

THE INSURANCE ASSOCIATION OF PAKISTAN

17th February 2021

COTTON GINNING & PRESSING FACTORIES (CGPF) WARRANTIES

1. SITE PREPARATION

Warranted that the following arrangements have been made prior to commencement of the factory operations and shall be maintained throughout the season:

- a) Bushes/weeds, hay, fodder, grass, bhoosa (chaff) or stocks of any kind whatsoever shall be removed from the factory premises or relocated at least 50 feet away from any of the insured assets.

Electrical wiring should run through properly insulated conduits; electrical panels shall be properly covered and open lights shall be properly shaded.

2. BUILDINGS

All buildings within the factory premises including sheds shall comply with the following:

Warranted that no ginned cotton and/or unginned cotton and/or cotton in fully pressed iron bound bales (FPIB) and/or any other hazardous goods be stored in the open within 30 feet of the said building/s or shed/s.

Warranted that storage of mill's daily production (fully pressed iron bound bales) on the platform proximate to the processing section should not exceed 24 hours production. Hence this warranty with respect to bales at the processing section will not be applicable at the platform beyond the said (24 hours) period. This provision is subject to availability of staff trained for firefighting, along with the requisite number/types of fire extinguishers/trolleys at all times around the platform.

FPIB bales/phutti storage shall in no case be within 30 feet from the daily production platform.

3. STOCK OF PHUTTI (UNGINNED COTTON)

Warranted that any one heap of phutti shall not exceed 5,000 maunds and each heap shall be separated by properly demarcated firebreaks of not less than 20 feet from all the sides. However, in no case shall these be stacked at a distance of less than 30 feet from the processing section and/or godowns/sheds.

4. FULLY PRESSED IRON BOUND BALES (FPIB)

Warranted that during currency of this policy:

- a) Not more than 1000 FPIB (fully pressed iron bound) cotton bales of cotton shall be stored in any single stack (1000 bales).

- b) Each stack of FPIB bales to be separated by properly demarcated firebreaks of not less than 20 feet clear distance all around. However, in no case shall these be stacked at a distance of less than 30 feet from the processing section and/or godowns/sheds.
- c) The maximum height of each stack not to exceed 6 bales.
- d) The number of FPIB cotton bales in open at any one location in the mills premises shall not exceed 5000 bales (Group). The next group of bales shall be kept at a minimum distance of 100 feet from the first group of 5000 bales.

5. COTTON BALE PACKING

Warranted that each of the FPIB (fully pressed iron bound) cotton bales shall be:

- a) compressed to a minimum of 360 kg/m³ with a weight of 170 kg and volume 1.09*0.606*0.45m³. In case the bale weight is lower than 170 kg, the bale compression shall be maintained at a minimum of 360kg/m³.
- b) covered from all 6 sides with serviceable and un-torn hessian or cloth.
- c) bounded by 8 rounds of hot rolled new steel hoops having 12 (2.75mm) gauge or better.
- d) Cotton bales not complying with the above specifications must be stored separately at a minimum distance of 50 feet from the insured buildings/stock.

6. COMPULSORY FIREFIGHTING FACILITIES

Warranted that the following minimum firefighting facilities shall be made available in operating condition prior to commencement of the factory operations and shall be maintained throughout the season:

- a) A dedicated water reservoir for firefighting of minimum 25,000-gallons capacity, kept full all the time.
- b) A diesel operated engine of 20 hp, coupled with a fire pump of minimum 250 gpm (gallons per minutes) capacity shall be installed at the said water reservoir.
- c) A minimum of 8 hydrant points, with at least 4 hose pipes of heat resistant material (rubber hose pipes are not acceptable) shall be kept available. Two of them shall have a length of at least 100 feet each. Nozzles and connectors to be secured in wooden/glass fitted metallic cabinets close to the hydrant points.
- d) A minimum of 15 fire extinguishers of appropriate type shall be spread across the processing section, opener area and electrical panels. The Fire extinguishers shall be installed at a height not more than 5 feet from the ground for easy accessibility.

7. SPARK ARRESTERS

Warranted that during the currency of the policy, spark arresters shall be mounted/fixed on exhausts of all incoming vehicles prior to entry into the mills.

8. SMOKING PROHIBITION

Warranted that smoking shall be strictly prohibited throughout the premises except for the area specifically marked as 'Smoking Zone'.

9. COOKING/HEATING

Warranted that open flame for cooking/heating shall be strictly prohibited within the process and storage areas. Cooking shall be permitted in specified areas only (enclosed premises or at least 50 feet away from the insured assets, in case of open areas).

10. STOCK UNDER POWER TRANSMISSION LINES

Warranted that storage of any stock as FPIB bales or ginned/unginned cotton is strictly prohibited under any overhead HT power transmission line passing in the open compound.

11. DEDUCTIBLE

The following deductible will be applied in case of non-compliance of the above warranties:

10% on the assessed loss amount, each and every loss, in case of breach of each single warranty; subject to a maximum of 25% of the assessed loss amount each and every loss.