



**UNITED INDIA INSURANCE COMPANY LIMITED**  
**FAILED WELL INSURANCE POLICY**

## **I. PREAMBLE**

WHEREAS THE INSURED named in the Schedule hereto has made to the UNITED INDIA INSURANCE LIMITED (hereinafter called the "Company") proposal and declaration which shall be the basis of this contract and be deemed to be incorporated herein for the Insurance hereinafter contained and has paid the premium stated herein.

## **A. OPERATIVE CLAUSE**

THE COMPANY HEREBY AGREES subject to the terms and conditions contained herein or endorsed or otherwise expressed hereon that if the property described herein or any part thereof shall be LOST or DAMAGED by the risks stated herein at any time during the period of Insurance stated herein or any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal or extension thereof, the Company will make good the loss or damage but not exceeding in any one period of insurance in respect of the several items specified herein the Sum set opposite thereto respectively.

## **II. RISKS COVERED**

The Policy covers failure of insured well due to failure of guaranteed yield. The quality of water and structural failure is not covered. A well shall be deemed to have failed completely if the following conditions are fulfilled:-

1. In case of a Shallow Tube-well in alluvial position it shall be constructed for a minimum diameter of 7.5 cms and a minimum depth of 30 meters and has a continuous yield of water less than 4 liters per second in 'Rabi'
2. In case of a Shallow Tube-well in hard rock formation it shall be constructed for a minimum diameter of 10 cms and a depth of 50 meters and has a continuous yield of water less than 2 liters per second in "Rabi" provided such well has been constructed after proper geophysical survey by Govt. Agency.
3. In case of Filter point in alluvial formation it shall be constructed for a minimum diameter of 6.5 cms. and a minimum depth of 10 meters and has a continuous yield of water less than one liter per second in 'Rabi'.
4. In case of a Bore well in hard rock formation it shall be constructed for a minimum diameter 10 cms and a depth of 50 meters and has a continuous yield of water less than 2 liters per second in 'Rabi' provided that such well has been constructed after proper geophysical survey by a Govt. agency.
5. In case of Dug Well or Dug-cum-bore Well in both alluvial and hard rock formation it shall be constructed for a minimum diameter of 2 meters and a minimum depth of 10 meters and additional boring of 5 meters depth for Dug-cum-Bore Well and has a yield of water less than 2 liters per second for continuous working during at least 2 hours per 24 hours in 'Rabi' (to ensure proper recuperation over 24 hours' period).
6. In the case of bad quality of water all or any of the three parameters namely electrical conductivity, residual sodium carbonate and boron are/is of higher value than indicated below:

Soil Texture	Electrical Conductivity	Residual Sodium Carbonate	Boron
Clay	2000	5	2
Clay Loam	3000	5	2
Loam	4000	5	0
Sandy	8000	5	2
Sandy Loam	6000	5	5

## **III. EXCLUSIONS**

1. Cessation of work whether total or partial.
2. Wilful act or wilful negligence of the Insured or of his employees, faulty design, defective material or casting, bad workmanship.
3. Flood Earthquake and other convulsions of nature, Riot and Strike risks
4. War and allied perils, confiscation etc.
5. Other special exclusions under NABARD Scheme

## **IV. SPECIAL CONDITIONS**

The Insured shall submit

1. A copy of the report of the Dept. of Hydrology (State ground water organisation) approving the site for digging has to be submitted alongwith the site plan and proposal form.
2. A copy of the permission from local Municipal Authority for digging the well has to be submitted.
3. A minimum distance of 250 meters has to be kept between each well.
4. Drilling will be done only where spot survey has been completed and is approved by Geologist / Geophysicist / Senior Geologist Department of Mines and Geology or by Technical Officers of State Co-op Agri. and Rural Development Bank.



5. The rate for drilling should not exceed the existing market rate.
6. Yield test would be done by 'V' notch method.

**V. SUM INSURED:**

Sum Insured shall include cost of all civil construction excluding the cost of pumping equipments and its accessories. It shall be limited to Rs. 15,000/- only.

Cost of drilling charges alone should be included. Cost of casing, site selection, supervision and testing should not be included. The Sum Insured should not exceed Rs. 15,000/- per well. Sum Insured may consist of the following charges.

1. drilling
2. transportation of equipment, if not included in the above (upto Rs. 350)
3. labour charges for fixing of casing pipe
4. yield testing charges of water, if agreed (upto Rs.500)
5. cleaning and de-watering charges (upto Rs. 100)
6. spot investigation charges (upto Rs. 400)

**VI. INDEMNITY:**

The compensation payable will include the expenditure actually incurred by farmers toward boring/digging of the well, net of margin money and / or subsidy received / receivable from any other source or the amount of loan outstanding in the loan account, whichever is lower.

For partial failure and total failure claim settlement will be 50% and 75% of Sum Insured respectively.

1. Yield between 300 Gallons per hour and 500 Gallons per hour is considered as partial failure:
2. Yield below 300 Gallons per hour as total failure and
3. Yield 500 Gallons per hour or more is considered as successful.

The above yield guarantee may be increased where the potential is reasonable high.

**VII. EXCESS:**

The liability of the Company shall be 80% of the amount of admissible claim. The balance 20% has to be borne by the Insured.

