

Expression of Interest (EOI)
For
Comprehensive Insurance Product
For
Registered//Applying for Registration of Warehouses with WDRA

Warehousing Development and Regulatory Authority
Government of India
NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

December, 2024

**Warehousing Development and Regulatory Authority
Government of India**

NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

INVITATION FOR EXPRESSION OF INTEREST

Warehousing Development and Regulatory Authority (WDRA) invites sealed Expression of Interest (EOI) from General Insurance Companies for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA.

The EOI Document containing the details of Qualification criteria, submission requirement, brief objective & scope of work and evaluation criteria etc. can be downloaded from the website www.wdra.gov.in

Further details, if any, may be obtained from AD (SA&O), WDRA during working hours.

Last date for submission of EOI is 16.01.2025 up to 1700 hrs. Sealed envelope marked to the below address, containing EOI may be submitted mentioning "EOI for Comprehensive Insurance Product for the Warehouses/registered/applying for registration with WDRA" on the top of the cover:

The Under Secretary, (A&F)

Warehousing Development and Regulatory Authority, Government of India

NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

Applicants meeting the Qualification criteria may be invited for presentation / proposal before WDRA.

The Under Secretary, (A&F)

Warehousing Development & Regulatory Authority
NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

Note: WDRA or any of its designates reserves the right to cancel this request for EOI and/or invite afresh with or without amendments, without liability or any obligation for such request for EOI and without assigning any reason. Information provided at this stage is indicative and WDRA reserves the right to amend/add further details in the EOI.

Warehousing Development and Regulatory Authority
Government of India
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Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

LETTER OF INVITATION

No. T-30015/1/2021-Technical-Part(1)

Dated: 02.12.2024

Warehousing Development and Regulatory Authority (WDRA) invites sealed Expression of Interest (EOI) from General Insurance Companies for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA.

The EOI Document containing the details of Qualification criteria, submission requirement, brief objective & scope of work and method of evaluation etc. is enclosed.

The EOI Document is also available on the WDRA website www.wdra.gov.in.

Insurance Companies (IC) may submit their responses in sealed envelopes in prescribed format to the undersigned latest by 16.01.2025 up to 17:00 hrs. to the following address: -

The Under Secretary, (A&F)
Warehousing Development and Regulatory Authority
NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

Queries if any may be referred in writing to AD (SA&O) at the above mentioned address or at E-mail: - sai.pradeep@gov.in.

S. No.	Critical Dates	Date	Time
1.	Publishing Date (on WDRA's website)	02.12.2024	12:00 hrs.
2.	Pre-offer meeting Date	19.12.2024	11 :00 hrs.
3.	Offer Submission End Date	16.01.2025	17:00 hrs.
4	Offer Opening Date	17.01.2025	15:00 hrs.

Yours faithfully,

The Under Secretary, (A&F)

Encl.: EOI Document.

1. BACKGROUND: COMPREHENSIVE INSURANCE PRODUCT

1. The WDRA regulatory ecosystem mandates that a warehouseman shall have insurance coverage for the risks such as fire, flood, burglary, misappropriation, and riots and strikes, in the manner as may be specified by the Authority from time to time. If the warehouse is located in an area notified as a disturbed area by the Central Government or any other area specified by the Authority by guidelines, the applicant shall be required to have the insurance coverage against terrorism. The Authority may, by guidelines, specify additional requirements for insurance, including additional risks and the manner of coverage that a warehouseman may be required to take.
2. Accordingly, WDRA issued a circular no. WDRA/2015/1-2(12)/ Tech-II/ 615 dated 03.06.2022 on requirement of insurance from the applicants or warehouseman. (Same is enclosed for reference) A conventional warehouse needs to have insurance policies such as Standard Fire and Special Perils (SFSP) policy, Burglary Policy and Fidelity insurance policy. In case of cold storages, additional policies like Machine break down policy and Deterioration of stock policy are required to be submitted to WDRA.
3. In case of Standard Fire and Special Perils policy (SFSP), Add on cover for Terrorism shall be taken by the warehouseman for those areas which are notified under the Armed Forces (Special Powers) Act, 1958 (AFSPA).
4. WDRA registers warehouses having adequate infrastructure and financial capabilities for promoting scientific storage of the goods. Standard operating procedures of WDRA helps in reducing risk incidences in registered warehouses. A list of requirements for registration of warehouses is placed in Annexure-I.
5. WDRA requires a single Comprehensive Insurance Product encompassing all the requirements mentioned above at a competitive price which can be recommended to all the Warehouse/s registered/applying for registration with WDRA.

