

Tender 011/17 APPENDIX G – INSURANCE

1. Without derogating from the liability of the Supplier in accordance with this Agreement or in accordance with any law, the Supplier is required to arrange the insurance covers stipulated herein, with a reputable insurance company acceptable to the Company, at the expense of the Supplier, for the entire duration of the Agreement and for as long as the Supplier is liable (and in the case Products Liability Insurance, for a further 7 years) with a reputable insurance company authorised:

The Supplier must arrange the following Insurance Covers:

- A. **Employers Liability Insurance** covering the liability of the Supplier towards staff employed by the Supplier in accordance with the Torts Ordinance (New Version) and/or in accordance with The Defective Products Act – 1980, in respect of death and/or bodily injury and/or psychiatric injury to any employee as a consequence of an accident or illness during and due to supply of the Goods, with a limit of liability of \$ 5,000,000 (five million dollars) per occurrence and in the aggregate for the period of insurance. The insurance is extended to indemnify the Company if it is determined that due to the occurrence of the work accident and/or occupational disease, the Company is liable in any manner as an employer of the Supplier's employees.

If no staff are employed by the Supplier, the Supplier has the right to refrain from arranging Employers Liability Insurance as stated in this clause.

- B. **Third Party Liability Insurance** covering the legal liability of the Supplier in respect of loss and/or damage caused to any person and/or entity in connection with, or in the framework of supplying the Goods with a limit of liability of \$ 1,000,000 (one million dollars) per occurrence and in the aggregate for the period of insurance. The insurance is extended to indemnify the Company in respect of liability which is imposed on the Company for the errors and/or omissions of the Supplier and/or any party acting on behalf of the Supplier and this subject to a cross liability clause.

- C. **Products Liability Insurance** covering the legal liability of the Supplier for loss or damage which is caused in connection with or due to the Goods Supplier manufactured, handled, marketed, supplied by the Supplier or any party acting on behalf of the Supplier, with a limit of liability of \$ 5,000,000 (five million dollars) per occurrence and in the aggregate for the period of insurance.

The insurance is extended to indemnify the Company for liability which is imposed on the Company due to an error or omission of the Supplier or of any party acting on behalf of the Supplier, subject to a cross liability clause.

The insurance contains an extended discovery period of 12 months after expiry of the period of insurance, on condition that no other insurance has been arranged by the Supplier





providing equivalent cover to that undertaken in the provisions of this certificate. The insurance as aforementioned will include a retroactive date of \_\_\_\_\_.

- D. **Marine Insurance** - all Goods of any description sent from Supplier to the Company shall be insured for at least 110% of the Order (as defined in the Agreement) value plus duties (as and if applicable) under Institute Cargo Insurance A including Strikes and War as well as additional clauses and extensions as customary in accordance with good industry practice. Coverage shall be extended to include storage in Israel until final delivery (including unloading) to the Company and the Company shall be named as a loss payee. "Coverage shall be extended to include storage intermediate in Israel until final delivery (including unloading) to the Company and the Company shall be named as a loss payee.
2. It is clarified that the limits of liability required in the framework of which the Supplier's insurance covers as stated above are a minimum demand imposed on the Supplier which does not exempt the Supplier from the full liability in accordance with this Agreement. It is hereby agreed that the Supplier will not have any allegation towards the Company or any party acting on behalf of the Company in any manner related to the limits of liability as aforementioned.
  3. The Supplier's insurance covers will be primary to any other insurance arranged by the Company and will contain a clause confirming that the insurers waive any allegation, demand or claim regarding contribution of the Company's insurance covers. The Supplier's insurance covers will contain a clause confirming that the aforementioned insurance covers will neither be cancelled nor restricted during the period of insurance other than by prior written notice of 30 days by registered post to the Company.
  4. The Supplier exempts the Company and any party acting on behalf of the Company from liability for any loss or damage to property which is brought by the Supplier or by any party acting on behalf of the Supplier into the premises of the Company which is used by the Supplier for the purpose of supplying the Goods, neither will the Supplier have any allegation, demand or claim against the parties stated above in respect of loss or damage as aforementioned. The aforementioned exemption will not apply to anyone who causes malicious damage. "The Supplier exempts the Company and any party acting on behalf of the Company from liability for any loss or damage to the Supplier's property".
  5. Without derogating from any of the provisions of this Agreement regarding assigning the Agreement, and in the event that the Goods supplied by this Agreement or part thereof are provided by subcontractor on behalf of the Supplier, the Supplier must ensure that the subcontractor holds suitable insurance policies in accordance with the conditions and the amounts stated in this agreement. Alternatively, the Supplier will be entitled to include the subcontractor in the named insured under the policies arranged by the Supplier as stated in the certificate of insurance of the Supplier.





