

SCOPE OF WORK

MEGA RISK COVER FOR ASSETS TOWARDS ALL RISK INCLUDING MACHINERY BREAKDOWN, BUSINESS INTERRUPTIONS INCLUDING MACHINERY LOSS OF PROFIT FOR THE IB THERMAL POWER STATION PHASE -I (2X210MW) & PHASE-II (2X660 MW) OPERATIONAL COVER.

1. **TYPE :** Mega Risk Policy of OPGC covering Ib TPS (Unit 1&2, 2x210 MW Phase I , Unit 3&4, 2x660 MW Phase II) Assets against All Risk including Machinery Breakdown and Loss of Profit as a result of All Risk perils including Machinery Breakdown excluding terrorism.
2. **INSURED:** Odisha Power Generation Corporation Limited (OPGC) and their Associates, Contractors, Subsidiaries, Financiers, Lesser, Lessees, Successors, Assigns for their respective rights and interests;
3. **BUSINESS:** Generation and Sale of electricity
4. **FORM:** Broadly as per Munich Re’s standard Comprehensive Machinery Insurance Policy wordings;
5. **PROJECT:** All the four Units (Unit 1,2,3 &4) of the 1,740 MW (2x210MW + 2 x 660MW) Phase I and Phase II Power Project and ancillary works connected therewith at ITPS;
6. **LOCATION:** All properties of the Insured’s Unit 1 and 2 (2x210 MW) Phase I and Unit 3& 4 (2x660 MW), Phase II and their relevant facilities of coal-based Power plant located at Banharpalli, District Jharsuguda, Odisha including Spares, Stocks and Stocks in Process and associated properties;
7. **PERIOD: 3rd July2024 to 2nd July2025 (One Year)**
8. **SCOPE OF COVER:**
 - 8.1. **Section I:** Part A & B (All Risk) Property Damage including Machinery Breakdown
 - 8.1.1. All real and personal property installed, used and kept generating electric power using coal other than what is excluded under the policy belonging to the insured or property held in trust for which he is legally responsible comprising or consisting of Building, Plant & Machinery and Accessories of (2x210MW and 2 x 660MW) power project and all effluent treatment and discharge facilities also to cover properties located outside the plant boundary
 - 8.2. **Section II:** Business Interruption (BI)
 - 8.2.1. To indemnify the Insured in respect of loss to Insured sustained during the Indemnity Period resulting from an interruption of the insured’s business following loss or damage to any property and/or assets insured under Section I. Indemnity period will be 12 months.
 - 8.2.2. Loss of Profit means :

8.2.2.1. Under the Electricity Act 2003 and the tariff as determined by the Odisha Electricity Regulatory Commission (OERC) for sale of power from Phase-I and Phase-II of Ib Thermal Power Station, a Return on Equity (ROE) of 16 % and 14 % are allowed.

8.2.2.2. While considering the BI Sum Insured, OPGC has taken only the standing charges like Interest on term loan, interest on working capital and O&M expenses as approved by OERC as per the latest available tariff orders

8.2.2.3. Sum Insured for OPGC Units 1,2,3 & 4 (Phase I and Phase II)

SL	Description	SI (Rs Cr)
1	Property other than Stocks	14,495
2	Stock of Coal	200
3	Other Stocks including Oils used in Thermal Power Stations	182
4	MBD	11,988 *
5	Business Interruption (FLOP/ MLOP)	Phase I : 237 Phase II: 1017

(*90% of Sum Insured of Plant/Machinery & Power Supply Distribution & Lighting System.) 10% of the Sum Insured has been deducted on account of Cables, Pipes etc. as loss or damage to these components shall be covered under Fire & Allied Perils Section.

