

## **APPENDIX G**

### **INSURANCE**

The Concessionaire shall effect and maintain, or cause to be affected and maintained, the following insurances on terms, conditions, sums insured and with insurers to be approved by the State and substantially in the form as set out in these insurance requirements.

1. The Construction Phase

Contractors All Risks, Advanced Loss of Profits, Third Party and Employers Liability insurance as detailed hereunder for the period of insurance before the date of receipt of the Notice to Proceed until the Construction Completion and thereafter for the Contractor's liability in respect of defects until expiry of the defects liability period specified in the EPC Contract, however not less than 12 months.

**1.1 Loss or Damage to the Project**

Insured

- (1) The Concessionaire
- (2) All contractors or Sub-contractors of any tier engaged in or carrying out Work on or about the Site
- (3) The Implementing Authority
- (4) Cross Israel Highway Ltd.
- (5) The State
- (6) The Lenders

each for their respective rights and interests

Coverage-Insured Property

Physical loss or damage to the Project (that is, any property that constitutes part of the project), as determined on the basis of the estimated reinstatement value of the Project.

Sum Insured

The estimated cost of Construction of the Project, but with respect to Tunneling Works: the estimated cost of construction plus an additional sum of USD 20,000,00<sup>1</sup>.

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<sup>1</sup> Addendum no. 16

### Territorial Limits

Anywhere in Israel

### Main Extensions and Conditions

- Consequences of faulty design, materials and workmanship
- Extended Maintenance (24 months)
- Expediting expenses
- Removal of debris

### Excess

Not to exceed:

- (a) In respect of loss or damage due to earthquake - 10% of the value at risk, subject to a maximum of NIS 5,000,000.
- (b) <sup>2</sup>NIS 2,000,000 each and every occurrence in respect of all other natural hazards
- (c) NIS 2,000,000 each and every occurrence in respect of loss or damage due to defective design, plan, specification, material or workmanship.
- (d) NIS 400,000 each and every occurrence in respect of all other losses.

## **1.2 Advanced Loss of Profits**

### Insured

- (1) The Concessionaire
- (2) The State
- (3) The Implementing Authority
- (4) Cross Israel Highway Ltd.
- (5) The Lenders

Each for their respective rights and interests

### Interest

To indemnify the Insured for loss of revenue consequent on loss or damage which interrupts or interferes with the Operation and Maintenance of the Project and which is indemnifiable or would be indemnifiable but for the application of the excess under the insurance specified in paragraph 1.1 above.

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<sup>2</sup> Addendum no. 16

Sum Insured

Not less than the amount equivalent to the anticipated revenue during the Indemnity Period.

Indemnity Period

24 Months

Times Excess

Not to exceed 60 days

**1.3 Third Party Liability Insurance**

Insured

- (1) The Concessionaire;
- (2) All contractors or Sub-contractors of any tier engaged in or carrying out Work on or about the Site
- (3) The State
- (4) The Implementing Authority
- (5) Cross Israel Highway Ltd.
- (6) The Lenders

each for their respective rights and interests, subject to a cross liability clause.

Interest

To indemnify the insured parties in respect of all sums that may become legally liable to pay consequent upon death or personal injury to persons and loss or damage to property arising from or in connection with performance of the Project.

Limit of Indemnity

Not less than NIS 100,000,000 in respect of any one occurrence and in aggregate during the period of insurance.

Main extension

Loss or damage to infrastructure (direct and consequential) up to no less than  
<sup>3</sup>NIS 20,000,000

Excess

Not to exceed NIS 100,000 each occurrence.

**1.4 Employers Liability Insurance**

Insured

- (1) The Concessionaire
  - (2) All contractors or sub-contractors of any tier engaged in or carrying out work on or about the Site
- each for their respective rights and interests.

Interest

To indemnify the insured parties in respect of all sums that may become legally liable to pay consequent upon death or bodily injury to an employed person.

Limit of Indemnity

Not less than NIS 80,000,000 in respect of any one occurrence and in aggregate during the Period of Insurance.

Excess

Not to exceed NIS 80,000 each occurrence

**Special extension**

The insurance extends to include the State, The Implementing Authority and the Lenders if be deemed to owe any employer's duty toward any person engaged in the Construction of the Project

**1.5 Product Liability Insurance and Professional Liability (Single Combined Policy)** (from the date of the Notice to Proceed and until the end of the Concession Period and for an additional period of no less than three (3) years)

Insured

- (1) The Concessionaire

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<sup>3</sup> Addendum no. 16

- (2) The State
  - (3) The Implementing Authority
  - (4) Cross Israel Highway Ltd.
  - (5) The Lenders
  - (6) All contractors or Sub-contractors of any tier engaged in the Design of the Project in or carrying out Works on or about the Site<sup>4</sup>
- each for their respective rights and interests, and subject to a cross liability clause.

#### Interest

To indemnify the Insured in respect of all sums that the Insured may become legally liable to pay due to any claim first made against the Insured during the Period of insurance as a result of to negligent act and/or omission or as a result of any defect therein.

#### Limit of Indemnity

Not less than NIS 40,000,000 in respect of any one occurrence and in aggregate.

#### Excess

Not to exceed <sup>5</sup>NIS 2,000,000 each occurrence

## 2. **The Partial Operation and Maintenance and the Commercial Operation Phase**

The insurances detailed hereunder shall be maintained from the Partial Operation and Maintenance Phase on an annually renewable basis until the expiry of the Concession Agreement, and with respect to the insurance set forth in Section 2.5 until the elapse of three (3) years from the expiry of the Concession Agreement.