2. AIMS & OBJECTIVES:

The objective of the EOI is to create a single Comprehensive Insurance Product to ease the process of insurance policy procurement and to reduce the premium to be paid by Warehouseman. It also aims to ensure verification of Insurance Policies issued by the General Insurance companies through QR code or other IT tools.

3. VENUE & DEADLINE FOR SUBMISSION OF PROPOSAL

3.1 The proposal, in its complete form in all respects as specified in the EOI, must be submitted to WDRA at the address specified herein earlier. In exceptional circumstances and at its discretion, WDRA may extend the deadline for submission of proposals in which case all rights and obligations of WDRA and the Interested Party previously subject to the original deadline will thereafter be subject to the deadline as extended.

3.2 Submission of proposal: The application in Format-1 shall be submitted in a SEALED ENVELOPE super scribing "EOI for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA". The application shall include all documents in support of the qualification of the insurance company and their financial offer.

3.3 The financial offer in Format-3 should be submitted in a sealed cover super scribing “Financial offer for EOI for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA”.

4.0 VALIDITY OF OFFER:

The offer for EOI as per this document shall be valid for a period of two (2) years initially which may be extended further if required by WDRA.

5.0 TERMS OF REFERENCE

The detailed terms of reference are enclosed at **Annexure-II**.

6.0 INSTRUCTIONS TO THE INSURANCE COMPANIES

6.1 EOI Documents have been hosted on the website www.wdra.gov.in and may be downloaded from the website.

The Insurance Companies are expected to examine all instructions, forms, terms and other details in the EOI document carefully. Failure to furnish complete information as mentioned in the EOI document or submission of a proposal not substantially responsive to the EOI documents in every respect will be at the IC’s risk and may result in rejection of the proposal.

7. QUALIFICATION CRITERIA:

Qualified Insurance Company (IC) should possess all the following Qualification criteria. Responses not meeting the following Qualification criteria will be rejected and will not be evaluated.

S. No.	Qualification Criteria	Supporting document	Compliance
1.	The applicant shall be registered with Insurance Regulatory & Development Authority of India (IRDAI).	Any document supporting proof of registration with IRDAI.	
2.	The Insurance Companies (IC) should be in the business of providing similar services for at least 01 year.	Submission of relevant document in support of Experience certificate.	
3.	The Insurance Companies (IC) should not be blacklisted by any Central Govt. / State Govt. / PSU/Govt. Bodies	Self-declaration in support of that.	

8. EVALUATION CRITERIA AND METHOD OF EVALUATION:

- a. Screening of EOIs shall be carried out as per qualification conditions mentioned in this document and based on verification of testimonials submitted.
- b. All Insurance Companies (IC) must submit their financial offer in prescribed format in separate envelope super scribed as “**Financial offer for EOI for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA**”.
- c. The proposal shall be evaluated at two stages i.e. qualification and financial evaluation.
- d. Financial proposal will be opened only for qualifying insurance companies.
- e. Total cost for Rs.... /Rs. 1000 of sum insured will be considered.

9. CONFLICT OF INTEREST:

9.1 Where there is any indication that a conflict of interest exists or may arise, it shall be the responsibility of the Insurance Companies (IC) to inform WDRA, detailing the conflict in writing as an attachment to this offer.

9.2 WDRA will be the final arbiter in cases of potential conflicts of interest. Failure to notify WDRA of any potential conflict of interest will invalidate any verbal or written agreement.

10. CONDITION UNDER WHICH EOI IS ISSUED:

The EOI is not an offer and is issued with no commitment. WDRA reserves the right to withdraw EOI and or vary any part thereof at any stage. WDRA further reserves the right to disqualify any proposal, should it be so necessary at any stage.

11.0 LAST DATE OF SUBMISSION OF EOI:

The last date of submission of EOI is 16.01.2025 (17:00 Hrs.)

12.0 FORMATS FOR SUBMISSION:

FORMAT – 1

APPLICANT'S EXPRESSION OF INTEREST

To,

The Under Secretary, (A&F)
Warehousing Development and Regulatory Authority, Government of India
NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

Sub: Submission of Expression of Interest for Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA.

