

V O CHIDAMBARANAR PORT RUST

FINANCE DEPARTMENT

No.A-3/2017/Insurance/works/D

Dated 19-2-2018

CIRCULAR NO. 84/2017-18

Sub: Third party Insurance for Works Contract:- reg

As per clause No.21(a) of Contract form ' A' , it has been provided that before commencing the execution of the works, the Contractor shall insure against any damage, loss or injury which may occur to any property, including that of the employer or to any person including any employees of the employer arising out of the execution of the works in the carrying out of the contract.

In addition to the above, clause No.21.b provides that Minimum amount of third party insurance shall be effected with an insurer and in terms approved by the employer and for at least the amount stated in the tender and the contractor shall when ever required produce to the Enginee's representatives the Insurance Policy.

In this connection, it is recollected that a circular was issued earlier by Finance Dept Vide lr.no.FA/2008/wks dated 4.11.2009 with a request to specifically mention the minimum third party Insurance amount in all tenders by categorizing the nature of work with reference to reference to risk involved for each category. The minimum amount of third party insurance shall be fixed by taking into account of the following factors.

- 1.) The extent and nature of work
- 2.) Risk involved in the work
- 3.) Deployment of staff strength for the work

In this regard, the Dept may please ensure that the Contractor produce the Insurance policy before commencement of work.


19/2/18
FINANCIAL ADVISER AND
CHIEF ACCOUNTS OFFICER

To

- 1.All Heads of Department/VOCPT
2. All Officers of Finance Department/VOCPT