

**CONTRACTORS' PLANT & MACHINERY INSURANCE POLICY- RETAIL**

**ADD ON WORDINGS**

**1. ESCALATION CLAUSE –**

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s) the Sum(s) Insured thereby shall, during the period of Insurance, be increased each day by an amount representing 1/365<sup>th</sup> of the specified percentage increase per annum.

Item Number	Specified Percentage Increase per annum

Unless specifically agreed to the contrary the provisions of the Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each Renewal Date the Insured shall notify the Insurers:-

(i) the Sums to be Insured under each item above, but in the absence of such instructions the Sums Insured by the above items shall be those stated on the policy (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the period of Insurance upto that renewal date, and

(ii) the specified percentage increase(s) required for the forthcoming period of Insurance, but in the absence of instructions to the contrary prior to the renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the policy in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

UIN: IRDAN134RP0023V01202223/A0197V01202223

## 2. Express freight (air freight excluded)

Attached to and forming part of the Policy No. \_\_\_\_\_

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for express freight (excluding air freight).

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

If the sum(s) insured of the damaged item(s) is/are less than the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion. Extra Premium Rs. \_\_\_\_\_

UIN: IRDAN134RP0023V01202223/A0198V01202223

## 3. AIR FREIGHT –

Attached to and forming part of the Policy No. \_\_\_\_\_

It is hereby declared and agreed that the Policy shall also indemnify towards Air Freight incurred by the Insured in connection with the indemnifiable loss under the Policy.

In consideration thereof an additional premium of Rs. \_\_\_\_\_ is charged hereby

Limit of indemnity shall be Rs. \_\_\_\_\_ during currency of the Policy.

Each and every claim shall be subject to a minimum Excess of 5 % of the admissible Air Freight incurred over and above the excess as applicable under the policy.

Subject otherwise to terms, conditions and exceptions of the Policy.

UIN: IRDAN134RP0023V01202223/A0199V01202223

## 4. OWNERS SURROUNDING PROPERTY –

Attached to and forming part of the Policy No. \_\_\_\_\_

In consideration of insured having paid extra premium amounting to Rs. \_\_\_\_\_ it is hereby agreed and declared, subject to otherwise terms and conditions of the Policy, that this insurance by within policy is extended to cover loss or damage to property located at or adjacent to the site and belonging to or held in care, custody, control

of the principal(s) or the contractor(s) if occurring directly due to damage of items mentioned in the schedule while at rest or in use for construction or erection during period of policy.

The Company will pay to the insured the value of the damaged property at the time of accident or at its option reinstate or replace such damaged property or any part thereof provided that -

The liability of the Company shall in no case exceed Rs.\_\_\_\_ for any one accident or series of accidents arising out of any one event and in the whole the total indemnity of Rs.\_\_\_\_ during the currency of the Policy.

The insured shall bear the same excess as mentioned in the schedule of the policy.

In respect of loss or damage resulting to underground piping tunneling or underground cables and other underground facilities, the indemnity will be restricted to actual repair cost, provided prior to commencement of work, insured ascertains with the relevant authorities about the exact locations or positions of such cables, pipes or other underground facilities. Cracks that neither impair the stability of the structure nor safety of its users are not covered.

UIN: IRDAN134RP0023V01202223/A0200V01202223

## **5. THIRD PARTY LIABILITY –**

Attached to and forming part of the Policy No.\_\_\_\_\_

In consideration of the payment of the additional premium of Rs.\_\_\_\_ it is hereby agreed and declared that notwithstanding anything to the contrary stated in this policy, the Company will indemnify the insured -

- a) against legal liability for the accidental loss or damage caused to the property of other persons.
- b) against legal liability (liability under contract excepted) for fatal or non-fatal injury to any persons other than the insured or his own employees or employee of the owner of the works/site/premises location or employees of the other firms/connected with any other work site/premises/location or members of the family of the insured or any of the aforesaid.