Dear

In response to the Invitation for Expressions of Interest (EOI) published on for the above purpose, we would like to express our interest to carry out the above proposed task. As instructed, we attach the following documents and financial offer in separately sealed envelopes:

1. Organizational Details (Format-2)
2. Declaration (Format-4)
3. Power of Attorney in favour of Authorized Signatory with long and short signatures of Authorized person.
4. Financial offer (Format-3) in separate sealed envelope

Sincerely Yours,

Signature of the applicant

[Full name of applicant]

Stamp.....

Date:

Encl.: As above.

Note: This is to be furnished on the letter head of the organization.

FORMAT – 2

S. No	ORGANIZATIONAL CONTACT DETAILS	
1.	Name of Organization	
2.	Type of Organization Firm/ Company/ partnership firm registered under the Indian Companies Act, 1956/ the partnership Act, 1932	
3.	Whether the firm has been blacklisted by any Central Govt. / State Govt./PSU/ Govt. Bodies / Autonomous? If yes, details thereof.	
4.	Address of registered office with telephone no. & fax	
5.	Authorized Person with telephone no. & e-mail ID	
6.	The Insurance Company (IC) should be in the business of providing similar services for at least 01 year.	

Enclose: -

1. Any document supporting proof of registration with IRDAI
2. Any document supporting proof in respect of 2 and 6 above
3. Undertaking in respect of 3 above.

Signature of the applicant

Full name of the applicant

Stamp & Date

FORMAT-3

FINANCIAL OFFER

Sr. No.	Coverage Included	Rate (in Rupees)
1.	With Terrorism coverage	
	(a) Conventional Warehouse	
	(b) Cold Storage/ Cold Chambers/ Controlled Atmosphere Chambers	
2.	Without Terrorism coverage-	
	(a) Conventional Warehouse	
	(b) Cold Storage/ Cold Chambers/ Controlled Atmosphere Chambers	
	Total Quoted Rate :-Rs...../1000 of the sum insured (1a + 1b+2a+2b)	

Signature of the applicant

Full name of applicant

Stamp & Date

FORMAT -4

DECLARATION

We hereby confirm that we are interested in competing for providing Comprehensive Insurance Product for the Warehouse/s registered/applying for registration with WDRA.

All the information provided herewith is genuine and accurate.

Authorized Person's Signature.

Name and Designation:

Date of Signature:

Note: The declaration is to be furnished on the letter head of the organization.

ANNEXURE-I

Requirements for registration of warehouse: The requirements for registration of warehouses under the new registration rules are broadly as follows:

- ✓ The warehouse should be constructed as per Bureau of Indian Standards (BIS)/FCI/CWC specifications and storage worthy. In case of cold storages, the norms prescribed by NHB/ NHM/ SHM/ NCCD/MoFPI/APEDA/State Governments shall be followed.
- ✓ The applicant should be a fit and proper person.
- ✓ The warehouse should have adequate security arrangements.
- ✓ The warehouse should have adequate trained staff with expertise for the scientific storage of goods.
- ✓ The warehouse should have requisite equipment for weighment and insect/pest management.
- ✓ The warehouse should have adequate insurance of the stocks against fire, flood, theft, burglary, misappropriation, riots, strikes or terrorism.
- ✓ The warehouse should have requisite net worth as provided under rules.
- ✓ The warehouseman shall be compliant to local laws for carrying out the business of warehousing.
- ✓ The warehouse should follow a Standard Operating Procedure for various warehouse operations as prescribed by the Authority.
- ✓ The warehouseman should furnish application fee and security deposit as specified by the Authority under the rules/guidelines.

