GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. RS(POL)058/508/2018


The New India Assurance Company Ltd.,
Divisional Office: 310400,
E-9, 2nd Floor, Connaught House,
Connaught Place,
New Delhi-110001.


Ref:- Your offer dated 21.06.2018 and revised offer dated 05.09.2018
Submitted against the above referred tender.

With reference to your aforementioned offer, this is to inform that the premium rates quoted by you for ‘Open Cover all Risk’ of loss or damage as per Institute Cargo Clause (A) and ‘Open cover basic’ for Bulk consignments as per Institute Cargo Clause (B) for Marine Insurance of material detailed hereunder to be imported by Indian Railways, for the year 2018-20, has been accepted as per details indicated hereunder:

Open Cover (all Risk) for specific items ICC(A) inclusive for defective packaging losses due to handling etc. throughout the passage of insured items up to the ultimate consignee inclusive of broad conditions:

(a) Locomotive spares, Plant/Machinery/Signaling/Telecommunication/Microwave/X-ray equipments and instruments, Hospital Equipments/Diesel & Electrical Loco components/Electrical/Electronic items, similar spares/components and stores of non-fragile nature only-premium - @ 0.009%

(b) Locomotive and Coaches in knocked down/Semi Knocked down condition as per ICC(A) clause – premium - @0.009%.

(c) Wheel sets and axles-premium - @0.009%

(d) All other materials in form of liquid, thinner, paints, varnish etc, in new drums (subject to an excess of 5% on whole consignment) – premium - @0.009%

(e) All material of fragile nature like Insulators/Ceramics/Asbestos/Porcelain and Graphite – premium - @0.009%

(f) Locos fully assembled – premium - @0.009%

(g) Coaches fully assembled – premium - @0.009%

(h) Crane fully assembled – premium - @0.009%
(i) Track machine fully assembled/complete knocked down condition/semi knocked down condition – premium @ 0.009%

Open cover (basic) for Bulk consignments ICC(B) inclusive of broad conditions:

Steel items, wheel, tyres, axles, rails & sheets, angles and other similar items, in bulk only – premium @ 0.005%.

Note: The above rates are applicable both for sea freight/air freight consignments.

Stamp duty – Ministry of Railways being a Govt. of India organization should be exempted from stamp duty, in case it is payable then being a statutory requirement, the same will be paid.

GST - @ 18% extra or as applicable on the date of commencement of insurance.

The rates are inclusive of Institute Cargo Clauses (A), Institute Cargo Clauses(B), Institute War Clauses(Cargo), Institute Strikes Clauses (Cargo) and Institute Cargo Clauses (Air).

Quarterly advance premium (called compulsory deposit account-CDA) based on the estimated imports for each quarter shall be paid by each unit to the insurance company through an account payee cheque. On receipt of the declaration/import advices, the premium payable will be debited to the advance premium account of the concerned unit. However, it will be obligatory for the company to advise the respective units 15 days in advance ending every quarters giving details of the premium consumed and balance left in the CDA of the concerned unit(s) so as to ensure that there is no negative balance in the CDA. The balance as would be available during the whole quarters would determine if any unit has a negative balance or positive balance i.e. if at the start of the month any unit has nil balance and the money is deposited in the second or third month of the quarter, the balance in that particular quarter would be taken based on the amount available at the end of the quarter. No violation of section 64 VB should be taken in such cases and insurance policy as per the closing particular(s) received should continue to be issued notwithstanding the fact that there is no balance in the starting month of the quarter.

However, if in spite of the above exercise, if eventualities so arise, the excess balance available in the CDA of one unit(s) can be used for issue of the policy to the concerned unit(s) where there is no CDA balance to avoid violation of section 64VB/ The money thus used from the CDA of the unit(s) will be recouped by the concerned unit(s) having negative CDA balance, the advice in all such cases would be required to be sent by the company to the unit(s) immediately.

Units covered – All Units mentioned in the Annexure- {enclosed}.

