



Hassan Mangalore Rail Development Company Limited

(A Joint Venture of Ministry of Railways & Govt. of Karnataka)

Regd. Office : MSIL House, 7th Floor, #36, Cunningham Road, Bangalore-560 052.

Tel : +91-80-2237 0581, Fax: +91-80-2237 0582, website : www.hmrdc.com

CIN NO.U45203KA2003PLC032183, E-mail: ceohmrdc@gmail.com

HMRDC/Accounts/14/Insurance Policy/2019

Date : 10.05.2019

All Insurance Companies.

Dear Sir,

Sub: Insurance of HMRDC Property - Detailed tender notification

Hassan Mangalore Rail Development Company Ltd., (HMRDC) was incorporated on 01.07.2003 as a joint venture SPV with equal equity participation by Ministry of Railways and Government of Karnataka with the objective of Development, Financing, Designing, Construction, Operation and Maintenance of Broad-Gauge rail link connectivity between Hassan and Mangalore (referred to as Project Railway).

For the purpose of implementing Project Railway, Ministry of Railways (MOR) has granted concession rights to the company for the above activities for a period of 32 years. The company has been given lease hold rights on the assets which already existed in the project area as a part of the earlier network including land for development of leased assets during the concession period. The company has insurable interest in the leased property by the virtue of the concession agreement

The chainage length of the HMRDC line is 205.45 Kms including Loop Lines and out of which 108.4 Kms is in Ghat Section which is prone to land slide, mud slide, rock slide, accumulation of mud and slush in Side Drains aggravating the damages etc., during monsoon due to which the trains movement is also disturbed.

Right from the inception, heavy capital expenditure is being incurred providing various types of long-term protection works such as Retaining Walls, Gabian Walls, Boulder Networking Works, Re-profiling of Hill Slopes, and Side Drains in vulnerable areas, strengthening of bridges, tracks & formation. Besides these, protective works are being carried out to reduce arrest disruption of activities and damages to the tracks due to landslide in the ghat section during rains.

In order to minimize loss and not to give scope for aggravation after the incidence of landslips few additional works are being continuously carried out by railways at an additional cost viz Plugging of landslip points with sand bags and ballast kankar to avert flow of muck on the railway tracks, Cutting of formation to divert nallah to avert flooding causing further damage to the tracks, Felling of trees which causes further mud slides. Apart from that, as per safety standards of Indian railways the track is maintained with regular cleaning of side drains in order to ensure that, there is free flow of water without disturbing the formation and the track.

Right from 2008-2009 company is taking following types of insurance policies covering various risks.

- i. Standard Fire and Special Perils Policy with add on covers viz. Earthquake – Fire & Shock, STFI, Terrorism – Location wise as under.



Location		Kms. Incl.
From	To	Loop Lines
Sakleshpur	Donigal	9.76
Donigal	Kadagaravalli	10.64
Kadagaravalli	Yedakumari	8.43
Yedakumari	Shrivagilu	19.65
Shrivagilu	SBHR	12.47
SBHR	Bajakere	9.74
Bajakere	Kodembala	3.25
Kodembala	Yadamangala	4.44
Yadamangala	Kaniuru	10.13
Kaniuru	Narimogaru	9.30
Narimogaru	Kabakaputtur	10.59
	Total	108.40

ii. Business Interruption Policy (FLOP) with add on covers viz. Earthquake, Fire & Shock and Terrorism .

iii. Machinery Breakdown Policy.

iv. Public Liability Policy covering Accidental Death/ Damage of Third Party Person/ Property.

The present insurance policies were due for renewal on 12.01.2019. Due to circumstances beyond our control the policies were not renewed on due dates. This enquiry is to renew the policies as per attachments annexure A to D.

For underwriting purpose we furnish below the following information.

i. **Normal activities involved in restoration work.**

Details as furnished in annexure A .

