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Sub: Modifications in the provisions pertaining to Insurance

EPC in its meeting (14/2018) held on 21.06.2018 reviewed the provisions pertaining to Insurance.

Accordingly, as per directive of EPC, the modifications has been carried out to the provisions pertaining to Insurance in Integrated MM Manual, Model Contract Conditions for Service Contract and Standard Contract conditions for Charter hire of Rigs as per enclosed Annexure-I, Annexure-II and Annexure-III respectively.

Above guidelines should be meticulously followed by all concerned.

Ashwini Nagia
21/7/18

(Ashwini Nagia)
ED-Chief MM Services

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Statement showing existing vis-à-vis modified provisions of Integrated MM Manual

Clause No.	Existing Provisions	Modified Provisions
24.5.5(1)	Checklist for Insurance Policies. <u>(Caution: Checklist is not exhaustive one and hence contractors need to peruse the entire insurance clause for its compliance)</u>	Checklist for Insurance Policies. Note: In addition to the list of policies indicated below, if any particular contract requires any special / customized / specific additional insurance cover(s), based on specific project requirement, the same may be included in the check list by the work centre. Similarly if any of the below mentioned policies is not specific to the contract, same may be deleted.
24.5.5(1-a)	<u>Contractor's All Risk Insurance</u> (including Offshore and Onshore Terrorism cover).	<u>Contractor's All Risk Insurance / Erection All Risks/ Storage Cum Erection Insurance</u> (including Offshore and Onshore Terrorism cover). <i>(workcentre to delete whichever not applicable).</i>
24.5.5(1-b)	Cargo Transit Insurance.	No change
24.5.5(1-c)	Third Party Liability Insurance.	No change
24.5.5(1-d)	Automobile and Transportation Liability Insurance.	<u>Motor Vehicles Package Policy which includes Third Party Liability.</u>
24.5.5(1-e)	Workmen's Compensation Insurance / Employer's Liability Insurance.	No change
24.5.5(1-f)	Insurance Policy for Contractor's Constructional Plant and Equipment and such policy to include removal of Wreck / debris.	No change
24.5.5(1-g)	Any other policy not mentioned above but required to be taken on the basis of specific nature of contract, as mentioned in the contract.	Deleted
	Note: In cases where Contractors content that their Corporate Policies with worldwide coverage meets	No change

Clause No.	Existing Provisions	Modified Provisions
	the insurance requirements of the contract in respect of Policies from (b) to (g), Contractor needs to ensure that all the conditions mentioned in the contract in respect of insurance are complied with.	
24.5.5.(2)	<p>Principal Assured The following are to be included as Principal Assureds in the Insurance Policies (except in case of Workmen's Compensation / Employer's Liability Insurance):</p> <p>(a) Oil & Natural Gas Corporation Limited, and Contractor's name (as appearing in the bid document / NOA)</p> <p>(b) Parent and/or Subsidiaries and/or Affiliated and/or Associated and/or inter-related Companies of the above as they are now or may hereafter be constituted and their Directors, Officers and Employees, while acting in their capacities as such.</p>	No Change
24.5.5.(3)	<p>Additional Insured The following are to be included as Additional Insured in the Insurance Policies (except in case of Workmen's Compensation / Employer's Liability Insurance):</p> <p>(a) Any other company, firm, person or party (including Contractors and/or Sub-contractors and/or manufacturers and/or suppliers) with whom the below mentioned persons have entered into written contract(s) directly in connection with the Project:</p> <p>(i) Oil & Natural Gas Corporation Limited, (ii) Parent and/or Subsidiaries and/or Affiliated and/or Associated and/or inter-related Companies of the above as they are now or may hereafter be</p>	No change

Clause No.	Existing Provisions	Modified Provisions
	constituted and their Directors, Officers and Employees, while acting in their capacities as such. (iii) Project Managers (iv) Contractor	
24.5.5(4)	Waiver of Subrogation Policy should have Waiver of Subrogation against Principal Assureds (as mentioned in point 2 above) and Additional Insured (as mentioned in point 3 above) and Contractor.	Waiver of Subrogation <u>Except for the workmen's Compensation / Employer's Liability Insurance for workmen engaged under this contract which have been obtained by the contractor as their Corporate policy/rules and applicable statutory provisions, where ONGC is neither required to be present as principal Assured or additional Assured, all policies should have Waiver of Subrogation against Principal Assureds (as mentioned in point 2 above) and Additional Insured (as mentioned in point 3 above) and Contractor.</u>
24.5.5(5)	Location of the Proposed Project (in Contractors All Risk Policy).	No change
24.5.5(6)	Project Description (Name) (in Contractors All Risk Policy).	No change
24.5.5(7)	Sum Insured (Physical Damage portion of Contractors All Risk Policy). Not less than Estimated Final Contract Value as per NOA/Contract distributed in all currencies as mentioned in NOA/Contract.	No change
24.5.5(8)	Period of Insurance (Contractors All Risk Policy) To be valid upto scheduled completion date of contract, with provision for an extended maintenance coverage for Contractor's liability in respect of any loss / damage occurring during the warranty period.	No change
24.5.5(9)	Deductibles The aggregate amount of Deductibles shall not exceed 1.5% of the Sum Insured for any one accident or occurrence in case of Contractors All Risk Insurance	<u>The contractor shall take policy with minimum deductible as prescribed for the policy (ies).</u> That portion of any loss not covered by insurance provided for in

