in respect of Insured Payment(s)**

Policy No

All monies received by the Insured in respect of Insured Payment(s) whether before or after payment of a claim under this Policy shall be allocated as between principal, interest accruing up to Due Date, interest accruing after the Due Date and costs according to the terms of the Insured Contract and (where not specified in the Insured Contract) according to normal accounting practice applied by the Insured.

#### **4.2 Rescheduling**

The Insured shall not agree to any rescheduling of the Insured Payments without the prior written agreement of the Leading Insurers, such agreement not to be unreasonably withheld or delayed where the proposed rescheduled due date occurs 60 days or more prior to the end of the Waiting Period. Where in order to mitigate or recover a potential loss the Insurers agree to the rescheduling of the Insured Payment(s), the Insured may still submit a claim under this Policy for Insured Payments that are not paid on their original, un-rescheduled due dates, with the claim being assessed on the basis of the obligations under the Insured Contract prior to the rescheduling, and the coverage provided by this Policy shall not be amended or rescheduled except with the express written agreement of the Insured and at its sole option.

#### **4.3 Compliance with Laws**

The Insured shall use its best endeavours to comply in all material respects with the laws of the Insured's Country and with any laws of the Foreign Country that are material to the Insured Payments and/or the Insured Contract of which it should reasonably have been aware, unless the Insured is prevented from doing so due to events or circumstances outside its control or by law, order, decree or regulation in force in the Insured's Country or any other country which has jurisdiction or regulatory authority over the Insured. It is noted and agreed that in the event of a conflict between the laws of the Insured's Country and the laws of the Foreign Country, the laws of the Insured's Country will prevail for the purposes of this condition.

### **ARTICLE 5. CONDITIONS APPLYING TO THE OPERATION OF THIS POLICY**

#### **5.1 Disclosure and Representation**

- (a) While it is accepted that this Policy is a contract governed by the English common law principle of utmost good faith, the Insurers and the Insured agree that all the Insured's duties in accordance with this principle will be performed by the Insured to the best of its knowledge and belief after Customary Due Diligence.
- (b) The Insured confirms that before the Policy was agreed, it had to the best of its knowledge and belief after Customary Due Diligence fully disclosed and truly represented to the Insurers all facts and circumstances which would influence a prudent insurer to fix the Premium and to agree to subscribe to the Policy on its terms.
- (c) Prior to any variation or amendment to the Policy, the Insured shall again to the best of its knowledge and belief after Customary Due Diligence fully disclose and truly represent to the

Policy No

Insurers all facts and circumstances that would influence a prudent insurer to agree to the variation or amendment.

- (d) Where the Insured has provided the Insurers with Buyer Information, then, provided always that:
- (i) the Insured has used due Customary Due Diligence in gathering the Buyer Information; and
  - (ii) the Insured has passed on the Buyer Information in good faith and has disclosed to the Insurers any inaccuracy or omission in the Buyer Information of which it is aware

any inaccuracy or incompleteness in the Buyer Information shall not prejudice the Insured's rights under the Policy.

- (e) Save in the event of a breach by the Insured of the obligations set out in this condition, the Insurers agree that they will not seek or be entitled to avoid or rescind the Policy or any amendment to it or to reject any claim or be entitled to seek any other remedy or redress whatsoever on the grounds of a failure to disclose or to make truthful representations.
- (f) Nothing in this Policy shall require the Insured to disclose to the Insurers matters of general public knowledge of which the Insurers are, or reasonably should be, aware in the ordinary course of business.

## 5.2 Due Diligence

The Insured shall at all times, whether before or after the occurrence of a cause of loss and whether before or after the expiry of this Policy, use due diligence and do all things reasonably practicable to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any relief or indemnity.

The costs of complying with this condition before payment of a claim shall be borne by the Insured, and after any claim payment shall be shared between Insurers and the Insured in the same proportions as the insured and uninsured amounts.

