



THE NEW INDIA ASSURANCE COMPANY LIMITED

87, M.G. Road, Fort, Mumbai – 400 001

Policy cancellation in an engineering insurance Project policy (such as Marine cum Erection insurance and Contractor All Risks Insurance).

EAR / MCE / SCE / CAR

Key Components of the Cancellation

- **Notice Period:** Usually requires 7 to 15 days advance notice in writing from either party.
Refund Basis: for the unexpired period
Testing Period should not have commenced.
- If cancelled by the insured, premiums are often refunded on a reduced short-period rate scale, provided no claims have been made during the current policy year.
- If cancelled by the insurer Permitted mostly due to Fraud, misrepresentation.
If cancelled by the insurer, a pro-rata refund for the unexpired period is usually applied. No refund is provided in fraud cases.
Refund of premium is subject to Retention of minimum premium by the insurer.
- **Active Risks:** Cancellation typically does not affect risks or projects that have already safely attached or commenced prior to the effective date of cancellation.
- **Provisions for Project Halt:** Rules detailing if coverage stops immediately upon project abandonment or completion prior to schedule.
- **Lender Requirements:** If project financiers or Banks mandate CAR as part of the debt-servicing safety net, cancelling it may breach loan covenants.

REFUND OF PREMIUM FOR EARLY COMPLETION OF THE PROJECT –

Refund of premium, arising out of cancellation, due to abandonment of project, double insurance of same project etc. or due to early completion whether rated by the Underwriter can be allowed provided the following conditions are fulfilled:

- i) The period of insurance is 18 months and above;
- ii) Notice for early completion being given in advance to the insurer before completion of the project.
- iii) Nil claims experience under the policy
- iv) The original policy period is not exceeding the contract period as per contractual clause. In the absence of the existence of the contract, the scheduled project period as per original bar chart should be the policy period. The minimum period for which refund can be claimed shall be 3 months.

Contact Details :

- Visit the Servicing Branch mentioned in the policy document
- **Helpline / Toll-Free:** 1800-209-1415 or through the company website.
- **Website:** www.newindia.co.in
- You can submit your grievance in writing through post or email.
- **The New India Assurance Co. Ltd.**
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