Clause No.	Existing Provisions	Modified Provisions
	and Cargo Transit Insurance Policies.	<u>this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.</u>
24.5.5(10)	<p>Loss Payee Clause The Insurance Policies should mention the following in Loss Payee Clause: “In respect of Insurance claims in which ONGC’s interest is involved, written consent of OGNC will be required.”</p>	No change
24.5.5(11)	<p>Compliance with Sec 25(1) of ‘The General Insurance Business (Nationalization) Act, 1972’ Section 25(1) of ‘The General Insurance Business (Nationalization) Act, 1972’ is reproduced below: “No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place of business is outside India save with the prior permission of the Central Government” The above requirement of aforesaid Act needs to be complied with by the Contractor wherever the aforesaid provisions of Act apply, and compliance confirmation submitted.</p>	No change
24.5.5(12)	<p>Written Notice All Insurance Policies should provide that not less than 21 days written notice shall be given to the ONGC by the Insurance Company prior to any cancellation or material modification of the Policy (ies)</p>	No change
24.5.5(13)	<p>All insurance policies should mention the following: “Notwithstanding anything to the contrary elsewhere in the Policy, it is understood and agreed that Insurance cover shall apply even when the loss or</p>	No change

Clause No.	Existing Provisions	Modified Provisions
	damages might have occurred due to the negligence of the ONGC, its authorized representative or its employees or its workmen or any consultancy inspection or Certificate Agency working for the company”	

Statement showing existing vis-à-vis modified provisions of Model Contract Conditions for Service Contract

Clause No.	Existing Provisions	Modified Provisions
16 Annexure - II	<p>INSURANCE:-</p> <p>A) CONTRACTOR shall, at his own expense, arrange <u>appropriate insurance</u> to cover all risks assumed by the CONTRACTOR under this CONTRACT in respect of its personnel deputed under this CONTRACT as well as CONTRACTOR's equipment, tools and any other belongings of the CONTRACTOR or their personnel during the entire period of their engagement in connection with this CONTRACT. ONGC will have no liability on this account.</p> <p>However, CONTRACTOR shall not be required to take insurance cover for their equipment, tools when these are in the custody of ONGC.</p> <p>B) Waiver of subrogation: All insurance policies of the CONTRACTOR with respect to the operations conducted hereunder as set forth in clause 13 hereof, shall be endorsed by the underwriter in accordance with the following policy wording:- "The insurers hereby waive their rights of subrogation against any individual, CORPORATION, affiliates or</p>	<p>INSURANCE:-</p> <p>A) CONTRACTOR shall, at his own expense, arrange <u>Workmen's Compensation / Employer's Liability Insurance policy to cover statutory liability of an employer for the workmen engaged under this contract</u> also to cover all risks assumed by the CONTRACTOR in respect of its personnel deputed under this CONTRACT.</p> <p>Further, <u>CONTRACTOR at his own expense shall also arrange insurance policy to cover CONTRACTOR's equipment, tools and any other belongings of the CONTRACTOR or their personnel during the entire period of their engagement in connection with this contract <i>even when these are in the custody of ONGC and that ONGC will have no liability on this account.</i>"</u></p> <p>Deleted</p> <p>B) Waiver of subrogation: <u>Except for the workmen's Compensation / Employer's Liability Insurance for workmen engaged under this contract which have been obtained by the contractor as their Corporate policy/rules, where ONGC is neither required to be present as principal Assured or additional Assured, all insurance policies of the CONTRACTOR with respect to the operations conducted</u></p>