The restoration work is being continuously supervised by railway officials. Claim is made on supervision charges paid to railways for restoration work.

ii. **Procedure for Claim intimation.**

Details as furnished in annexure B

iii. **Claims Experience.**

Details as furnished in annexure C .

iv. **Pattern of landslips vis-à-vis claims preferred for past 3 years excluding expiring policy.**

Details as furnished in annexure D

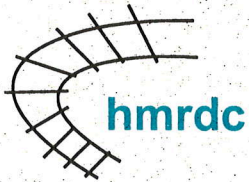
v. **Position of incurred claims during expiring policy period.**

Country witnessed heavy rains during 2018 causing wide spread damages to lives and property. Karnataka is no exception.

Under Fire Policy the estimates incurred claim works out to Rs. 2 crores.



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In respect of FLOP the track were closed for operation for 46 days during July 2018 on account of a huge rock falling on the tracks and heavy fall of earth on one tunnel, closed the mouth of the tunnel. The revenue loss on account of non-operation of line is estimated at Rs. 11 crores.

Considerable funds have been infused for Strengthening and Protecting activities at various locations between SKLR and SBHR during this year to prevent the future eventualities.

vi. Submission of premium quote.

You may kindly furnish your most competitive premium quote on the risks envisaged as per annexure 1 to 4, as per conditions given above and submit quotation in a sealed cover duly superscripted as **"Tender Quotation for Fire and other insurance coverage – HMRDC Property"** on the envelope on or before 20.05.2019 by 3 pm addressed to Hassan Mangalore Rail Development Company Limited, MSIL House, 7th Floor No. 36 Cunningham Road, Bangalore -560052 along with the following documents. The tender quotations will be opened on the same day after the stipulated time in the presence of the representatives of the insurance companies who wish to be present.

The premium quote should be based on the following stipulations.

- Inclusion of 72 hours clause under Fire Cover.
- Policy excess / deductible should be imposed location wise and strictly in conformity with the guidelines issued by Insurance Regulatory and Development Authority of India and guidelines issued by General Insurance Council.

vii. Evaluation of quotations and Recommendations to take policy.

M/s. AIMS Insurance Broking Pvt. Ltd., CIN:U66010KL2002PTC015789 having their Head Office at 19/458/37/1, 1st Floor, Global Tower, Vanchikulam Road, Poothole P.O., Thrissur – 680004. Phone: 0487-2389703,2386364 having its Bangalore Branch at Saraswathi Nilaya, No. 143, 4th Cross, BSK 3rd Stage, BDA Layout, Chamundinagara, Bangalore – 560 085 is our Insurance Intermediary for management of Insurance Portfolio and they will evaluate the quotations, negotiate and suggest placement recommendation to facilitate HMRDC to take final decision in the matter. They have been given a mandate as sole and exclusive Insurance Brokers for handling all issues as per IRDAI (Insurance Brokers) Regulations 2018 and they will have all rights and responsibilities as a Insurance Broker as provided under the said regulations. They are also authorized to represent us in furnishing all clarifications in respect of claims etc., and they are represented by Mr. R.N. Padmanabha, Chief Insurance Operations of the Company Mobile No. 9945036453 may be contacted for all clarifications in future.

viii. Documents to submit along with tender quotations.

Details as furnished in annexure E.

ix. General terms and conditions governing the contract.

Details as furnished in annexure F.

Thanking you

Yours truly

For Hassan Mangalore Rail Development Company Ltd.,

S N Srinivasa
Company Secretary

cc: AIMS Insurance Broking Pvt. Ltd.,

Encl: a/a



Annexure A

Normal activities involved in restoration work.

Restoration activities are classified in to 3 categories.

- i. Infrastructure for Restoration.
- ii. Actual Restoration.
- iii. Activities undertaken to minimize loss.

i. Infrastructure for Restoration includes :

- Loading cement in bags including lead up 250m and stacking into / from trucks trailers, or wagons.
- Unloading cement in bags including lead up 250m and stacking into / from trucks trailers, or wagons.
- Loading ballast, kankar, brickbats, stone chips, shingle, stone boulders, block kankar, pitching stones, rubble stones, interite, coal, surkhi, dry mortar, sand, moorum, earth, manure or sludge, ashes, lime, etc. including lead up to 50m and stacking into / from trucks, trailers or wagons.
- Unloading ballast, kankar, brickbats , stone chips , shingle, stone boulders , block kankar, pitching stones , rubble stones , intertie, coal, surkhi, dry mortar, sand , moorum, earth, manure or sludge, ashes, lime , etc. including lead up to 50m and stacking into / from trucks, trailers or wagons, etc.
- Supply of empty polythene or any other better material cement bags in good condition (for filling sand) at the stores of SSE/P.Way with all lead lift, transportation charges etc. as directed by the Engineer in charge
- Filling railway sand in railways empty cement bags and tying and stacking at convenient location with a max.
- Lead up to 50m for road access point for easy loading into BFR / Road Vehicle etc. complete with contractor's labour and as directed by Engineer in charge.

ii. Actual Restoration includes.