Property Damage including but not limited to, Machinery Breakdown, all real and personal property other than what is excluded under the policy belonging to the insured or property held in trust for which he is legally responsible principally comprising Building(including basement), Plants, equipment & Machinery and DCS and PCs , foundations and pilings, electrical installations including switchyard, spares and consumables, fuels (including coals), furniture, fixtures, fittings, cables, transmission lines, office equipment, chimney with foundation, underground and overhead conveyor system all within the plant boundaries and raw water pump house installed at reservoir with associated piping located inside as well as outside the plant premises and electric lines, electronic data processing equipment, computers etc. and communication systems directly related with power generation, ash ponds located outside the plant premises including associated pumps and pipelines and improvements and betterments

on the property in the care, custody or control of the Insured including on consignment and/or officials and employer personnel effects, in the course of construction/ erection, installation, testing and commissioning and/or fire extinguishing materials and/or valuable papers, records, media etc.

9. DEDUCTIBLES:

9.1. Section I: Property Damage

9.1.1. 5% of the claim amount subject to a minimum of Rs 1,25,00,000 each and every occurrence.

9.2. Section II: Business Interruption

9.2.1. 45 days of affected Unit Gross Profit for each and every occurrence under the MLOP section.

9.2.2. 30 days of affected Unit Gross Profit for each and every other occurrence for FLOP Section.

9.2.3. Failure of Utilities Extension: 24 hours each and every occurrence.

10. ADD ON COVERS:

Section I: Property Damage Section

- 10.1. Capital Addition: Limit maximum of Rs 100 Cr Per Location;
- 10.2. Escalation: 10% of PD Sum Insured;
- 10.3. Expediting Expenses (including Air Freight): 5% of Claim Amount Subject to Maximum of Rs 10 Cr each & every loss ; Express Freight – Limit INR 5 Cr in EEL
- 10.4. Fire-Fighting Expenses: Limit Rs 5 Cr each and every loss and in aggregate;
- 10.5. Sprinkler upgrading Clause : Rs 5 Cr. for each & every loss, each Unit.
- 10.6. Involuntary Betterment : Upto Rs 5 Cr for each & every Loss & in Aggregate
- 10.7. Immediate Repair : Rs 5 Cr. for each & every loss and Rs 5 Cr in Aggregate
- 10.8. Non Owned Assets or Assets in Care custody control : To be covered up to free cover limit (Rs 5 Cr for each & every loss & Rs 5 Cr in Aggregate)
- 10.9. Waiver of Subrogation & Contribution Clause : Yes
- 10.10. Decontamination expenses & pollutant clean up : To be covered up to free cover limit (Up to Rs 5 Cr each & every loss for each Unit & in Aggregate)
- 10.11. Plans, documents and Computer records : To be covered up to free cover limit (Up to Rs 5 Cr each & every loss for each Unit & in Aggregate)
- 10.12. Debris Removal including foreign debris and Demolition: Limit Rs 5 Cr each and every loss and

- maximum up to 1% of claim amount whichever is higher each and every loss;
- 10.13. Leakage and Contamination: Inbuilt
 - 10.14. Refractory and Consumables: Limit Rs 20 Cr. each and every loss;
 - 10.15. Contamination, Seepage and Co-Mingling of Raw Materials and Stocks: Limit Rs 2 Cr each and every loss and Rs 5 Cr in aggregate.
 - 10.16. Minor Works & Property in course of construction: Rs 100 Cr. in aggregate with deductibles should as per EAR/CAR Tariff Provision
 - 10.17. Inadvertent Errors / Omission: Limit Rs 100 Cr in aggregate;
 - 10.18. Property not on Plant Premises other than Ash Pond: Limit Rs 20 Cr in any one location and Rs 50 Cr in aggregate;
 - 10.19. Architects, Surveyors and Consulting Engineers Fees: Limit 5% of claim amount subject to maximum of Rs 1Cr each and every loss;
 - 10.20. Start-up and Shut Down Expenses: Limit 10% of claim amount subject to maximum of Rs 5Cr each and every loss and Rs 10Cr in aggregate;
 - 10.21. Computer Systems Clause: Limit Rs 5 Cr each and every loss;
 - 10.22. Loss Minimization/Prevention Expenses: Limit Rs 5 Cr each and every loss;
 - 10.23. Public Authorities Clause: Actuals subject to a maximum of Rs 100 Cr each and every loss;
 - 10.24. Temporary Removal: Temporary Removal (including Inland Transit for Plant & Equipment sent for repairs and refurbishment etc.) Limit: Rs.75 Cr. each and every loss(PSL and separate Policy Excess not required to be mentioned as this would follow the Add On Limit and the Property Damage Deductible)
 - 10.25. Third Party Liability & damage to Surrounding Property: Limit Rs. 5 Cr each & every loss
 - 10.26. Waiver of FIR
 - 10.27. Obsolete Spare Parts Clause: Limit Rs 5Cr each and every loss and RS 15 Cr in aggregate**
 - 10.28. Impact Damage Inbuilt
 - 10.29. Additional Custom Duty: Limit Rs. 5 Cr each & every loss
 - 10.30. Location of Leak Search: Limit Rs. 5 Cr each & every loss
 - 10.31. Margin Clause: Limit of 10% of PD Section Sum Insured
 - 10.32. Disposal of salvage
 - 10.33. Undamaged Foundation.
 - 10.34. Dismantling Cost
 - 10.35. Appraisement Clause

