	FROM:	TO:	DATE:
	HEAD OFFICE NEW DELHI	RO INCHARGE ALL REGIONAL OFFICES	19.02.2019

Deptt : Techno Marketing

RE : FIRE SURPLUS TREATIES – 2018-19 (Endorsement)

This is in addition to our Fire Treaty Guidelines endorsement communicated to all Regional Offices vide email dt. 18.02.2019, mentioning therein the amendments made to the current treaty as under **w.e.f 1st March 2019**.

Now we have received certain clarifications from GIC which are narrated as under:

A. For the following occupancies with **top location Sum Insured above Rs. 500 crores**, deductibles will be as under:

- a. Electric Generation Station- Hydro (Occupancy Code- 2070)
- b. Electric Generation Station- Others (Thermal/Gas Based/Combined Cycle) (Occupancy Code- 2210)
- c. Aluminium, Zinc, Copper Factories- For Steel Plants (Occupancy Code- 2008)

Deductibles (Each & Every Loss):

FLOP	30 days of Gross Profit.
MLOP	45 days of Gross Profit.
MD	5% of claim amount subject to minimum of INR 1.25 crs.

B. In addition to Point A above, PML for the following occupancies should be on 100% Sum Insured basis irrespective of Sum insured:

- a) Textile Mills (Occupancy Codes- 2053, 2089, 2103, 2111, 2115, 2121, 2122, 2134, 2171, 2189, 2199, 2202, 2206, 2207 and 2211)
- b) Plastics (Occupancy Codes- 2084, 2148 and 2163).
- c) Rubber Goods Manufacturing (Occupancy Codes- 2165, 2166, 2167 and 2196)
- d) Chemical Manufacturing (Using materials with Flash Point below 32°C) (Occupancy Codes- 2043, 2068, 2066, 2079, 2140, 2141, 2142 and 4010).
- e) Storage of Category-3 Goods (Open/Closed) (Occupancy Code- 4004)
- f) Transporters Godown (Occupancy Codes- 4005)

C. For the below mentioned occupancies, the following rates shall be applied for cession to treaties w.e.f 1st March 2019:

Main Occupancy	Occupancy Code	Occupancy Description	Net Flexa Rate to be charged (per mille)
Textiles	2053	Cloth Processing units situated outside the compound of Textile mills	1.05
	2089	Garment Makers, Topee, Hats and the like makers	0.99
	2103	Hosiery, lace, Embroidery/Thread factories	1.17
	2111	Jute Mills	2.75
	2115	Leather Cloth Factories	2.11
	2121	Man-made Fibre Manufacturing (using Cellulose)	0.65

	2122	Man-made Fibre Manufacturing Plant (Others)	0.71
	2134	Non-woven fabric Manufacturing	1.72
	2171	Silk Mills / Spun Silk Mills	0.99
	2189	Textile Mills Spinning mills	0.82
	2199	Velvet Cloth Manufacturing	1.47
	2202	Weaving Mills	0.75
	2206	Woollen Mills	1.10
	2207	Yarn Processing	1.13
	2211	Textile Mills Composite mills	2.33
Plastics	2084	Foamed Plastics Manufacturing and / or converting plants	2.66
	2148	Plastic Goods Manufacturing (excluding Foam Plastics)	1.93
	2163	Rope works (Plastic), Assembling of Plastic Goods such as Toys and the like	1.44
Rubber Goods Manufacturing	2165	Rubber Factories	1.76
	2166	Rubber Goods Mfg with Spreading	2.07
	2167	Rubber Goods Manufacturing without spreading	1.56
	2196	Tyres and Tubes Manufacturing	1.26
Chemical Manufacturing (below 32 deg C)	2043	Chemical Manufacturing(Using materials with Flash Point below 32OC), Bulk Drug Manufacturing	1.94
	2068	Distilleries	1.24
	2066	Detergent Manufacturing with Sulphonation Plant	1.43
	2079	Fertiliser Manufacturing (other than those rateable under Petrochemical Tariff)	1.25
	2140	Paint factories (Water based)	1.50
	2141	Paint (others) & Varnish Factories	2.27
	2142	Paints - Nitrocellulose based	2.76
	4010	Tanks containing liquids flashing at 32 OC and below	1.90
Storage of Cat-3 Goods	4004	Storage of hazardous Goods listed in Category III subject to warranty that Coir waste, Coir fibre and , Caddies are not stored therein- Godown	4.24

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		Storage of hazardous Goods listed in Category III subject to warranty that Coir waste, Coir fibre and , Caddies are not stored therein- Open	4.24
Transporter Godown	4005	Transporter's godowns & Godowns of clearing and forwarding agents- Godown	3.60
		Transporter's godowns & Godowns of clearing and forwarding agents- Open	3.60
Steel Plants	2008	Aluminium ,Zinc,Copper Factories- For Steel Plants	0.71
	2075	Engineering Workshop -- Structural Steel fabricators, Sheet Metal fabricators, Hot/Cold Rolling, Pipe Extruding, Stamping, Pressing, Forging Mills, Metal smelting, Foundries, Galvanising works, Metal Extraction, Ore processing (other than Aluminium, Copp)- For other than manufacturing	0.25
Power Plants	2070	Electric Generation Stations Hydro Power stations	0.40
	2210	Electric Generation Stations Others	0.59

The Gross Written premium for cessions to the treaty on the above mentioned occupancies to be determined as under:

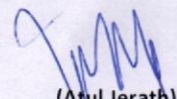
1. IIB Loss cost rate (as mentioned above) **AND**
2. NAT CAT rate as per Circular no. HO/Techno Mkt/ UW/ 01/2018-19/ CR 8201 dated 12.11.2018.

Kindly note that **NO DISCOUNTS** shall be allowed on the above rates arrived for above occupancies.

Additional clarifications regarding Fire Surplus Treaty endorsement issued by GIC is attached herewith.

You are requested to inform all Underwriting offices accordingly regarding compliance of conditions as mentioned above.

Encl: as above


(Atul Jerath)
General Manager