- a. Labour cost
- b. Material cost



Labour cost includes :

- Removing of Rockymass of huge size fallen on track / formation due to landslide and dumping the ballasted rocky muck etc. into the nearby valley , side cutting and clearing the railway formation duly resorting to control ballasting by drilling the holes by jack hammer driven by air compressor having pneumatic / hydraulic power or by rock splitter as directed by the Engineer in charge with contractor's tools , crew, labour , machineries , consumables , scaffoldings , transportation of men and material to site of work etc. complete including clearing the side drains

on both sides of the cutting , deepening the side drains with proper slide , longitudinal slopes , boxing the ballast profile , clearing off the entire width and length of track including side drains on completion of work etc. as directed by Engineer in charge with all lead, lift , dissents , track , crossing etc. complete.

- Clearing of loose earth consisting of all types of soil/ boulders slipped on the running tracks from side slopes of cutting and making of ramp by cutting the side slopes for approaching the slip location, removing, leading and disposing the earth/ boulders by head load/dip lorry or by any other machineries and dumping into near by valley or side slopes of bank including removing the loose earth/ boulders which are likely to fall on track from side slopes of cutting with contractors' tools, crew, labour, machineries , scaffoldings , transportation of men and materials to site of work etc. , complete including clearing the side drains on both sides of the cutting , deepening the side drains with proper side/ longitudinal slopes, boxing the ballast profile, clearing off the entire width and length of track including side drains on completion of work etc. as directed by the Engineer incharge with all lead, lift , desents , track crossing etc. complete.

- Idling charges for Hitachi machine - 200 including rail wheel mounted road lorry / tipper or any other suitable vehicle including all consumables , crew, tools and plants etc. complete as directed by the Engineer in charge at site. (Note: One No. rock breaker bucket / tool to be made available along with the Hitachi machine for removal / breaking the boulder fallen on the track during earth slips/ boulder fall) .

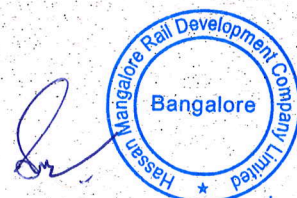
- Supply of labour for attending miscellaneous woks in connection with restoration of track and post restoration of track at earth slip location as directed by the Engineer incharge at site.

- Supply of electrical generators and other equipment listed below for using at landslip location between sun set to sun rise during monsoon at all weather conditions including labour, transportation , consumables, etc.

-Generator - 2800 kv - 1 No. , Generator- 2000 kv 1 No. , Focusing light halogen 500W -10 No.'s , Miscellaneous fittings such as Extension box, Wire , Stand etc. One skilled operator .The generator with all accessories , consumables and operator shall be arranged for night working with short notice and the operator shall be available throughout the period of working of gen set. No idling charges will be paid for non- working period . (one day will be considered at any period between sun set to sun rise) .

- Through packing including picking up slacks and lifting , squaring of sleepers, aligning , gauging , leveling , surfacing and boxing of ballast to the standard section.

- Transportation, unloading / stacking of 60kg/52 kg PSC Track sleepers .