- 10.36. Dewatering Expenses- Rs. 5 Cr each & every loss
- 10.37. Employee Personal Property Effects: Limit Rs. 5 Cr each & every loss
- 10.38. Trace & Access: Limit Rs. 5 Cr each & every loss
- 10.39. Outbuilding Clause: Limit Rs. 5 Cr each & every loss
- 10.40. Landscaping Cost: Limit Rs. 5 Cr each & every loss
- 10.41. Offsite Premises: Limit Rs. 5 Cr each & every loss
- 10.42. Delay in repair clause.
- 10.43. Claim Preparation Cost: Limit Rs. 5 Cr each & every loss
- 10.44. Free Automatic Reinstatement
- 10.45. Additional Increased Cost of Working: Limit Rs. 5 Cr each & every loss
- 10.46. Waiver of Under insurance up to 15%;
- 10.47. Green Clause: Rs. 5 Cr EEL
- 10.48. Land Improvement Clause: Rs. 5 Cr EEL
- 10.49. Designation of Property Clause;
- 10.50. Reinstatement Value Clause (excluding Stocks, Consumables and Refractory). Stocks and consumables shall be indemnified at cost or Market Value;
- 10.51. 72 Hours Clause in respect of AOG Perils such as Flood, Inundation, Wind/Rainstorm, Earthquake etc.;
- 10.52. Deliberate Damage: Rs 5 Cr. each and every loss subject to a maximum of Rs.15 Cr
- 10.53. OEM Clause: Covered upto the difference of 25% between the OEM quote and the lowest quotation
- 10.54. Nominated Adjuster's Clause (Nomination shall be done in consultation with Insured)

Section II: Business Interruption Section

- 10.55. Suppliers Extension (Domestic and Named) up to 20% of the Sum Insured under the Business Interruption Section solely due to FLEXA and AOG Perils up to first tier or direct suppliers;
- 10.56. Customers Extension (Domestic and Named) up to 20% of the Sum Insured under the Business Interruption Section solely due to FLEXA and AOG Perils up to first tier only or direct customers;
- 10.57. Public Utilities Extension up to 17% of the Sum Insured under the Business
- 10.58. Consequential loss to be paid even when the OEM pays for the material damage under any contractual or other obligation
- 10.59. Prevention of Access: Limit of 30 days over and above the policy time excess and within a

maximum radius of 5 km from the insured premises and only inland; Interruption up to first tier or direct Public Utilities and restricted to Terminal Ends of the Utilities;

- 10.60. Departmental Clause;
- 10.61. Alternative Basis Clause;
- 10.62. Auditors Fees Clause: Limit Rs 0.5 Cr
- 10.63. Premium Adjustment Clause – Upto 50% of total BI Premium
- 10.64. Delayed indemnity period clause
- 10.65. Interim Payment Clause

Clauses Common to Sections I and II

- 10.66. Agreed Bank Clause; in favour of
 - 10.66.1. UNION BANK OF INDIA, MAIN BRANCH, BHUBANESWAR
 - 10.66.2. R. E. C. LIMITED
 - 10.66.3. POWER FINANCE CORPORATION LIMITED
 - 10.66.4. INDIAN BANK
 - 10.66.5. Odisha Gramya Bank
- 10.67. Payment on Account Clause