**APPRAISAL COMPREHENSIVE INSURANCE PRODUCT FOR THE
WAREHOUSES REGISTERED WITH WDRA.**

TERMS OF REFERENCE

1. BACKGROUND

- a) The WDRA regulatory ecosystem mandates that a warehouseman shall have insurance coverage for the risks such as fire, flood, burglary, misappropriation, and riots and strikes, in the manner as may be specified by the Authority from time to time. If the warehouse is located in an area notified as a disturbed area by the Central Government or any other area specified by the Authority by guidelines, the applicant shall be required to have the insurance coverage against terrorism. The Authority may, by guidelines, specify additional requirements for insurance, including additional risks and the manner of coverage that a warehouseman may be required to take.
- b) Accordingly, WDRA issued a circular on requirement of insurance from the applicants or warehouseman. A conventional warehouse needs to have insurance policies such as Standard Fire and Special Perils (SFSP) policy, Burglary Policy and Fidelity insurance policy. In case of cold storages, additional policies like Machine break down policy and Deterioration of stock policy to be submitted to WDRA.
- c) WDRA registers warehouses having adequate infrastructure and financial capabilities for promoting scientific storage of the goods. Standard operating procedures of WDRA helps in reducing risk incidences in registered warehouses. A list of requirements for registration of warehouses is placed in Annexure
- d) WDRA requires a single Comprehensive Insurance Product encompassing all the requirements mentioned above at a competitive price which can be recommended to all the WDRA registered//applying for registration of warehouses.
- e) Total capacity of registered warehouses with WDRA is 50,811,897 MTs (as on 15-11-2024).
- f) As per the secondary data collected from various sources, the current capacity of the organized warehouses operated by the public agencies, cooperatives and private sector is about 201.36 MMT

2. OBJECTIVES

The objective of the EOI is to create a single Comprehensive Insurance Product to ease the process of insurance policy procurement and to reduce the premium to be paid by Warehouseman/applicants. It also aims in verification of Insurance Policies issued by the General Insurance companies through QR code or other IT tools.

3. TERMS OF REFERENCE

The terms of reference of the EoI are

- a) Creation of a comprehensive insurance product for the warehouse/s registered/applying for registration with WDRA.
- b) Provision of riders to cover perils associated to cold storages like Machine break down, deterioration of stock, etc.
- c) Provision of rider to cover terrorism peril to all kinds of warehouses
- d) Issuance of policies with QR code
- e) Provision of a mechanism for online verification of the policies issued by the insurer.
- f) Issuing Insurance Policies Covering perils mentioned in the Insurance circulars issued by WDRA from time to time



भांडागारणविकासऔरविनियामकप्राधिकरण

भारतसरकार



एनसीयूआईभवन, चौथीमंजिल, 3, सीरीइंस्टीट्यूशनलएरिया, अगस्तक्रान्तिमार्ग,
हौज़खास, नईदिल्ली - 110016, दूरभाष: - 49536496, 49092978

**Warehousing Development and Regulatory Authority
Government of India**

NCUI Building, 4th Floor, 3, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi - 110016, Tel. No. 49536496, 49092978

F. No. WDRA/2015/1-2(12)/Tech- II/615

Dated: 03.06.2022

Circular No.: 02/Tech.II/2022

Subject: Insurance policies to be taken by the applicant/warehouseman for the purpose of registration / renewal of registration of warehouse (s)- regarding.

1. Section 11(1) (k) of the Warehousing (Development and Regulation) Act, 2007, and Regulation 4 (5) of the Warehousing Development and Regulatory Authority (Negotiable Warehouse Receipts) Regulations, 2017 provide that electronic Negotiable Warehouse Receipts/ electronic Non-Negotiable Warehouse Receipts (eNWRs/eNNWRs) should have name of the insurance company indemnifying for fire, floods, theft, burglary, misappropriation, riots, strikes or terrorism.
2. Section 17 of the Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 provides that no registration / renewal of registration of warehouse (s) shall be issued unless the warehouse is adequately insured as per the requirement of the Authority. The insurance coverage of the applicant or warehouseman with respect to the goods deposited in the warehouse(s), must be against at least:
 - (a) fire,
 - (b) flood,
 - (c) burglary,
 - (d) misappropriation and
 - (e) Riots and strikes
3. The underlying principle of the provisions specified under para 1 above is to protect the integrity of e- NWRs/eNNWRs being issued by the registered warehouses against the deposit of goods (both agri and non-agri) in the warehouses.