- Transportation of permanent way materials such as rails , PSC sleepers , switches, crossings all components from anywhere to SE/P.Way stores of site of work.
- Cutting / end cropping of rails as per the requirement of Railways true to vertical with hacksaw or rail cutting machines including labour and consumables.
- Drilling of 32mm/27 dia holes in rails as per the requirement of Railways with either manually or by drilling machine rails at correct locations .
- Carrying out SKV welding , such as removal of fish plates, cleaning of rail ends with brush , removal of fittings aligning , lifting , leveling of rail ends as directed by the Engineer in charge, including re-spacing, re- packing the joint sleeper with one rough packing and painting the collar of welded joints .
- Removing and re-fixing of rails and fastenings from tracks
- Laying and linking of BG track , fastenings of PSC/ Wooden / CST - 9 /ST sleepers to the specified gauge and alignment , joining rails by fish plates with bolts and nuts as directed by Engineer incharge.
- Lifting of track upto 100mm and packing with contractor's labour materials , tools and plant , equipment and machineries with all lead and lift etc. complete as directed by the Engineer incharge.
- Cutting and removing the slit from vent ways of the bridge including upstream and downstream sides, dumping the muck etc. as directed by the Engineer incharge.

Material cost includes:

- Cost of Rails PSC track sleepers , Grip Extension Bolts , Check Rails in curves GR Pads , Metal Liners, ER Clips ,etc. All materials required for restoration are supplied by Railways only.

iii. Activities undertaken to minimise loss.

- Earthwork in cutting (classified)in formation , trolley refuges , side drains , level crossing approaches , platforms catch water drains, diversion of nallah , removing of over burden as directed by the Engineer in charge.
- Felling of trees which are likely to fall on the track and obstruct the movement of trains.
- Any other work necessary to minimize loss.



Annexure B

The following are the procedure adopted by railways for claim intimation .

- a. Major landslips that are noticed which are affecting the movement of the trains in the section are being informed immediately to enable HMRDC to intimate to the insurance company for arranging survey.
- b. Minor landslips , which are not a major hindrance for the operation of the train movement noticed during the course of restoration not intimated earlier will be intimated by railways by way of consolidated statement after completion of restoration job and such statement are furnished to insurance company / surveyor to inspect the loss.
- c. Photographs are submitted for all major landslips . In respect of minor landslips photographs will be submitted wherever feasible.
- d. Railways will take between 4 to 6 months to submit the claim bills for restoration work carried out. Thereafter only HMRDC will be able to prefer claim on insurance company.
- e. Claims preferred by HMRDC on insurance company is based on claims made by railways on HMRDC.
- f. Claim Documents .
 - i. Completed claim form.
 - ii. Photographs in respect of major landslides that affects movement of trains .
 - iii. Certificates from railways in respect of minor landslides that do not affect movement of trains.
 - iv. Bill submitted by railways to HMRDC.
 - v. Certificate of payment to contractors by railways.
 - vi. Records showing details of work done (Measurement book).
 - vii. Labour and supervision charges claimed by railways to inspect restoration work.
 - viii. Copy of the agreement entered into by railways with contractors to check the unit rate charged by the contractors for work executed.
 - ix. Acknowledgement from railways for having adjusted the bill amount from the dues payable by them to HMRDC.
 - x. Policy copy.
 - xi. Rain fall report issued by railways.

HMRDC is not able to submit following documents that are normally insisted for settlement of Fire claims.

- i. Meteorological Report,
- ii. Newspaper Report,
- iii. Fire Brigade Report,
- iv. Pachanama.



Annexure C

Claims Experience .

For past 3 years excluding expiring policy period the position of incurred claims is furnished below.

Rs. Lakhs								
	Fire		FLOP		MBD		Public Liability	
Year	Premium	Claims	Premium	Claims	Premium	Claims	Premium	Claims
2015-16	58.59	55.22	20.62	Nil	2.52	Nil	0.52	Nil
2016-17	31.91	45.80	8.40	Nil	1.10	Nil	0.45	Nil
2017-18	27.01	44.99	5.26	Nil	1.06	Nil	0.01	Nil
Total	117.51	146.01	34.28	Nil	4.68	Nil	0.98	Nil

You may please observe that claims appears only in Fire Policy and while in FLOP , MBD and Public Liability there are no claims .



Annexure D

Pattern of landslips vis-à-vis claims preferred for past 3 years excluding expiring policy.