- Without the need for any demand by the Company, the Supplier must supply to the Company, as a precondition to declaring the Supplier as winning Bidder in accordance with the Tender Documents, Certificate of Insurance, in the form attached **as Appendix G1**, duly signed by its insurers. Similarly, immediately on expiry of the period of insurance the Supplier must provide the Company with an updated Certificate of Insurance confirming renewal of the Supplier's Insurance Covers for a further period of insurance, and so forth for each period of insurance, for as long as this Agreement is valid and/or for a longer period as stated above.

Each time that the Supplier's insurer notifies the Company that any of the Supplier's Insurance Covers is about to be cancelled or detrimentally amended, as stated at the end of the Certificate of Insurance, the Supplier must re-arrange the same insurance and provide a new Certificate of Insurance, before the date of the cancellation or detrimental amendment to the insurance as aforementioned.

- It is clarified that the limits of liability required in the framework of the Supplier's Insurance Covers as stated in the Certificate of Insurance are a minimum requirement on the Supplier, which do not derogate from any of the duties of the Supplier in accordance with this Agreement and/or the Order and/or in accordance with any law and similarly do not exempt the Supplier from all of its duties in accordance with this Agreement and/or in accordance with any law, and the Supplier will not have any allegation against the Company or any party acting on behalf of the Company regarding the said limits of liability.
- The Company will be entitled, but not obliged, to check the Certificate of Insurance which is provided by the Supplier as aforementioned, and the Supplier will be required to effect any amendment, correction, modification or extension which is required in order to adapt the insurance covers addressed by the certificate to the duties of the Supplier in accordance with this Agreement.
- It is hereby noted and agreed that the rights of the Company to conduct a check and request amendments as stated above do not impose on the Company or any party acting on behalf of the Company any duty or any liability regarding the insurance covers addressed by the Certificate of Insurance, their quality, their scope and their validity, or regarding their absence, neither do they derogate from any duty which is imposed upon the Supplier in accordance with this Agreement or in accordance with any law, and this regardless as to whether they have requested any amendments as aforementioned or not, and regardless as to whether they have checked the Certificate of Insurance or not.



APPENDIX G1 – CERTIFICATE OF INSURANCE

Date: \_\_\_ / \_\_\_ / \_\_\_

To: Petroleum and Energy Infrastructures Ltd. and/or parent companies and/or subsidiaries and/or associated companies and/or affiliated companies (the "Company")

P.O.B. 212

Herzeliya 46120

Dear Sir / Madam

**Re:** \_\_\_\_\_ (**"the Supplier"**)

We are pleased to confirm that we have arranged the following insurance covers in the name of the Supplier in connection with supplying goods (hereinafter: **the "Goods"**) *inter-alia*, in connection with an Agreement and a purchase Order made between you and the Supplier (hereinafter: **the "Agreement"**; the **"Order"**, respectively) as stated hereunder:

A. Policy no. \_\_\_\_\_ for the period from \_\_\_\_\_ to \_\_\_\_\_

**Employers Liability Insurance** covering the liability of the Supplier to employees employed by the Supplier in accordance with the Torts Ordinance (New Version) and/or the Defective Products Act – 1980, in respect of death and/or bodily injury and/or psychiatric injury to any employee as a consequence of an accident or illness during and due to supply of the Goods with a limit of liability of \$ 5,000,000 (five million dollars) per occurrence and in the aggregate for the period of insurance. The insurance is extended to indemnify the Company if it is determined that due to the occurrence of the work accident and/or occupational disease, the Company is liable in any manner as an employer of the Supplier's employees.