### **EXCLUSIONS UNDER THE TPL EXTENSION -**

The Company will not indemnify the insured, under this extension in respect of -

1. The first amount of policy excess of each claim for any one occurrence related to property damage.
2. Expenditure incurred in doing or redoing or making good or repairing or replacing any thing covered or coverable under the policy.
3. Liability consequent upon -

- i) bodily injury to or illness of employees/workmen/members of the families of the insured or of the owners of the works/site/ premises/location or of any other firm/contractors connected with any other work at the works/site/premises/location.
- ii) loss of or damage to property belonging to or held in trust by or under custody of the owner of the works/site/ premises/ location of any other firms/contractors or an employee/workmen/family members of any of the aforesaid.
- iii) any accident caused by vehicles licensed for general road use or by waterborne vessels or by aircraft.
- iv) any agreement by the insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

CONDITIONS APPLYING TO TPL EXTENSION -

- a) No admission, offer, promise, payment of indemnity shall be made or given by or on behalf of the insured without written consent of the company who shall be entitled, if it may so desire, to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.
- b) The Company may, so far as any accident is concerned, pay to the insured the limit of indemnity for any one accident/for any one period, after deducting therefrom in such case of any sum/s already paid as compensation in respect thereof or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

UIN: IRDAN134RP0023V01202223/A0201V01202223

**6. ADDITIONAL CUSTOMS DUTY**

In consideration of the Insured having paid an additional premium of Rs. \_\_\_\_\_ it is hereby declared and agreed that the Insured shall also be indemnified during the currency of the policy, towards the additional Customs Duty, amount of Rs. \_\_\_\_\_ which may be incurred by the Insured over and above the Customs Duty amount taken into account in arriving at the Sum Insured of the affected items.

Each and every claim payable under the extension shall be subject to an Excess of 5 % of the admissible Additional Customs Duty incurred and will be in addition to the Excess amount applicable for the affected item under the Policy.

The Indemnity for such Additional Customs Duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Subject otherwise to the terms, conditions and exceptions of the Policy.

Note- For computation of indemnity under the Additional Customs Duty extension, exchange rate applicable on date of occurrence of loss shall be considered.

UIN: IRDAN134RP0023V01202223/A0202V01202223

## **7. TRANSIT RISK**

In consideration of the additional premium paid of Rs....., it is hereby declared and agreed that this insurance is extended to cover the risks of transit whilst the item insured is carried as a cargo from one location to another. As a consequence thereof, the exclusion h of the policy is modified to exclude only the risk of third public liability while Contractors Plant & Machineries are on Public Roads. The basis of valuation will be the Depreciated value of the machine. Claims if any will be subject to the 2nd hand machinery clause.

UIN: IRDAN134RP0023V01202223/A0203V01202223

## **8. FLOATER COVER**

In consideration of the 'Floater Extra' charged over and above the policy rate the Sum Insured (S.I.) in aggregate under the policy is available for any one, more, or all locations as specified in respect of movable property.

At all times during the currency of this policy the insured should have a good internal audit and accounting procedure under which the total amount at risk and the locations can be established at any particular time if required.

The changes in the address of locations specifically declared at inception should be communicated.

UIN: IRDAN134RP0023V01202223/A0204V01202223

## **9. DISMANTLING & SHIFTING**

In consideration of the additional premium received, it is hereby declared and agreed that the policy is extended to cover dismantling and movement or shifting of items/Equipment covered under the policy from one specified location to the other, as a necessity or arising out of business operations as well as re-erection at the site to which the item/ equipment is shifted to.

Subject otherwise to the terms and conditions of the policy.

UIN: IRDAN134RP0023V01202223/A0205V01202223

## **10. IMMEDIATE REPAIR CLAUSE**

It is understood and agreed that in case of loss, the Insured, if they so elect, may immediately begin repairs or reconstruction but such work shall at all times be open to supervision by the Insurer and in case of dispute as to the cost of repair and/or reconstruction, the loss shall be settled in accordance with the terms of this Policy, the sole object of this Condition being not to deprive the Insured from the use of operating properties which may be necessary to their Business.

Subject otherwise to the terms, exceptions and conditions of the Policy.

UIN: IRDAN134RP0023V01202223/A0206V01202223

## **11. OBSOLETE PARTS**

It is hereby declared and agreed that in the event of spare parts currently Insured under this policy becoming obsolete following an indemnifiable loss to the operating unit and/or units to which they belong, such spare parts shall also be deemed a constructive total loss, provided that such parts cannot be used as spares for any other units within the premises of the Insured. The Company retains the salvage rights over such parts.