		2015-16		2016-17		2017-18	
Insured Location		Date of	Amount	Date of	Amount	Date of	Amount
		landslip	Claimed	landslip	Claimed	landslip	Claimed
			Rs.		Rs.		Rs.
Sakaleshpur	Donigal	Jun-15	181865	Jun-16	169573	Jul-17	16634
Donigal	Kadagaravalli	Jun-15	1297211	Jun-16	496700	Jul-17	192677
Kadagaravalli	Yadakumari	Jun-15	1468071	Jun-16	160720	Jul-17	1299734
				Jul-16	1928247	Aug-17	621524
Yadakumari	Shrivagilu	Jun-15	1023596	Jun-16	1153885	Jul-17	131485
		Jul-15	559479			Aug-17	407622
Shrivagilu	Subramnya Rd	Jun-15	625165	Jun-16	670678	Aug-17	1740770
						Oct-17	54113
Subramnya Rd	Bajkere		Nil		Nil		Nil
Bajkere	Kodembila		Nil		Nil		Nil
Kodembila	Yadimangala		Nil		Nil		Nil
Yadimangala	Kaniuru	Jul-15	366891		Nil	Jun-17	34423
Kaniuru	Narimogaru		Nil		Nil		Nil
Narimogaru	Kabakaputtar		Nil		Nil		Nil
		Total	5522278		4579803		4498982

[Signature]



Annexure E

Documents to submit along with tender quotations .

- Certified copy of latest IRDAI License .
- Gross premium underwritten vis-a-vis claims paid under the proposed covers for the year 2017-18.
- Confirmation that no penalty is levied by IRDAI for violation of any rules.
- Confirming turnaround time for settlement of claims ,
- Copy of PAN and GST.
- Certificate confirming acceptance of general terms and conditions governing the contract envisaged herein.



Annexure F

General terms and conditions governing the contract.

1. No pre-tender meeting is arranged for the benefit of the insurance companies since this has been arranged earlier.
2. HMRDC reserves the right to assess the insurer's capacity and capability to perform should the circumstances so warrant.
3. The sum insured given in the Annexure is only provisional and HMRDC reserves the right to increase or decrease the sum insured depending upon requirements during the award of the contract subsequently.
4. The premium should be indicated peril wise and applicable GST to be added to the premium.
5. Discounts offered if any shall be clearly indicated in the offer. Discount offered should be in conformity with IRDAI rules. Discount once offered shall not be withdrawn subsequently during policy period.
6. L1 will be arrived on the total package of all items. It is to be noted that HMRDC will have absolute right in choosing the insurance company(s) and HMRDC's decision in this regard will be final.
7. For assessment of loss during the policy period, single surveyor should be appointed to survey the landslips that may occur on different locations on the same day or on different dates during the policy period, to avoid any confusion in understanding the nature of loss.
8. HMRDC will make payment of premium including GST to the successful insurance company. The Insurance Company will acknowledge the receipt of premium cheque and issue a letter confirming 'Risk Held Cover'.
9. Insurance company shall deliver the policy documents within 10 days of receipt of premium.
10. The policy should be operative throughout the year without interruption.
11. The Company reserves the right to accept or reject any or all of the tenders received without assigning any reasons.
12. The premium rates quoted by the insurance company shall be valid for a period of 30 days from the date of opening of the tender.
13. Offer should be signed by the authorized signatory of the company.
14. Since it is a big risk and you have taken Re-insurers support, please confirm that your Re-insurers enjoy the required rating as per IRDAI guidelines and comply with the norms of latest treaty guidelines.
15. Insurance company should furnish certificate in the following format in respect of the company has not been banned / black listed/ debarred.



UNDERTAKING

This is to certify that ----- (Name of the Firm) has not been banned / black listed / debarred from Trade by any Central / State Govt. Dept. / Autonomous Institution / PSU's in India.

I / we hereby certify that all the information given above is factual.

Signature with date of Authorized Signatory

Name:

Designation:

Company Seal:

16. Insurance company should confirm that they have read understood and accepting all terms and conditions available in the following format.

UNDERTAKING

We hereby confirm that we read, understood and accepting all Terms & Conditions available in the Tender. Further, we indicate that upon selection, we will execute the assignment as per the Tender Terms & Conditions.

