

FORMAT OF INSURANCE SURETY BOND FOR PERFORMANCE SECURITY

Ref: No.....

Insurance Surety Bond No.....

Dated.....

To,

Executive Engineer,
Minor Irrigation & Ground water Development
_____Division

Dear Sir,

1. In consideration of EE, _____Division, _____(place) on behalf of GOK, (here in after referred to as “**Employer**” which expression shall unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) having awarded a contract by issue of Employer’s Letter of Acceptance No. _____dated _____to M/S..... (name of contractor/company)having its registered /head office at (hereinafter referred to as the “**contractor**” which expression shall unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) and the same having been acknowledged by the contractor for Rs _____(contract amount) (_____in words) for the work of _____(name of work) , and the contractor having agreed to provide a Performance Security (**Unconditional Irrevocable Insurance Surety Bond**) equivalent to Rs _____(in words _____) for the faithful performance of the entire contract.
2. We (name of **Insurance Company**) _____ registered under the laws of India having Head/Registered office at _____ and registered with **Insurance Regulatory and Development Authority of India (IRDAI)** (hereinafter referred to as “**the Insurer**” which expression shall unless repugnant to the context or meaning thereof, include all its successors, administrators executors and permitted assignees) do hereby guarantee and undertake to pay immediately on the first demand in writing (**through email or registered post or speed post or courier**) any / all money to the extent of Indian Rs (in figures) _____ (Indian Rupees (in words)..... without any demur, reservation , contest and/or without any reference to the Contractor and without your needing to prove or to show grounds or reasons for your demand for the sums specified there in . Any such demand made by Employer on the **Insurer** by serving a written notice shall be conclusive and binding notwithstanding any difference between the Employer and

the contractor or any dispute pending before the court ,Tribunal, Arbitrator or any other authority. We agree that the guarantee (**Insurance Surety**) herein contained shall be **unconditional and irrevocable** and shall continue to be enforceable until it is discharged by employer in writing. This guarantee (Insurance Surety) shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the **Insurer**.

3. The **Insurer** also agrees that Employer at its option shall be entitled to enforce this Guarantee (**Unconditional Insurance Surety Bond**) against the **Insurer** in the first instance, without proceeding against the contractor and not withstanding any surety or other guarantee that employer may have in relation to the Contractor's liabilities.
4. The **Insurer** further agrees that Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the said Contractor from time to time or to postpone for any time or from time to time exercise of any of the powers vested in Employer against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or any forbearance, act or omission on the part of employer or any indulgence by Employer to the said Contractor(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so relieving the Insurer.
5. This **Insurance surety bond** shall not be discharged by any change in our constitution, in the constitution of employer or that of the contractor.
6. The **Insurer** confirms that this guarantee has been issued with observance of appropriate laws of the country of issue i.e.India and as per applicable rules and regulations of Insurance Regulatory and Development Authority of India(IRDAI)
7. The **Insurer** also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the notice inviting tender is issued.
8. Notwithstanding anything herein above, our liability under this Insurance Surety Bond is limited to Indian Rs (in figures)(Indian Rupees (in words)..... Only) and our guarantee shall remain in force until 30 days from the date of expiry of Defect Liability Period.

9. The Insurer hereby agrees to waive rights of subrogation against employer and its respective directors, officers, agents, representatives and employees. This extension is not applicable for subrogation rights against any third parties other than mentioned above.

In witness whereof, the Insurer, through its authorised officer, has set its hand and stamp on thisday of at

(Signature) _____

(Full name) _____

(Designation) _____

Address _____

Date: _____

Note:

- 1) This **Insurance surety Bond**/ all further communications relating to **the Insurance Surety Bond** should be forwarded to Executive Engineer, Minor Irrigation & GWD,
(insert the address of the tender inviting work centre) only.
- 2) Insurance surety Bond should be executed on appropriate stamp paper of requisite value.
- 3) The Issuing Insurance Company shall write the name of Insurance company's controlling Branch/Head office along with contact details like telephone no., e-mail id and full correspondence address in order to get the confirmation of Insurance Surety Bond from that Branch/Head office, if so required.