Subject otherwise to the terms, exceptions and conditions of the Policy

UIN: IRDAN134RP0023V01202223/A0207V01202223

## **12. LOSS MINIMISATION EXPENSES**

It is understood and agreed that this insurance extends to cover the costs and expenses reasonably incurred by the insured in reducing, mitigating or otherwise alleviating physical loss, destruction or damage to Property insured during and after the occurrence of an insured event.

UIN: IRDAN134RP0023V01202223/A0209V01202223

### **13. WAIVER OF BETTERMENT**

In the event of total physical damage of the insured machinery/ equipment necessitating replacement, which may become obsolete at the time of such replacement, the Indemnity shall be the cost of reinstatement of the damaged machinery with the follow up model of the same type, provided that, such cost of replacement does not exceed the sum insured set against the said item. It is further agreed & declared that, this extension shall not be enforceable if the insured is unable or unwilling to reinstate the property. However, if the cost of replacement with the follow up model exceeds the sum insured set against the said item, the company's liability would not exceed the sum insured.

UIN: IRDAN134RP0023V01202223/A0210V01202223

### **14. PROFESSIONAL FEES**

In consideration of the payment of additional premium, the policy is extended to include any amount in respect of Consulting Engineers reimbursable fees or other professional fees necessarily incurred by the Insured in the reinstatement of the Insured property consequent upon its loss, destruction or damage but not for preparing any claim. The claim under this head is payable subject to prior approval only, from the Insurer.

Limit: Up to per event and in aggregate as agreed and specified in Schedule

UIN: IRDAN134RP0023V01202223/A0211V01202223

### **15. CLAIM INVESTIGATION & PREPARATION CLAUSE**

The Policy stands extended to cover the expenses related to investigating and identifying of the cause or exact location of loss or damage. This is payable only if prior approval of the insurer is taken before incurring the expense. Maximum amount payable under this head is as mentioned in the Policy schedule and subject to deductible /excess as mentioned therein. This is payable only if there is an admissible claim under the Policy.

UIN: IRDAN134RP0023V01202223/A0212V01202223

### **16. PARTS UNDAMAGED/ DESTRUCTION OF SOUND PROPERTY**

The policy stands extended to include replacement of undamaged parts also in the machinery subject to condition that,

- a) Such replacement of undamaged part is necessary to avoid the recurrence of the damage as may be certified by Surveyor
- b) Prior approval from the insurer is taken for such replacement
- c) By such replacement of undamaged part, there is no technical improvement in performance, capacity or output. This is payable only if there is an admissible claim under the main Policy.

The claim subject to limit of overall Sum Insured of the machinery /equipment

UIN: IRDAN134RP0023V01202223/A0213V01202223

## 17. DEPRECIATION WAIVER

In consideration of the additional premium received, the basis of indemnity clause (a) of the policy stands amended as under-

The following part of the clause stands deleted -

No deduction shall be made for depreciation in respect of parts replaced, except those with limited life

And amended to read as follows - No deduction shall be made for depreciation in respect of parts replaced.

The clause shall read as under-

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage will be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

Other terms & conditions of the policy remaining unaltered.

UIN: IRDAN134RP0023V01202223/A0214V01202223

## 18. ADDITIONAL TOWING CLAUSE

In consideration of payment of additional premium, Insured will be reimbursed additional amount towards vehicle extraction and towing charges of the insured vehicle by reason of loss or damage covered under the policy, based on option exercised by the insured. This cover is otherwise subject to the terms, exceptions, conditions and limitations of the policy.

UIN: IRDAN134RP0023V01202223/A0215V01202223



**19. COVERAGE'S FOR ELECTRICAL & MECHINICAL BREAKDOWN:**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for electrical & mechanical breakdown for the items are cover as under:

S. No	Qty	Description Type	Model, Capacity of Machine/ Serial No. HP/ KVA Volts, AMPS, RPM	Maker's Name & Country of Origin	Year of Make	Sum Insured

Provided always that such extra charges are incurred in connection with any loss of or damage to the insured items recoverable under the policy.

UIN: IRDAN134RP0023V01202223/A0208V01202223

**20. REMOVAL OF DEBRIS**

This policy covers the necessary expenses for removal of debris of insured property from the described premises as a result of physical loss destruction or damage by any peril hereby insured against under this policy. The Company's total liability for debris removal is limited to the amount as entered in the Schedule

UIN: IRDAN134RP0023V01202223/A0058V01202324