4. Since Warehousing (Development and Regulation) Registration of Warehouses Rules, 2017 do not mandate building insurance, it has been decided by the Authority that building insurance shall not be mandatory for Registration/Renewal of registration of warehouses. A number of representations have also been received from the applicants of WDRA registration and also the registered warehousemen that the insurance requirements under earlier circular was putting undue financial pressure on them, as they were required to insure the entire capacity while the stock covered under eNWR/eNNWR might not be to that extent. The IRDAI has also introduced new types of policies for small and medium enterprises.
5. Therefore, in supersession of earlier insurance norms circulated by the WDRA vide its Circular No. 01/Tech. II/2017 dated 27.04.2017, the following insurance policies will need to be taken by the applicants/ warehousemen with respect to the goods stored/ proposed to be stored in the warehouse(s) for the purpose of registration of warehouse(s):

5.1 Standard Fire and Special Perils (SFSP) Policy

5.1.1 Considering feedback received from different stakeholders and with a view to reduce the stress on the applicants for WDRA registration and the registered warehousemen, the insurance requirements have been given a relook to rationalize the same. Efforts have also been made to give an option to the applicants to decide about the quantum of Insurance coverage to be taken by them depending on the value of WDRA notified goods to be stored in the warehouse(s).

5.1.2 As per recent IRDAI guidelines, following three types of Policies are available for covering the risks arising out of Fire and Special Perils :

Sl. No.	Amount of Sum Insured	Type of Policy
1.	Sum Insured Upto Rs.5.00 Crores	Bharat Sookshma Udyam Suraksha
2.	Sum Insured exceeding Rs.5.00 Crores but upto Rs.50.00 Crores	Bharat Laghu Udyam Suraksha
3.	Sum Insured exceeding Rs.50.00 Crores	Standard Fire and Special Perils with specified add-on covers as per existing practice.

Details of these policies may be obtained from concerned insurance companies as per the existing provision.

5.1.3 The applicant is required to take any of the above three policies based on the sum insured opted as applicable i.e. Bharat Sookshma Udyam Suraksha Policy, Bharat Laghu Udyam Suraksha Policy or Standard Fire and Special Perils Policy with specified Add-on covers as per existing practice. Whatever Policy the applicant/warehouseman takes depending on the value of sum insured under the Policy, following two options shall be available subject to his choice/feasibility:-



- (a) Insurance based on self-declaration. OR
- (b) Insurance on full capacity of the warehouse.

5.1.3.1 Insurance on self-declaration basis

In order to facilitate the Warehouseman, option of taking insurance on the basis of self-declared value of stock has also been provided. In this case, sum Insured may be based on expected highest value of the commodities to be stored in any of the first six months from the date of registration, as declared by the applicant. However, the declared value must not be less than Rs. 1,00,000/- (One Lakh) in any case. The policy taken as above on self-declaration basis may be either a Declaration Policy or a Non declaration policy as permitted in the insurance policy.

5.1.3.2 Insurance taken on full capacity basis

A warehouseman may opt for insurance policy on the basis of full capacity of the warehouse instead of taking insurance policy on the basis of self-declaration (Para 5.1.3.1).

For Insurance to be taken on Full Capacity Basis, either Declaration Policy or Non-declaration Policy may be taken as described below:-

(a) Declaration Policy

The applicant/warehouseman may opt for a declaration policy as per the schemes available with the insurance companies. In case of a declaration policy, the average value of the commodities, including Non Agri commodities if applicable, will be taken as declared by the warehouseman, but not less than Rs 20,000/- per ton in any case and the average capacity utilization will be taken as 60% of the full capacity. Since the warehouseman is mandated to declare the actual value of stocks every month to the insurance company, the higher and lower variations in value will automatically be taken care of.

The minimum sum insured for declaration policy under SFSP in case of one or more locations shall be as permitted by the insurance company

It will be mandatory as per Declaration Policy to declare the correct value of stock to the insurance company as required in the policy. Any loss caused to the depositor due to misdeclaration shall be made good by the warehouseman.

(b) Non-declaration Policy

In case the applicant/warehouseman opts for a non-declaration policy, the average value of the stocks will be taken as Rs. 20,000/- per ton only if the warehouse is storing / proposing to store **wheat, rice / paddy, barley, oat, maize, sorghum and millets**. In case of other commodities (including Non Agri commodities, as applicable), the value of the stock will be calculated on the basis of average market price of the commodities stored / to be stored. In all cases of non-declaration policy taken on Full capacity basis, the sum insured will be calculated on the basis of full (100%) utilization of the capacity.