Signature with date of Authorized Signatory

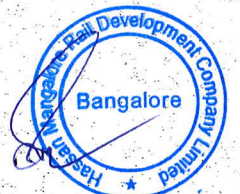
Name:

Designation:

Company Seal:

17. Condition arising out of implementation of GST guidelines.

- a. Wherever applicable HMRDC has a right to deduct "Tax deducted at source" at the rate prescribed under GST law and remit the same to Government of India.
- b. Any local levies and /or other charges levied by any Central/State/Local Authorities wherever applicable shall be extra and insurance company shall be liable to discharge the same.
- c. Any liability arising out of dispute on the tax structure, computation and payment to the Government will be to insurance company account.



										Annexure 1	
Property Covered	Location		Kms	Value	Risk Covered	Sum Insured		Premium Rate Mille	Premium		
	From	To				Re Instatement Value	Rs.				
			Loop Lines								
					Standard Fire & Special Perils						
						5619666737					
Project Railway Assets comprising of Bridges, Tunnels, Formation including Side Drain, Retaining Walls, Gabian Walls, Protection Walls, Wire mesh etc,	Sakleshpur	Donigal	9.76	505977374	Add on Covers						
	Donigal	Kadagaravalli	10.64	551598285	Earthquake-Fire & Shock						
	Kadagaravalli	Yedakumari	8.43	437027588	STF	5619666737					
Permanent Way including Rails, Check Rails, Sleepers, GR Pads, Ballast, ER Clips, Metal Liners etc.	Shirvagalli	SBHR	19.65	1018694201	Terrorism	5619666737					
	SBHR	Bajakere	12.47	646469042	Removal of debris	56196667					
Stations and Buildings including Electrification etc.	SBHR	Bajakere	9.74	504940535							
Plant and Machinery including Signaling and Telecommunication, Electrical Electronic Equipments etc.	Bajakere	Kodembala	3.25	168486318	Add: GST @ 18%						
	Kodembala	Yedamangala	4.44	230178232							
Capital Work In Progress	Yedamangala	Kaniuru	10.13	525158893							
	Kaniuru	Narimogalu	9.30	482130080	Total						
	Narimogaru	Kabakaputtur	10.59	549006188							
		Total	108.40	5619666737							

Expiring policy terms :

i. Policy is issued location wise as above

ii. Deductible :

- a. 5 % of the claim amount subject to a minimum of Rs. 25000/-as per locations for Fire Cover.
b. As per tariff for Terrorism Cover.

iii. Inclusion of 72 hours clause.

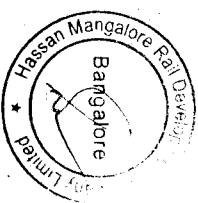


FLOP

		Annexure 2	
Risk Covered	Sum Insured	Premium Rate	Premium
Indemnity Period 3 months	Rs.	Mille	Rs.
Fire (Consequential Loss of Profit) Insurance including Add on covers viz., Earthquake Fire & Shock, STFI & Terrorism	1377600000		
Estimated Gross Income	1205400000		
Standing Charges			
Admin and other expenses	34600000		
Depreciation	127500000		
Site Clearance Charges	10000000		
Auditors Fees	100000		
Total	1377600000		
Add: GST @ 18%			

Existing Policy Terms :

7 days of Standard Gross Profit.



MBD

Property Covered	Department	Amount	Risk Covered	Annexure 3	
				Sum Insured	Premium Rate
				RIV	
		Rs.		Rs.	%
Signaling, Telecommunication Electronic & Mechanical Equipments installed between Sakaleshpur to Kabakaputtur as detailed in the enclosure	Engineering Operating S & T Mechanical Electricals	42765454 3626667 149023022 1957576 2627273 199999992	Machinery Breakdown	199999992	

Existing Policy Terms :

Deductible :

1 % of the Sum Insured for each machine subject to minimum of Rs. 2500/-



Public Liability

Risk Covered	Sum Insured	Annexure 4	
		Premium Rate	Premium
	Rs.	Mille	Rs.
Public Liability			
Accidental damage to the Third Party Property / Persons while at Work on the tracks.			
AOA	500000		
AOY	2500000		
	Add: GST @ 18%		

Existing Policy Terms :

1/4 % of the limit of indemnity for any one accident; subject to a minimum of Rs. 1000/- and maximum of Rs. 100000/-.