Other terms and conditions: Other conditions shall be as per tender. However, important conditions are indicated hereunder.

i) Period: 01.10.2018 to 30.09.2020 (both days inclusive) midnight to midnight (extendable by one more year on the same rate and conditions with mutual consent).

ii) Voyage: From any sea port/airport anywhere in the world to any seaport/airport in India and then to final destination. Per Liners and / or steamers and/or Motor vessel as per Institute Classification Clause, other steamer/vessels held coverage at a premium and on conditions to be arranged. Dispatches by Rail/Road/Air Freight are also covered.

iii) Duration of the cover: Duration of cover shall be as per standard conditions as Per Institute Cargo Clauses A & B, Institute War Clauses(Cargo), Institute Strike Clauses (Cargo), Institute Cargo Clauses(Air).
iv) Basis of valuation: FOB/FAS value +10% where the purchase contract is on FOB/FAS basis or C&F basis where the contract is on C&F value.

v) Exchange rate: BC selling rate of SBI (overseas branch, New Delhi), current on the date of issue of Bill of Lading/Airway bill.

vi) Loss Prior to declaration and/or shipment: In the event of loss or damage prior to declaration and/or shipment on board the steamer, the basis of valuation shall be prime cost of the goods plus charges actually incurred and for which the insured is liable.

vii) Declaration: Until completion of this contract, the insured is bound to declare here under each and every shipment or dispatch whether arrived or not, the insurer is bound to issue policy (ies) of insurance from the office of the Insurance Company and the Railway unit to obtain policy(ies) of insurance from the office of the Insurance Company. The Insurance company shall receive advice of dispatch of each shipments by Airmail/Cable/Tele/Fax to be sent directly by the suppliers immediately after shipment of the consignment.

viii) Claims: Payable as shown on the policies issued in respect of declaration made under this cover. Claim for damage/shortage of material to be lodged within 30 days of reaching the consignment at ultimate destination.

ix) Per Sending Limit (PSL): PSL limit is Rs. 25 crores (Twenty five crores). For consignments above PSL limit of Rs. 25 crores, premium rates will be same.

x) For the purposes of assessing the value of the consignment, the details furnished in the bill of Lading shall hold good, though there may be several consignments under different Bills of lading in the same declaration/vessel.

xi) The policy should be issued within 48 hrs of receiving the closing particulars etc. from foreign supplier by e-mail/FAX/Air Mail. However, subsequently such details will be furnished by Port Consignee. In case no response is received or reason stated for not issuing such policy within 48 hrs. from the receipt of closing particulars., it will be presumed that the said goods are covered against the existing insurance contracts and the insurance company shall be responsible for any transit damage for such consignment as per the contract.

xii) Insurer should maintain proper records of the closing particulars sent by FAX/e-mail/Air mail/Phone/ by Post. Wherever a surveyor is to be appointed, the same shall be done within 72 hours of receipt of information regarding claim, under intimation to the Railway unit making the claim. In case of the need for an additional survey, one more survey may be conducted, within three weeks of the submission of the initial survey report, duly ensuring that time lines as specified in clause xiii below are adhered to.

xiii) The claims are to be settled within a period of 90 days from the date of lodging of claim. List of documents required for lodging a claim are at Annexure-II. A claim would be considered to have been preferred on issue of the same, either by letter, FAX, email or telephonically, whichever is earlier. Telephonic references shall be confirmed by Fax and day of the conversation shall be deemed to be the date for preference of the claim. No further correspondence on the issue would be entertained.
xiv) Once a claim has been accepted by the Insurance Company, payment has to be made via Demand Draft/Pay Order on a Schedule Commercial Bank of India and drawn in favour of Financial Advisor and Chief Accounts Officer of the beneficiary Railway. Such payment should be made within 7 days of the acceptance of the claim, pending which Railway shall be entitled to charge interest @ SBI Base Rate +4%.

xv) At the conclusion of the Agreemental period, any monies still lying at the deposit of the Insurer, towards payment of premium, should be refunded to the Railway units concerned, within 90 (ninety days) of completion of the Agreement, else Railway shall have the right to charge interest at SBI Base Rate +10%, from the date of expiry of Agreement.

xvi) The insurance company shall be required to submit the contact details including Name, Designation, contact number of Key Personnel dealing with Railway's Marine Insurance business as also address for correspondence, fax no., email id for intimation of details for issue of insurance cover and/or claims including for loss and damage by 28.3.2014 to the Railway units. This must also include the details of the Grievance Redressal Manager of the Organization, who may be approached in case of unsatisfactory service. The insurance company shall also be required to circulate the above details including the terms and conditions of the Agreement, to the different Railway units, within seven days of issue of acceptance.

