

**APPENDIX 22****CONTRACTOR AND OWNER INSURANCE REQUIREMENTS****Contractor's Insurance – (Part I)****1. Construction All Risks:**

**Cover:** The Work executed and in the course of execution, materials and temporary works, while on the Site, against all risks of physical loss or damage, including damage to surrounding property, other than war and kindred risks, nuclear risks, unexplained shortage, cost of replacing or repairing items which are defective in workmanship, material or design; penalties; consequential losses; cash; vehicles; vessels; aircraft and other standard exclusions contained in such policies.

Cover shall provide the equivalent terms, conditions and perils/causes of loss provided under an Erection All Risks insurance policy based upon CPI ( Comprehensive Project Insurance ) standard conditions, incl. LEG3 cover with sublimit 5 000 000 €.

**Sum insured:** An amount equal to the full replacement value of the Work, being the same as the Contract Value of EURO **Sixty Seven Million One Hundred and Three Thousand ,Nine Hundred and Sixty Four Euros (€67,103,964 )**

- a) Debris removal –Limit 20% or the loss, with a maximum of € 5,000,000 any one loss.
- b) Expediting expenses –Limit 10% (percent) of the contract value
- c) Natural Catastrophes - to full contract value

**Deductibles:**

- 1. Damage arising from testing or commissioning during maintenance period and for NatCat losses 100,000 € any one occurrence
- 2. All other losses 50,000 € any one occurrence

Period of Cover: Actual construction, testing, commissioning until the handing over including cover for construction phase losses occurred during the Warranty Period

Additional Insured: Owner, Supplier, Contractor, Interconnection Facilities Construction Contractor, Operator, Financing Parties, Subcontractors and others as their interests may appear.

Subrogation: The policy shall include a waiver of subrogation against all Insured and Additional Insured.

2. Cargo Insurance and Air Cargo:

Cover: All materials, Equipment, machinery, spare and other items for incorporation in the Facility against all risks of physical loss or damages while in transit by land, sea or air from country or origin anywhere in the world to the Facility Site, or vice versa from the time of the insured items leaving warehouse or factory for shipment to the Facility Site. Cover to institute Cargo Clauses (A) Institute War Clauses (Cargo), Riot and Civil Commotion Clauses or equivalent.

Sum insured: An amount equal to 110% (one hundred and ten percent) of the total value of the Equipment plus insurance and freight (CIF) to be shipped.

Deductible: Not to exceed €25,000 for each loss.

Additional Insured: Owner

Subrogation: The policy shall include a waiver of subrogation against Insured and all Additional Insured.

3. Construction Equipment

Insurance against all loss or damage from whatsoever cause arising in respect of construction equipment owned, leased or rented by Contractor and brought onto or destined for the Site for use in the execution of the Work to the full replacement value of such equipment.

4. Public and General Liability:

Cover: On occurrence basis against legal liability to third parties for bodily injury, death or damage to property not related to the Works (including costs and expenses of litigation and attorney's fees).

Sum insured: For any one claim: € 5,000,000].

Deductible: Not to exceed €25,000 for each claim for damage to property.

Additional Insured: Owner, Contractor, Supplier, Interconnection Facilities Construction Contractor, Operator, Financing Parties, Subcontractors and others as their interests may appear.

Subrogation: The policy shall include a waiver of subrogation against all Additional Insured.

Primary Insurance: The General Liability policy and any Excess or Umbrella Liability policy shall contain language that "Such insurance as afforded by this policy for the benefit of WAPA shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this Agreement, and insured hereunder, and any insurance carried by WAPA shall be in excess of and non-contributing with insurance afforded by this policy.

5. Professional Indemnity Insurance

On claims made and excess basis cover: Against legal liability due to design or supervision activities to third parties for bodily injury, death or damage to property not related to the Works (including costs and expenses of litigation and attorney's fees).

Sum insured: For any one claim: € 2,000,000].