Clause No.	Existing Provisions	Modified Provisions
	<p>assignees for whom or with whom the assured may be operating to the extent of the Contractual indemnities undertaken by the CONTRACTOR”.</p>	<p>hereunder as set forth in clause 13 hereof, shall be endorsed by the underwriter in accordance with the following policy wording:-</p> <p>“The insurers hereby waive their rights of subrogation against any individual, CORPORATION, affiliates or assignees for whom or with whom the assured may be operating to the extent of the Contractual indemnities undertaken by the CONTRACTOR”.</p>
	<p>C) Certificate of Insurance: Before commencing performance of the CONTRACT, CONTRACTOR shall upon request furnish CORPORATION with certificates of insurance indicating (1) kinds and amounts of insurance as required herein (2) insurance CORPORATION or companies carrying the aforesaid coverage (3) effective and expiry dates of policies (4) that CORPORATION shall be given thirty (30) days written advance notice of any material change in the policy (5) waiver of subrogation endorsement has been attached to all policies and (6) the territorial limits of all policies. If any of the above policy expire or/ are cancelled during the term of this CONTRACT and CONTRACTOR fails for any reason to renew such policies, then CORPORATION may replace same and charge the cost thereof to CONTRACTOR. Should there be lapse in any insurance required to be carried out by CONTRACTOR hereunder for any reason, losses resulting therefrom shall be to the sole account of the CONTRACTOR. Such insurance shall be effected within Insurance Company incorporated and registered in India or jointly with a Company of International repute and an Insurance Company incorporated and registered in India.</p>	<p>No Change</p>

Clause No.	Existing Provisions	Modified Provisions
	<p>D) Deductible:- That portion of any loss not covered by insurance provided for in this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.</p>	<p>D) Deductible:- <u>The contractor shall take policy with minimum deductible as prescribed for the policy (ies).</u> That portion of any loss not covered by insurance provided for in this article solely by reason of deductible provision in such insurance policies shall be to the account of the CONTRACTOR.</p>
	<p>(E) CONTRACTOR shall require all of its SUB-Contractors to provide such of the foregoing insurance cover as the CONTRACTOR is obligated to provide under this CONTRACT.</p>	<p>No change</p>

Statement showing existing vis-à-vis modified provisions of Standard Booklet No. ONGC/MM/03

Clause No.	Existing Provisions	Modified Provisions
14.1.4	<p>COMPREHENSIVE GENERAL AUTOMOBILE LIABILITY.</p> <p>Comprehensive General Automobile Liability shall cover all owned, hired and non-owned vehicles.</p> <p>Bodily injury: According to local laws. Property damage: According to local laws.</p>	<p><u>Motor Vehicles Package Policy which includes Third Party Liability.</u></p>
14.2	<p>WAIVER OF SUBROGATION</p> <p>All insurance policies of the Contractor with respect to the operations conducted hereunder as set forth in Article 14 hereof, shall be endorsed by the underwriter in accordance with the following policy wording:-</p> <p>"The insurers hereby waive their rights of subrogation against any individual, Company, Affiliates or Assignees for whom or with whom the assured may be operating to the extent of the contractual indemnities undertaken by the Contractor."</p> <p>The provisions of this paragraph do not apply to Subcontractors of Operator. Operator is to obtain a reciprocal endorsement in favour of Contractor on policies maintained by Operator.</p>	<p>WAIVER OF SUBROGATION</p> <p><u>Except for the workmen's Compensation / Employer's Liability Insurance for workmen engaged under this contract which have been obtained by the contractor as their Corporate policy/rules, where ONGC is neither required to be present as principal Assured or additional Assured, all insurance policies of the Contractor with respect to the operations conducted hereunder as set forth in Article 14 hereof, shall be endorsed by the underwriter in accordance with the following policy wording:-</u></p> <p>"The insurers hereby waive their rights of subrogation against any individual, Company, Affiliates or Assignees for whom or with whom the assured may be operating to the extent of the contractual indemnities undertaken by the Contractor."</p> <p>The provisions of this paragraph do not apply to Subcontractors of Operator. Operator is to obtain a reciprocal endorsement in favour of Contractor on policies maintained by Operator.</p>

Clause No.	Existing Provisions	Modified Provisions
14.4	<p>DEDUCTIBLE</p> <p>That portion of any loss not covered by insurance provided for in this Article 14 solely by reason of a deductible provision in such insurance policies shall be for the account of Contractor.</p>	<p>DEDUCTIBLE</p> <p><u>The contractor shall take policy with minimum deductible as prescribed for the policy (ies).</u></p> <p>That portion of any loss not covered by insurance provided for in this Article 14 solely by reason of a deductible provision in such insurance policies shall be for the account of Contractor.</p>