## 5.3 No Cancellation

No cancellation of this Policy is permitted by the Insured except:

- (a) where the Insured no longer has an interest in the Insured Contract or an Insured Payment whether due to pre-payment or otherwise, in which case the Premium shall be refunded to the Insured by the Insurers on a pro rata basis, subject to any minimum premium that may have been agreed;
- (b) that in the event that an Insurer's credit rating falls below A.M. Best A- or that the said Insurer ceases to underwrite the type of insurance provided by this Policy, the Insured may at its sole option replace the Insurer with alternative security, provided that the Insured advises the Insurer

Policy No

within two weeks of the effective date of such replacement. The Insurer shall refund any unearned Premium to the Insured and the Insured shall pay any premium including adjustment Premium which has been earned but not paid.

No cancellation of this Policy is permitted by the Insurers except for non-payment of Premium as specified below.

#### 5.4 **Premium**

The Insured shall pay the Premium in accordance with the terms of this Policy. The Premium rates and basis of calculation specified are fixed and the Insurers may not amend the terms or amounts of the Premium due during the life of this Policy, whether due to a deteriorating credit quality of the Buyer or for any other reason.

If any amount of the Premium due under this Policy has not been paid to the Insurers by its due date, the Insurers shall have the right to cancel this Policy by notifying the Insured in writing. In the event of cancellation, Premium is due to the Insurers on a pro rata basis for the period that the Insurers are on risk but the full Policy Premium shall be payable to the Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this Policy.

It is agreed that Insurers shall give not less than 15 days prior notice of cancellation to the Insured. If the amount of the Premium due is paid in full to the Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Insurers are authorised to exercise rights under this clause on their own behalf and on behalf of all Insurers participating in this Policy.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the Premium is to be paid through a London market bureau, payment to Insurers will be deemed to occur on the day of delivery of a premium advice note to that bureau.

#### 5.5 **Reporting**

The Insured shall at the expiry of the Policy Period, and at other times if so requested by the Insurers, promptly submit a report to the Insurers specifying the status of the Insured Contract and/or the Insured Payments covered by this Policy.

Policy No

#### **5.6 Assignment**

The Insured may not assign this Policy to a third party (“the Assignee”) without the prior written approval of the Leading Insurers evidenced by an endorsement agreed by the Insured, the Insurers and the Assignee in which case the Insured’s obligations under this Policy shall be transferred to the Assignee. Alternatively the Insured may require any payments under this Policy to be made to a named loss payee (“the Loss Payee”) subject to the Leading Insurers’ prior written approval evidenced by an endorsement agreed by the Insured, the Insurers and the Loss Payee in which case the Insured’s obligations under this Policy shall remain unaffected.

#### **5.7 Confidentiality**

The Insured shall not disclose the existence of this Policy at any time either before or after the occurrence of a cause of loss and whether before or after the expiry of this Policy to any third party other than to a named loss payee and to its own professional, financial and legal advisers and its own supervisory or regulatory authorities (in all cases on a confidential basis) without the prior written approval of the Leading Insurers, such approval not to be unreasonably withheld or delayed. The Insurers shall likewise not disclose the existence of this Policy at any time to any third party other than to their reinsurers (if any) and to their own professional, financial and legal advisers (in all cases on a confidential basis) without the prior written approval of the Insured, such approval not to be unreasonably withheld or delayed.

#### **5.8 Coinsurance**

The Insured shall bear the uninsured percentage of all losses hereunder at its own risk and uninsured. Nothing in this condition shall prevent the Insured from taking collateral or other security in respect of the Insured Contract and/or the Insured Payments, it being understood and agreed that such collateral or security shall benefit the Insured and the Insurers pro rata.

#### **5.9 Prompt Notice of Loss**

Upon discovery of any event likely to give rise to a claim under this Policy, the Insured shall give notice thereof promptly to the Leading Insurers, including details of any Insured Payment that becomes overdue by more than 60 days.

