

PROCUREMENT POLICY OFFICE

Directive No. 56

(Issued Pursuant to Section 7 (b) of the Public Procurement Act 2006)

Third Party Liability on Contractor All Risks (CAR) Insurance Policy

This Office has been informed about difficulties being faced by successful bidders to acquire a Third-Party Liability CAR Insurance Policy for an uncapped amount, as stipulated in some bidding documents, owing to the unwillingness of Insurance Companies to provide such coverage.

2. The purpose of this Directive is to provide for an interim measure pending a review exercise on the matter. It has been decided that for projects already awarded but for which the provision of Insurance policies by contractors is outstanding, to fix the ceiling for the Third Party Liability CAR Insurance Policy to a minimum amount of Rs 100 million, subject to a provision that this amount may be reviewed during the contract period, but will in any case be for a fixed amount.
3. Paragraph 2 shall also apply to bidding documents not yet awarded, containing uncapped Third Party Liability CAR Insurance policy.
4. This Directive takes immediate effect.

**Procurement Policy Office
28 July 2021**