5.1.3.3 General considerations under Insurance Policy

- a) There will be no separate stipulation for new warehouses. Warehouseman will have the options to choose Insurance either on the basis of Self Declaration (Para 5.1.3.1) or on the basis of full capacity (Para 5.1.3.2). The type of policy required will depend on the value of insurance as explained in Para 5.1.2.
- b) For warehousemen operating more than one warehouse at different locations within the geographical limits of India, stocks can also be insured on Floater Basis under one single Sum Insured. The warehouseman will have to declare the location of all godowns with complete address and description of commodities intended to be stored therein as these details will be incorporated in the policy by the insurers. There is no need to declare location wise sum insured.
- c) In case of Bharat Sookshma Udyam Suraksha Policy and Bharat Laghu Udyam Suraksha Policy, "Act of Terrorism" is available as an in built cover. However, this aspect should be checked by the Warehouseman from the Insurance Company while taking the policy.

However, In case of Standard Fire and Special Perils Policy (SFSP), Add on cover for Terrorism shall be taken by the warehouseman for those areas which are notified under the Armed Forces (Special Powers) Act, 1958 (AFSPA).

5.2 Burglary Policy

The requirement of Burglary Insurance Policy shall be as follows:

SI. No.	Particulars of Sum Insured Under SFSP	Required Sum Insured under Burglary Policy
1.	Upto Rs. 10 Crores	20% of SI under SFSP
2.	More than Rs. 10 Crores upto Rs. 50 Crores	Rs. 2.0 Crore + 10% of value exceeding Rs. 10 Crores under SFSP
3.	More than Rs. 50 Crores upto Rs. 100 Crores	Rs. 6.0 Crore +5% of value exceeding Rs. 50 Crores under SFSP
4.	More than Rs.100 Crores upto Rs. 200 Crores	Rs. 8.5 Crore + 0.25% of value exceeding Rs. 100 Crores under SFSP
5.	Above Rs 200 Crores	Rs. 8.75 Crore + 0.15 % of value exceeding Rs. 200 Crores under SFSP subject to a cap of Rs. 15 Crores for sum insured under Burglary Policy

5.3 Fidelity Guarantee Insurance Policy

The requirement of Fidelity Guarantee Insurance Policy shall be as under:

SI. No.	Value of Sum Insured in SFSP Policy	Requirement of Sum Insured
1.	For warehouse(s) including companies etc. having sum insured under SFSP Policy upto Rs. 100 Crores	10% of the sum insured in SFSP Policy

2.	For warehouse(s) including companies etc. having sum insured under SFSP Policy above Rs. 100 Crores	Rs.10 Crores + 7.50% of value exceeding Rs. 100 Crores with an upper cap of Rs. 25 Crores in case of Non-agri or combined (Non-agri and Agri both) commodities and Rs. 20 Crores in case of Agri commodities.
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If multiple SFSP Policies are taken, sum total of sum insured of all SFSP Policies shall be taken to work out the requirement of Fidelity Guarantee Policy for the warehouse(s).

The applicant/ warehouseman may take a collective Fidelity Guarantee Insurance policy mentioning the names of the individual employees in all the warehouses covered under the policy or a Position Policy in which the positions in the warehouses are included. Further, the collective Fidelity Guarantee Policy where only the number of employees is mentioned will also be accepted by the Authority.

6. Additional Cover in case of Cold Storages

In addition to above three policies mentioned under para 5.1, 5.2 and 5.3, additional cover shall also be taken by the warehouseman for the following perils: -

6.1 If sum insured is above Rs. 50 crores

In addition to Standard Fire and Special Perils Policy, **Add on cover** for deterioration of stocks due to failure of electricity supply and damage to the plant and machinery caused by the fire and other perils shall be taken by warehouseman.

6.2 If sum insured is up to 50 crores

Currently the above two add on covers as at para 6.1 are not available in Sookshma/Laghu Udyam Suraksha Policy. In case IRDAI introduces add on cover for deterioration of stocks due to failure of electricity supply and damage to the plant and machinery caused by the fire and other perils and Insurance companies provide such a cover the same shall be adopted.

Till the above provision is available, in addition to Bharat Sookshma Udyam Suraksha Policy or Bharat Laghu Udyam Suraksha policy (as applicable), warehouseman will have to take the following policies also:-

(a) Deterioration of Stocks (DOS) Policy, and

(b) Machinery Breakdown for Cold Storage Policy

6.3. Some of the important conditions of the DOS policy are as under: -

6.3.1 Deterioration of the stocks due to any unforeseen and sudden physical loss of or damage to the machinery specified in the list of machinery attached to the questionnaire and proposal of this policy.