11. OTHER CONDITIONS:

- 11.1. Strike, Riots, Malicious Damage, Earthquake, STFI, Volcanic Eruption and Tsunami are covered under both Property Damage Section and Business Interruption Section.
- 11.2. Earthquake Rates to be considered under Zone -III (Bidders may reconfirm themselves)
- 11.3. Original equipment manufacturers' quote exceeding up to 25% of lowest quote: In the event of physical loss or damage to the property insured hereunder, the insured, at their sole discretion, shall have the option to accept repair or replacement terms, as offered by the Original Equipment Manufacturer (OEM) regardless of any other terms offered from the other suppliers, Manufacturers and Fabricators. Provided always that the difference between the OEM quote and the lowest cost doesn't exceed 25% of the lowest quote and quotes are based on the same technological specifications.
- 11.4. Policy to include spontaneous combustion clause for stock of Coal amounting to Rs 200 Cr;
- 11.5. Total loss claim settlement on New Replacement Value for equipment of any age;
- 11.6. Drainage, culverts, reservoirs, wells, water pipelines within and outside the premises, other pipelines within the insured premises, transmission and distribution lines within and outside

the premises, underground property belonging to the Insured are covered.

11.7. After Completion of One Year, if required OPGC shall have the right to extend the policy period on pro-rata basis as per the same terms & conditions.

11.8. Mid Term Enhancement / Reduction of Sum Insured to be on Pro-rata Basis

11.9. The Policy cannot be cancelled by the Insurer due to Claims or any other reasons during the pendency or the Insurer cannot deny extension if requested by OPGC as per the above point.

11.10. Insurer in Consultation and agreement with OPGC shall prepare (Within 15 days of Award) standard checklist of documentation required for early settlement and on account payment of claims and time frame for settlement of claim

11.11. Selected Insurer will be required to sign a Service Level Agreement as per the Appendix F1

11.12. Bidder quoting for highest capacity but not L-1 would be offered leadership by matching L-1 price

11.13. Premium Payment terms:

11.13.1. Premium Payment shall be released before start of the policy period.

11.14. For subsequent capacity additions and any system(s) addition during the tenure of Policy, Payment of Premium shall be released based on respective Sum-Insured on pro rata basis.

11.15. List of Suppliers and Premises address

11.15.1. IOCL, Different depots in India

11.15.2. Mahanadi Coalfields Ltd (MCL). LakhanPur Mines

11.15.3. OCPL, Manohar Pur mines

11.16. List of Customer and Premises address: GRIDCO, Janpath, Bhubaneswar

12. Claims Experience/ History (As on Date)

Policy details	Name of the Insurer	Particulars of Claim	Date of Claim	Amount of Claim	Claim Status as on 12.6.2024
1	2	3	4	5	6
Mega Policy Units 3 & 4 - 5502001119080000000002	New India Assurance Co. Ltd. (NIACO)	Accidental damage of Phase - B GT-3 (Sl no- 6007523) of Unit - 3	05.07.2019	Rs 5.62 Cr	Claim settled



Policy details	Name of the Insurer	Particulars of Claim	Date of Claim	Amount of Claim	Claim Status as on 12.6.2024
1	2	3	4	5	6
Mega Policy Units 3 & 4 - 5502001119080000000002	New India Assurance Co. Ltd.	Accidental Damage to Unit 3 (ESP hopper 1B13 Hopper No-2)	20.03.2020	Rs 15 Cr	Liability denied
Mega Policy Units 3 & 4 - 5502001120080000000002	New India Assurance Co. Ltd.	Accidental Damage to Unit 3 (ESP hopper - B Pass	05.09.2020	Rs 80Cr Including Material damage and BI	Claim Pending
Mega Policy Units 3 & 4 - 345300/11/2024/189	Oriental Insurance Co. Ltd.	Damage to Ash Pond - C	09.12.2023	Rs 45 Cr	Claim pending