### 2.1 **Property All Risks Insurance**

#### Insured

- (1) The Concessionaire
- (2) The State
- (3) The Implementing Authority
- (4) Cross Israel Highway Ltd.

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<sup>4</sup> Addendum no. 16

<sup>5</sup> Addendum no. 16

(5) The Lenders

Each for their respective rights and interests

Coverage/Insured Property

All risks of physical loss or damage, to the Project on the basis of cost of replacement of the Project, or for any equipment that is used for purposes of the project but that does not constitute part of the Project.

Sum Insured

All Risks - The estimated reinstatement value of the Project

Excess

Not to exceed:

- (a) In respect of loss or damage due to earthquake 10% of the value at risk subject to a maximum of NIS 5,000,000.
- (b) <sup>6</sup>NIS 2,000,000 each and every Occurrence in respect of all other losses

**2.2 Loss of Profits**

Insured

- (1) The Concessionaire
- (2) The State
- (3) The Implementing Authority
- (4) Cross Israel Highways Ltd.
- (5) The Lenders

Each for their respective rights and interests

Interest

To indemnify the Insured for loss of revenue consequent on loss or damage which interrupts or interferes with the provision of the Operation and Maintenance of the Project and which is indemnifiable or would be indemnifiable but for the application of the excess under the All Risks Insurance specified in paragraph 2.1 above.

Sum Insured

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<sup>6</sup> Addendum no. 16

An amount equivalent to the anticipated revenue less variable expenses during the relevant indemnity period.

Indemnity Period

12 Months

Time Excess

Not to exceed 60 days per occurrence

Loss Limit per paragraph 2.1 and 2.2 above

No less than NIS 1,000,000,000 per occurrence and in aggregate (combined single limit including business interruption)

**2.3 Third Party Liability Insurance**

Insured

- (1) The Concessionaire
- (2) The State
- (3) The Implementing Authority
- (4) Cross Israel Highway Ltd.
- (5) The Lenders

each for their respective rights and interests, subject to a cross liability clause.

Interest

To indemnify the Insured in respect of all sums that may become legally liable to pay consequent upon death or personal injury to persons and loss or damage to property arising from or in connection with Project.

Limit of Indemnity

Not less than NIS 100,000,000 in respect of any one occurrence and in the aggregate

Excess

Not to exceed NIS 100,000 each occurrence

**2.4 Employers Liability Insurance**

Insured

- (1) The Concessionaire
- (2) All contractors and Sub-contractors of any the engaged in or carrying out Work on or about the Site each for their respective rights and interests.

#### Interest

To indemnify the Insured in respect of all sums that may become legally liable to pay consequent upon death or personal injury to an employed person.

#### Limit of Indemnity

Not less than NIS 40,000,000 in respect of any one occurrence and in aggregate during the Period of Insurance.

#### Excess

Not to exceed NIS 40,000 each occurrence

#### Special Extension

The insurance extends to include the State, the Implementing Authority, Cross Israel Highway Ltd. and the Lenders, in the event that the State, the Implementing Authority, Cross Israel Highway Ltd. or the Lenders be deemed to owe any employer's duty towards any person engaged in the Operation and Maintenance of the Project.

### **2.5 Product Liability Insurance and Professional Liability (Single Combined Policy)**

As set forth in 1.5 above.

## **3. General conditions**

### **3.1 Waiver of subrogation**

The Insurers will waive all rights of subrogation howsoever arising which they may have or acquire against any Insured described within the appropriate Schedules arising out of any occurrence in respect of which any claim is admitted and is insured hereunder for the benefit of such insured except in respect of any person having acted with malicious intent.

### **3.2 Cancellation notice (60 days)**

The Insurers shall promptly notify the Implementing Authority in writing in the event of any suspension or cancellation of insurance policies by the insurers or by the Insured or in the event of termination, expiry or lapse; and the cover provided by this policy shall continue in force and unaltered for at least 60 days after



written notice of such suspension, cancellation, termination, expiry or lapse is given to the State. Nothing in this clause shall give the insurers any right to suspend, cancel or terminate a policy which the insurers do not otherwise have under this Policy.

### **3.3 Primary Insurance Clause**

The insurance policies provide the primary cover for risks insured. In the event that any risk insured under the policies is also insured under any other policy of insurance affected by any insured, the insurers agree to indemnify the insured as if such other policy of insurance did not exist.

### **3.4 Premium Payment Clause**

The State, the Implementing Authority and the Lenders shall have no obligation of Premium payment under these Policies.

### **3.5 Loss Payee**

#### **3.5.1 Loss or Damage to the Project and Property All Risks Insurance**

The payment up to NIS 1,000,000 shall be made to the party entitled to indemnity but if:

- (a) The payment is equal to or exceeds NIS 1,000,000; or
- (b) Previous instruction so to do has been received from the State

Such payment shall be made directly to the proceed account.

#### **3.5.2 Third Party Liability Insurance**

All settlements of claims in respect of a third party liability shall be paid to person(s) entitled thereto except in the case where the insured has properly discharged its liability to such person(s) and the insurer(s) has received previous instructions from the State then such payments shall be made directly to the proceed account.

#### **3.5.3 Advanced loss of Profits and Loss of Profits**

All settlements of claims shall be paid in full to the Concessionaire or to its order without any deduction whatsoever other than the appropriate Policy excess or deductible (if any).