6.3.2 Specified machinery as included in the schedule of the DOS policy must be insured under a separate **Machinery Breakdown Policy** which should be in force at the time of loss and such loss to machinery must be indemnifiable under the Machinery Breakdown Policy.



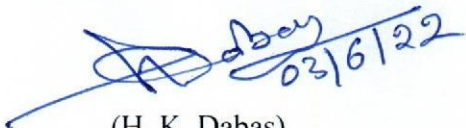
Hence, along with the DOS Policy, **Machinery Breakdown (MBD) Policy** for cold storage machinery will also be required to be taken since one of the most important conditions for admission of claim under the DOS policy is that the Specified machinery as included in the schedule of the DOS policy must be insured under a separate **Machinery Breakdown Policy** which should be in force at the time of loss and such loss to machinery must be indemnifiable under the Machinery Breakdown Policy.

The above cold storage add on cover in case of SFSP Policy or additional Policies for Deterioration of Stocks and Machinery Breakdown for cold storage machineries will be required to be taken by all the new applicants. All those registered cold storages covered under the Bharat Sookshma Udyam Suraksha or Bharat Laghu Udyam Suraksha policies and registered based on an undertaking to take the above policies whenever available, will now have to take the two policies as at para 6.2 within one month of the notification of this circular. All other cold storages already registered and have taken additional Insurance Policies for Cold Stores as per the circular No 01/TechII/2017 dated 27/04/2017 will take the additional covers/policies as specified at para 6.1. and 6.2 (as applicable) as and when renewal of previous policies is due.

7. It may also be noted that a check on adequacy of the insurance policy shall be exercised during issue of eNWRs/eNNWRs as under:
 - 7.1 For all the insurance policies, whether based on self-declaration value (Para 5.1.3.1) or based on capacity (para 5.1.3.2), a check on the availability of adequacy of insurance value to cover the value of e-NWR/e-NNWR will be introduced. e-NWR/e-NNWR will only be issued if there is adequate insurance cover available for the warehouse from which e-NWR/e-NNWR is being issued to cover the e-NWR/e-NNWR under issue. If adequate insurance cover is not available for the particular warehouse, then an error message will be displayed to the warehouseman about the inadequacy of insurance.
 - 7.2 The warehouseman should check the adequacy of available insurance policies and keep upgrading the value of insurance regularly so that the e-NWR/e-NNWR could be smoothly issued. The system will debar issue of e-NWR if the insurance policy is exhausted upto a limit of 90% of the value to take care of any fluctuations in prices of the commodities.
 - 7.3 When the value of the insurance cover is exhausted upto 75% of the value of balance of e-NWRs/e-NNWRs, a warning message will be sent to the warehouseman.
 - 7.4 The warehouseman is also expected to keep the policies renewed and updated on the WDRA system well in advance to avoid suspension and inactivation of the warehouse and further disruption on issue and transactions against e-NWR/e-NNWRs.
 - 7.5 In case the value of insurance taken by the warehouseman is less than the actual stock in the warehouse, then warehouseman shall be held responsible and any loss to the depositors and the same shall be recoverable from the warehouseman.
8. The applicant shall also have the option of uploading the insurance policies either at the time of warehouseman registration or just before registration of the warehouse at the time of Security Deposit submission.



9. The warehouseman is required to take the insurance cover as above. The WDRA will **not** entertain the registration of warehouses under the Self Insurance or Corpus Fund.
10. Only those insurance policies issued by IRDAI registered Indian Insurance Companies shall be accepted by the Authority.


(H. K. Dabas)
Under Secretary (Tech)

Distribution:

- i. MD, CWC
- ii. MDs, All SWCs
- iii. All WSPs
- iv. All registered Private Warehouses
- v. All registered PACS warehouses
- vi. Inspection Agencies as per the list.
- vii. Guard File.

Copy to:

- i. PPS to Chairman, WDRA
- ii. PS to Member 1, WDRA
- iii. PS to Member 2, WDRA
- iv. All officers in WDRA
- v. Dy. Director (IT), WDRA- with request to put a copy of the circular on the website of the WDRA.