#### **5.10 Onus of Proof**

In any claim, and/or any action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy shall be on the Insured. The burden of proving that a condition or warranty has been breached or that an exclusion applies shall be on the Insurers.

#### **5.11 Examination of Insured**

At the request of the Leading Insurers, the Insured shall submit to examination making relevant personnel available, and shall produce for examination, at such reasonable place as may be designated by the Leading Insurers or their representative, all documents in its possession or control which relate to the matters in question, and shall permit extracts and copies thereof to be made.

Policy No

#### 5.12 Other Insurance

This Policy does not cover any loss which at the time of the happening of such loss is insured by or would but for the existence of this Policy, be insured by any other existing policy or policies had this Policy not been effected. The insurance of other exposure(s) in respect of the Insured Contract and/or the Insured Payments in excess of or in addition to coverage provided hereunder shall not be effected by the Insured without the prior approval of the Leading Insurers which shall not be unreasonably withheld or delayed.

#### 5.13 Settlement of Loss

In the event of a loss, the Insured shall submit a proof of loss substantially in the format set out in Schedule 1, including supporting documentary evidence as specified. The Insured shall also supply any additional information and/or evidence (“Additional Evidence”) that the Leading Insurers or their representatives reasonably require and which is necessary for a proper evaluation of the claim, it being noted and agreed that the Insured shall only be responsible for providing Additional Evidence that is available to it (or would be available to it using reasonable endeavours) and capable of being made available by the Insured to the Insurers without breaching any law or confidentiality agreement.

Any valid claim under this Policy is due and payable to the Insured by the Insurers on the Claim Payment Date. To ensure timely payment of valid claims it is noted and agreed that:

- (a) the Insured shall submit the proof of loss substantially in the format of Schedule 1 no later than 90 days prior to the Claim Payment Date;
- (b) where the Insurers request Additional Evidence
  - (i) the Insurers shall make such requests no later than 45 days prior to the Claim Payment Date, and
  - (ii) the Insured shall submit the Additional Evidence within 15 days of the Insurers’ request;
- (c) the Insurers shall make a claims determination and advise the same to the Insured no later than 15 days prior to the Claim Payment Date specifying
  - (i) where the Insurers determine the claim is valid, the format of the discharge form required from the Insured on payment of the claim, or
  - (ii) where the Insurers determine the claim is not valid, the reasons why they have declined to pay the claim.

In the event that the Insured fails to comply with its obligations in accordance with the timescale specified in this condition, the Claim Payment Date shall be extended correspondingly.

#### 5.14 Subrogation

Policy No

Upon payment of a claim under this Policy the Insurers are subrogated to all the rights relating to that proportion of the Loss in respect of which a claim has been paid.

#### 5.15 Recoveries

After payment of a claim under this Policy:

- (a) the Insured shall act diligently in pursuing recoveries in respect of the Insured Contract and (if applicable) the Insured Payment(s) and shall take such steps as are required by the Leading Insurers to effect recoveries, the costs thereof being shared between the Insurers and the Insured in the same ratio as they have shared the Loss. The Insured shall consult with the Leading Insurers before taking any recovery action;
- (b) the Insured Percentage of all subsequent salvage and recoveries made by or on behalf of the Insured in respect of the Insured Contract and (if applicable) the Insured Payment(s) for which a claim has been paid shall inure to the benefit of the Insurers and the Insured hereby acknowledges that it shall hold such sums recovered in trust for the Insurers and that it shall pay the Insured Percentage of all sums so received to the Insurers as soon as practicable after receipt by it and/or by any person on its behalf.

Once the Insurers have completely recovered the amount(s) of the claim(s) paid plus their expenses associated with the claim(s) and any recoveries thereon, any excess amount after the Insurers have been made whole shall be paid to or retained by the Insured.