xvii) The Individual Railway units shall be directed to deposit quarterly advance Premium, based on estimated imports for each quarter, as spelled out in the Tender conditions. However, in case of the funds at the credit of any particular unit being less than the premium required, the insurer can deduct the balance from surplus funds of another Railway unit, deposited with the insurer, duly intimating both the units in this regard. Further, at the end of each quarter, the insurer shall furnish details of advance premia deposited, deductions there-from for issue of policies and policies issued, to the individual Railway units and Railway Board. This would also include details of shortages in funds of any unit made good by adjustments from surplus of any other unit.

xviii) Dispute Resolution: In case of any disputes relating to insurance policies, the following dispute resolution mechanism shall be adopted:

a) The Claimant Railway shall seek to resolve the outstanding issues through its authorized representative, represented by the Dy.CMM/CMM with the named functionary of the Insurance Company, within one month of the intimation of the dispute by the Railway or the Insurance Company, as the case may be.

b) In case the above mechanism fails to resolve the issue, the matter shall be referred for joint discussion between the named Authority of the Insurance Company and EDFS and EDRS(G) of Railway Board.

c) In case the matter remains unresolved necessary legal action at appropriate level to be taken by ultimate consignee.

The insurance company is required to furnish details of the nominated functionaries on their side who shall be part of the dispute resolution mechanism by 20.10.2018.

The above provisions in no way restrict Railway's right to seek relief, through appeal to IRDA and seeking relief through judicial process, under applicable laws.
Others terms and condition – Not specified above shall be as per tender.

Please acknowledge receipt and send one copy duly initialed on each page and signed in full in token of your acceptance by your authorized representative immediately.

(V Appa Rao)
Director Railway (Stores(C))
Railway Board

No. RS(POL)058/508/2018

Copy for information and necessary action to:

1. The PFA of all Indian Railways.
2. The Comptroller & Auditor General of India (Railways), Room No. 222, Rail Bhawan, New Delhi.
3. The Director of Audit, All Indian Railways.

(For Financial Commissioner (Railways))

No. RS(POL)058/508/2018

Copy for information and necessary action to:

AM (F), AM (RS), Adv. (RS(P)),
EDF(S), EDF, EDRS(S), EDRS (G), EDRS(C), EDTK(MC).
DF(S)1, DF(S)II, DRS(W), DRS(F), DRS(IC), DRS(POL), DRS(M), Dir TK(MC), DTK(M), Dir(TMS)
DDTK-1, DDTK-II, DDTK-III, DDPF&EC, DDFS-II, DDFS-III.
RS(I), RS(G), RS(PF&EC), Dev. Br., RS(WTA), RS(F), RS(B), RS(Pol)
Track-I, II, III

(V Appa Rao)
Director Railway (Stores(C))
Railway Board
(I) **Open Cover Note (All Risk) for specific items, inclusive of defective packaging losses due to handling etc. throughout the passage of insured items upto the ultimate consignee inclusive of broad conditions: ICC(A)**

(II) **Open Cover Note for bulk consignments inclusive of broad conditions: ICC(B)**

The above Open Cover is valid for imports of all Indian Railways Units mentioned below:

1. Central Railway Mumbai.
2. Eastern Railway Kolkata.
3. Northern Railway New Delhi.
5. North East Frontier Railway Guwahati.
7. South Central Railway Secunderabad.
8. South Eastern Railway Kolkata.
9. Western Railway Mumbai.
10. East Central Railway Hajipur.
11. East Coast Railway Bhubaneswar.
15. South East Central Railway Bilaspur.
16. West Central Railway Jabalpur.
17. Chittaranjan Locomotive Works Chittaranjan.
22. Rail Coach Factory, Raibarely.
23. Rail Wheel Factory Bangalore.
25. COFMOW New Delhi.
26. RDSO Lucknow.
27. Metro Railway Kolkata.
29. Metro Railway, Chennai.
30. Any other Railway Unit, other than mentioned above.
List of documents required for lodging a claim are as under:-

1. Claim Intimation letter
2. Claim Form duly filled
3. Copy of Insurance Policy
4. Copy of Invoice
5. Bill of Lading/AW bill
6. Rate List of damaged items provided by supplier
7. Claimant Bill for the insurance claim amount
8. Transportation certificate (Shortage/ Damage certificate)
9. Letter to transporter by Indian Railways for claim for shortages/damages at the time of delivery of consignments.