**VIII. CLAIMS PROCEDURE:**

1. Immediate notice of failure of well is to be given by the Insured to the Company.
2. If economical, the casing pipe should be removed.
3. The statement of loss should be certified by financing bank.
4. On settlement of claim, all the rights of compensation from any other source shall be subrogated to the Insurance Company.

**IX. IMPORTANT CONDITION:****1. Site Selection:**

Geo-hydrological investigation along with geophysical investigation by qualified investigator appointed or approved by the Company should be carried out. Fees payable must be collected from the proposer as a guarantee of payment to the surveyor. Proposer should not be connected with these investigations. Fees may vary from Rs. 500/- to Rs. 750/- depending upon the transportation cost, instruments involved, and the use of specialised knowledge and labour of the investigator. Premium will be accepted only after his report is found satisfactory.

**2. Drilling Supervision:**

The Insurer must depute his own man for supervision of drilling and his fees, depending upon the factors as applicable to investigator, must also be paid by the Insured.

**3. Yield Testing**

V-notch method must be used. It is a condition of this Policy that in case of compressor method the yield should be mathematically increased by 20%. On expert advice the testing may be done by submersible pump and a condition should be included in the policy that the Company may demand such test at the cost of the insured. Again, if testing is done in 'Kharif' 20% should be added to the yield in addition to 20% for testing by air-pressure method.

- a. Before testing the well should be rested for 24 hours. The top should be capped and closed.
- b. Dug well should have minimum diameter of 10 feet and minimum depth of 30 feet. Bore-well should have a diameter of 6 inches and installed upto hard rock zone and properly seated.
- c. Casing pipe shall be slotted if so recommend by the supervisor.
- d. In case of failure casing pipe should not be removed before the Company has completed survey.



- e. Surveyor will have access at all times and refusal shall entail rejection of claim.
- f. The proposed site will be identified and marked in the site survey.
- g. Insured shall provide power for yield testing and adequate water for flushing the bore after completion of drilling.
- h. Natural calamities, Riot, Strike are excluded
- i. Expenses incurred but not covered specifically are excluded.

#### **X. EXCEPTIONS**

The Company shall not be liable in respect of:

- 1. Loss or damage whether direct or indirect occasioned by happening through or arising from any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, mutiny, rebellion, revolution, insurrection, military, usurped power, riot, strike or civil commotion or loot or pillage in connection therewith or confiscation or detention by the order of any Government or Public Authority, earthquake, volcanic eruption, flood, storm tempest, typhoon, hurricane, tornado, cyclone or other similar convulsions of nature and atmospheric disturbances.
- 2. Damage cause by overloading or strain.
- 3. Consequential loss, depreciation, wear and tear or mechanical breakdown.
- 4. Loss or damage occurring whilst being used for racing or pace-making.
- 5. a) Loss, destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss and any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the under fuel or from any source whatsoever.  
b) Any accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from any nuclear weapons material.

#### **XI. CONDITIONS**

- 1. **NOTICE:** Every notice and communication to the Company required by this Policy shall be given in writing to the Office of the Company through which this Insurance is effected.
- 2. **MISDESCRIPTION:** This Policy shall be void and all premiums paid hereon shall be forfeited to the Company in the event of misrepresentation, misdescription or non-disclosure of any material particular.
- 3. **REASONABLE CARE:** The Insured shall take all reasonable steps to safe guard the property insured against accident, loss or damage.
- 4. **CANCELLATION:**
  - a) The policyholder may cancel his/her policy at any time during the term, by giving 7 days' notice in writing. The Insurer shall refund proportionate premium for unexpired policy period, if there is no claim (s) reported during the policy period.
  - b) The Company may cancel the policy at any time on grounds of mis-representation, nondisclosure of material facts, fraud by the Insured Person, by giving 7 days' written notice. There would be no refund of premium on cancellation on grounds of mis-representation, non-disclosure of material facts or fraud.
- 5. **CLAIMS PROCEDURE:** The Insured shall upon the occurrence of any event giving rise or likely to give rise to a claim under this Policy, give immediate notice thereof to Company and shall within 14 days thereafter furnish to the Company at his own expense detailed particulars of the amount of the loss or damage together with such explanation and evidences to substantiate the claim as the Company may reasonably require.
- 6. **CONTRIBUTION:** If at the time of the happening of any loss or damage covered by this Policy there shall be existing any other insurance covering the same property whether effected by the Insured or not, then the Company shall not be liable for more than its rateable proportion of any loss or any damage.
- 7. **FRAUD:** If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on the Insured's behalf to obtain any benefit under this Policy, all benefits and rights under the Policy shall be forfeited.
- 8. **INDEMNITY:** The Company may at its option reinstate, replace or repair the property lost or damaged or any part thereof instead of paying the amount of loss or damage or may join with any other insurer in so doing, but the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage and more than the Sum Insured by the Company thereon.
- 9. **OBSERVANCE OF TERMS AND CONDITIONS:** The due observance and fulfillment of the terms, conditions and endorsement of this Policy in so far as they relate to anything to be done or complied with by the Insured, shall be a condition precedent to any liability of the Company to make any payment under this Policy.