B. Policy no. \_\_\_\_\_ for the period from \_\_\_\_\_ to \_\_\_\_\_

**Third Party Liability Insurance** covering the legal liability of the Supplier, in respect of loss and/or damage caused to any person and/or entity in connection with or in the framework of supplying the Goods with a limit of liability of \$ 1,000,000 (one million dollars) per occurrence and in the aggregate for the period of insurance.

This insurance is not subject to any exclusion regarding liability arising from any harmful matter in food or drink liability in respect of Suppliers, subcontractor and their employees and subrogation claims by the National Insurance Institute. The insurance is extended to indemnify the Company in respect of liability which is imposed on the Company for the errors and/or omissions of the Supplier and/or any party acting on behalf of the Supplier and this subject to a cross liability clause. The insurance is extended to indemnify the Company in respect of liability which is imposed on the Company and/or errors of the Supplier and/or any party acting on behalf of the clause and this subject to a cross liability clause.

C. Policy no. \_\_\_\_\_ for the period from \_\_\_\_\_ to \_\_\_\_\_

**Products Liability Insurance** covering the legal liability of the Supplier for loss or damage which is caused in connection with or due to a product which is manufactured, handled, marketed, supplied by the Supplier or any party acting on behalf of the Supplier ("the products"), with a limit of liability of \$ 5,000,000 (five million dollars) per occurrence and in the aggregate for the period of insurance.

The insurance is extended to indemnify the Company for liability which is imposed on the Company due to an error or omission of the Supplier or of any party acting on behalf of the Supplier, subject to a cross liability clause.

The insurance contains an extended discovery period of 12 months after expiry of the period of insurance, on condition that no other insurance has been arranged by the Supplier providing equivalent cover to that undertaken in the provisions of this certificate. The insurance as aforementioned will include a retroactive date of \_\_\_\_\_.

E. **Policy no.** \_\_\_\_\_ **for the period from** \_\_\_\_\_ **to** \_\_\_\_\_

**Marine Insurance** - all property and equipment of any description sent from Supplier to Buyer shall be insured for at least 110% of the Order value plus duties (as and if applicable)? under Institute Cargo Insurance A including Strikes and War as well as additional clauses and extensions as customary in accordance with good industry practice. Coverage shall be extended to include intermediate storage in Israel, until final delivery to Buyer and Buyer shall be named as a loss payee.





**General**

1. The aforementioned insurance covers include a waiver of the right of subrogation against the Company, customers of the Company and employees and executives of the Company provided that the waiver of the right of subrogation as aforementioned will not apply to the benefit of anyone who causes damage maliciously.
2. Non-compliance in good faith with any of the duties imposed on the insured will not prejudice the rights of the Company to obtain indemnity.
3. The Supplier is solely liable for payment of the premiums and deductibles stated in the policy as aforementioned.
4. The aforementioned insurance covers are primary and precedent to any insurance arranged by the Company, and we waive any allegation and/or demand and/or claim regarding contribution of the Company's insurance covers.
5. We undertake the aforementioned insurance covers will neither be cancelled nor detrimentally amended during the period of insurance stated therein, other than by written notice by registered mail 30 days in advance.
6. The policy wordings, are in accordance with the wording known as BIT \_\_\_\_\_, subject to the amendments stated above, But for Cargo cover, Institute Cargo Clauses

**The insurance covers detailed in this certificate are subject to the terms and conditions of the original policies insofar as they have not been altered in this certificate, and provided that no such alteration derogates from the conditions of the original policies.**

\_\_\_\_\_  
(Insurer's  
signature)

\_\_\_\_\_  
(Insurer's  
stamp)

\_\_\_\_\_  
(Name of the  
signatory)

\_\_\_\_\_  
(Title of the  
signatory)

