

MACHINERY BREAKDOWN 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 $1/365^{\text{th}}$ 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: IRDAN134RP0022V01202223/A0110V01202223

2. EXPRESS FREIGHT –

Attached to and forming part of the Policy No. _____

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UIN No. IRDAN134RP0022V01202223

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 demand 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: IRDAN134RP0022V01202223/A0111V01202223

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: IRDAN134RP0022V01202223/A0112V01202223

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 bare 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: IRDAN134RP0022V01202223/A0113V01202223

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 -

- a) The first amount of policy excess of each claim for any one occurrence related to property damage.
- b) Expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under the policy.
- c) 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 any 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: IRDAN134RP0022V01202223/A0114V01202223

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: IRDAN134RP0022V01202223/A0115V01202223

7. IMMEDIATE REPAIR COST

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: IRDAN134RP0022V01202223/A0116V01202223

8. OBSOLETE PARTS CLAUSE

It is noted 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: IRDAN134RP0022V01202223/A0117V01202223

9. 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: IRDAN134RP0022V01202223/A0118V01202223

10. FLOATER CLAUSE

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: IRDAN134RP0022V01202223/A0119V01202223

11. 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: IRDAN134RP0022V01202223/A0120V01202223

12. CLAIMS PREPARATION & INVESTIGATION COSTS

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: IRDAN134RP0022V01202223/A0121V01202223

13. MOBILE AND PORTABLE EQUIPMENT OUTSIDE THE PREMISES

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 loss or damage to the mobile and/or portable equipment as specified in the Policy schedule or Item(s) No(s)_____of the Policy Schedule, whilst stationary

within India limits specified in the Policy. The insurers shall not be liable under this Endorsement for

- loss or damage occurring whilst the above items are unattended unless locked inside a building or vehicle
- loss or damage from any cause whatsoever whilst the above items are installed or carried in or on aircraft or aerial devices or waterborne vessels or craft'

UIN: IRDAN134RP0022V01202223/A0122V01202223

14. PARTS UNDAMAGED CLAUSE/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: IRDAN134RP0022V01202223/A0123V01202223

15. LOSS MINIMIZATION EXPENSES

If upon the happening of any peril hereby insured resulting in actual damage to the Insured Property, the Insured shall take all steps to minimise further loss or damage arising from that occurrence or accident. Such expenses necessarily and reasonably incurred by or on behalf of the Insured in an attempt to prevent or minimise such further loss or damage will be indemnified upto an amount as mentioned in schedule, in the aggregate.

UIN: IRDAN134RP0022V01202223/A0124V01202223

16. DEPRECIATION WAIVER CLAUSE

In consideration of the additional premium received, The basis of indemnity clause 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 for

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1. Wear & Tear Parts
2. Parts for which manufacturers have specified a fixed life for use and the like

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

UIN: IRDAN134RP0022V01202223/A0125V01202223

17. **OMISSION TO INSURE ADDITIONS & ALTERATIONS**

In consideration of the payment of additional premium, the insurance by this policy extends to cover Portable Equipments as defined in the schedule hereof, which the Insured may acquire or for which they may become responsible:-

(i) The liability under this Extension shall not exceed in respect of portable equipments - Sum Insured by items of the Schedule.

(ii) The Insured shall notify the Company of each additional insurance as soon as it shall come to their knowledge and shall pay the appropriate additional premium thereon from the date of inception.

(iii) Following the advice of any additional insurance as aforesaid, cover by this extension shall be fully reinstated.

(iv) No liability shall attach to the insurers in respect of any Building, machinery, Plant or other contents while such property is otherwise insured. Note 1: All new additions to the portable equipments by the Insured not specifically insured/included during the currency of the policy should be declared at the end of the year and suitable additional premium paid on pro rata basis from the date of purchase, subject to adjustment against the advance premium collected.

UIN: IRDAN134RP0022V01202223/A0126V01202223

18. **UNDAMAGED FOUNDATIONS CLAUSE**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the foundation of the property insured which prove to be unusable following the loss or damage as covered under the Policy at the insured premises shall be considered part of the property damaged. The indemnity provided herein shall be subject to the limit of indemnity as specified in the Schedule.

UIN: IRDAN134RP0022V01202223/A0127V01202223

19. **WAIVER OF UNDER INSURANCE**

It is hereby agreed and declared that notwithstanding anything to the contrary in this policy or in any of its conditions; in the event of loss or damage it is found that the sum insured is less than the amount required to be

insured, then underinsurance on each item of the schedule will be ignored if it does not exceed ___% there at. Provided, however, if the said sum insured in respect of such item(s) of the schedule shall not be less than ___% of the value of the item(s) thereat, this condition shall be of no purpose and effect.

UIN: IRDAN134RP0022V01202223/A0128V01202223