Deductible: Not to exceed €25,000 for each claim for damage to property.

Additional Insured: Owner, Contractor, Supplier, Interconnection Facilities Construction Contractor, Operator, Financing Parties, Subcontractors and others as their interests may appear.

Subrogation: The policy shall include a waiver of subrogation against all Additional Insured.

6.

Motor Third Party Liability Insurance

Contractor shall at all times keep in force Motor Third Party Insurance in as far as they may be applicable. Policies of motor insurance in respect of all vehicles used on public highways or in any circumstances such as to be liable for compulsory motor third party liability insurance in accordance with the laws of the U.S. Virgin Islands.

On excess basis under annual umbrella liability policy sum insured to be equal to € 2,000,000

7. Subcontractor's Insurance

In respect of any subcontractor to the Contractor or in respect of the use by a subcontractor of construction equipment, Contractor's obligation to insure itself shall be satisfied by the subcontractor having effected such insurance, but Contractor shall require such subcontractor to provide to Owner or Owner's representative when required, all such policies and receipts for payment of the premium or satisfactory evidence of insurance cover.

8. Insurance Against Accidents to Workmen

Contractor shall provide insurance against Accidents to Workmen to all persons employed by Contractor in connection with the Work, according to the laws of the U.S. Virgin Islands or any other country as may be applicable.

On excess basis under annual umbrella liability policy employer's liability sum insured to be equal to € 2,000,000

If the policies and/or monetary limits specified in this Part I are not available on commercially reasonable terms, Contractor may obtain insurance for alternative coverage on terms that are reasonable and customary for similar power generation facilities, but only if such alternative coverage is acceptable to and approved in writing by Owner.

**Owner's Insurance –( Part II )**

**1. Public Liability:**

**Cover:** Against legal liability to third parties for bodily injury or damage to property arising of the construction, testing and commissioning of the Facility.

**Sum insured:** For any one claim: US\$ 3,000,000.

**Deductible:** Not to exceed US\$450,000 for each claim for damage to property. None for injury to persons.

**Insured:** Owner.

**Additional Insured:**

**Period of Cover:** The actual construction, testing and commissioning of the Notice to Proceed until the Day following Final Completion.

**2. Insurance Against Accidents to Workmen**

Owner shall provide insurance against Accidents to Workmen to all persons employed by Owner in connection with the Work, according to the laws of the U.S. Virgin Islands.

If the policies and/or monetary limits specified in this Part II are not available on commercially reasonable terms, Owner may obtain insurance for alternative coverage on terms that are reasonable and customary for similar power generation facilities.

**FURTHER INSURANCE REQUIREMENTS**

- I. Prior to the commencement of any Work, Contractor shall deliver to the Owner certificates of insurance evidencing that the foregoing coverage is in effect and providing at least thirty (60) Days' notice to the Owner and the Financing Parties of any cancellation, termination, or material alteration of said insurance. The certificates of insurance shall be updated as required to show evidence that the coverage is in effect as required hereby
- II. All insurance described in this Appendix shall be written by insurance companies acceptable to the Owner and rated "A-" or better by AM Best Company.

**Insurance Certificates.** Each Party shall provide evidence reasonably satisfactory to the other Party (prior to the date on which such is to be procured) that the insurance which such Party is obliged to procure under this Appendix is in force.

**Expiration.** Not less than fifteen (15) days prior to the expiration date of any policy of insurance required to be in effect hereunder, the Party responsible therefor shall

deliver to the other Party a certificate of insurance with respect to each renewal policy, certified by such Party's independent insurance broker, bearing a notation that all premia then due and payable have been paid.

Cost Responsibility; Deductibles. Any and all deductibles (unless expressly provided otherwise herein) in the insurance policies required by this Appendix 22 shall be assumed by, for the account of, and at the sole risk of the Contractor. The insurance companies shall have no recourse against any Insured Party for payment of any premia or assessment under any policy if such Insured Party is not responsible for maintaining such insurance under the Agreement.