It is specifically agreed that, while not covered by this Policy, interest accruing in respect of Insured Payment(s) after the Due Date shall be recognised and taken into account for the purposes of allocating recoveries, and where such interest is received by the Insured it shall be retained by the Insured where it relates to any period prior to payment of a claim by the Insurers, and shall be shared pro rata between the Insured and the Insurers, where it relates to any period after payment of a claim.

#### 5.16 Headings

Headings in this Policy are included for convenience of reference only and shall not constitute a part of the Policy.

#### 5.17 Singular and Plural

For the purposes of this Policy, references to any defined or undefined terms in the singular shall include the plural and in the plural shall include the singular as the context may require.

#### 5.18 Notices

All notices under any provision of this Policy shall be in writing and shall be given

For the Insurers:

Addressed to the Insurers

Policy No

For the Insured:                      Addressed to the Insured at the Insured's Address

#### 5.19 **Extension of Policy Period**

In the event that the period of the Insured Contract is extended for reasons beyond the control of the Insured, the Insurers shall at the request of the Insured and on payment of pro rata additional premium extend the Policy Period, in one or more extensions, for a period of up to twelve months.

#### 5.21 **Fraud**

This policy shall become void, and all claims hereunder shall be forfeited, if the Insured has in relation to the policy made any material statement, report, application or claim, where the Insured knew that the statement, report, application or claim was false or fraudulent.

### **ARTICLE 6. EXCLUSIONS**

#### 6.1 **Institute Radioactive Contamination Exclusion Clause (CL.370) \*\***

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes,



Policy No

other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

#### 6.2 **Insolvency \*\***

Excluding any loss arising from insolvency of the Insured.

#### 6.3 **Material Default by the Insured**

Excluding any loss arising from material default by the Insured (or any agent, sub or co-contractor of the Insured) in the performance of its obligations under the Insured Contract except where such material default results from the occurrence of an insured cause of loss.

#### 6.4 **Disputes \*\*\***

Excluding any loss arising out of bona fide disputes between the Insured and the Buyer until resolved in accordance with the dispute settling provisions of the Insured Contract or otherwise to the satisfaction of the Leading Insurers. If the Insured and Insurers cannot agree on whether the dispute is bona fide, the parties shall submit the matter to arbitration and shall be governed by the Arbitration and Conciliation Act 1996 of India.

*\*\* These exclusions may be required by some insurers for reinsurance reasons.*

*\*\*\* This exclusion may be required by some insurers.*

## **ARTICLE 7. LAW AND JURISDICTION**

### 7.1 **Law and Jurisdiction**

This Policy shall be governed by the laws of India

If any dispute or difference shall arise as to the quantum to be paid under the policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to the dispute or, if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator appointed by such two arbitrators and the arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act 1996





Policy No

4

We are not aware of any legal or valid reason for non-payment by the Buyer of the Insured Payment. Nor are we in breach of any provisions of the Policy. We have complied with all conditions and warranties of the Policy.

We hereby claim from you the sum of INR ..... representing ....% of the amount due from the Buyer *[complete as applicable]*.

Please make payment in accordance with the Policy to the following account:

*[INSURED'S OR LOSS PAYEE'S ACCOUNT DETAILS TO BE INSERTED]*

We request you to confirm receipt of this notice of our claim on you. We shall then look forward to receiving settlement on the Claim Payment Date though we acknowledge the right provided to you by the Policy to request any reasonable additional information which may be required in order to establish the validity of the claim.

We hereby confirm that we shall advise you promptly of the receipt by us (the Insured), subsequent to the date of this submission, of:

- (i) Any advice/communication from the Buyer offering a reason for non-payment of the Insured Payment;
- (ii) Any payment which may be made to us by the Buyer in respect of the Insured Payment;
- (iii) Any other payment which may be made to us by the Buyer which is undesignated and cannot be applied to a specific payment obligation;
- (iv) Any other information relating to the prospective or actual settlement to us by the Buyer of any part of the Insured Payment.

We await your advice on how you wish to move forward with our claim.

Yours faithfully,

[the Insured]