

Kotak Mahindra General Insurance Company Ltd. (Formerly Kotak Mahindra General Insurance Ltd.)
Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051. Maharashtra, India.

Kotak Contractor's Plant And Machinery Insurance Additional Covers/ Endorsements Wording

MACHINERY BREAKDOWN COVER

In consideration of the payment of additional premium, it is hereby agreed and declared that, notwithstanding anything to the contrary in this policy or in any of its conditions, the company will at its own option by payment or reinstatement or repair, indemnify the Insured against unforeseen and sudden physical damage by any cause not hereinafter excluded to any Insured property specified in the attached schedule(s) whilst in the premises therein mentioned necessitating its immediate repair or replacement. This Policy shall apply to the Insured items after successful completion of their performance/acceptance tests, whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection. The liability of the Company for any one item of the Insured property shall not exceed in the aggregate in any one period of Insurance the Sum Insured set against such in the attached schedule(s), unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period..

GENERAL EXCEPTIONS –

THE COMPANY SHALL NOT BE LIABLE UNDER THIS POLICY IN RESPECT OF –

1. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly of fire including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lightning, explosion of any kind (other than bursting or disruption of turbines, compressors, cylinders of steam engines, hydraulic cylinders or fly wheels or other apparatus subject to centrifugal force, internal pressure) theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne or waterborne or airborne craft or other aerial devices and/or articles dropped therefrom.
Any loss or damage by fire within the electrical appliances and installation Insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures fittings or portions of the electrical installation which may be destroyed or damaged by fire so set up.
2. Loss damage and/or liability caused by or arising from or in consequence, directly of –
 - a) War, invasion, Act of foreign Enemy, Hostilities or war like operations (Whether war be declared or not), Civil war, rebellion, revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or Usurped Power, Martial Law, Conspiracy, Confiscation, Commandeering by a group of malicious persons or persons acting on behalf of or in connection with any political Organisation, Requisition or Destruction or damage by order of any Government de-jure or de facto or by any Public, Municipal or Local Authority.
 - b) Nuclear reaction, nuclear radiation or radioactive contamination.
3. Accident, Loss, damage and/or liability resulting from over load experiments or tests requiring the imposition of abnormal conditions.
4. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or renewal of the parts affected may be necessary.
5. Deterioration of or wearing away or wearing out any part of any machine caused by or naturally resulting from normal use or exposure.
6. Loss, damage and/or liability caused by or arising out of the willful act or willful neglect or gross negligence of the Insured or his responsible representatives.
7. Liability assumed by the Insured by agreement unless such liability would have attached to the Insured notwithstanding such agreement.
8. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the Insured or his responsible representative but not disclosed to the Company.
9. Loss of use of the Insured's plant or property of any other consequential loss incurred by the Insured.
10. Loss, damage and/or liability due to explosions in Chemical Recovery Boilers, other than pressure explosions for e.g. smelt, chemical, ignition, Explosions etc.

SPECIAL EXCLUSIONS –

The Company shall not be liable for –

1. The Excess, as stated in the Schedule, to be first borne by the Insured out of each and every claim; where more than one item is damaged in one and same occurrence, the Insured shall not, however, be called upon to bear more than the highest Excess applicable to any one such item;
2. Loss of or damage to belts, ropes, chains, rubber tyres, dies, moulds, blades, cutters, knives or exchangeable tools, engraved or impression cylinders or rolls; objects made of glass, porcelain, ceramics, all operating media (e.g. lubricating oil, fuel, catalyst, refrigerant, dowtherm) felts, endless conveyor belts or wires; sieves, fabrics, heat resisting and anti-corrosive lining and parts of similar nature, packing material, parts not made of metal (except insulating material) and non-metallic lining or coating of metal parts;
3. Loss or damage for which the manufacturer or supplier or repairer of the property is responsible either by law or contract.
In any action, suit or other proceeding where the Company alleges that by reason of the provisions of the exceptions or exclusions above, any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PROVISIONS –

1. **SUM INSURED –**
It is the requirement of this Insurance that the Sum Insured shall be equal to the cost of replacement of the Insured property by new property of the same kind and same capacity which shall mean its replacement cost including freight and customs duties, if any, and erection costs.

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2. BASIS OF INDEMNITY –

- a) In cases where damage to an Insured item can be repaired, the Company will pay expense necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties if any to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured the Company will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced except for (i) wear and tear parts and (ii) parts for which the manufacturers have specified a fixed life for use and the like but the value of any salvage will be taken into account.

If the cost of repairs as detailed herein above 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.

- b) In cases where an Insured item is destroyed, the Company will pay the actual value of the item immediately before the occurrence of the loss including costs for ordinary freight erection and customs duties if any provided such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company will also pay any normal charges for the dismantling of the machinery destroyed but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight are covered by this insurance only if especially agreed to in writing.

In the event of the makers' drawings, patterns and core boxes necessary for the execution of a repair not being available the Company shall not be liable for cost of making any such drawing patterns or core boxes.

The cost of any alterations, improvements or overhauls shall not be recoverable under this Policy.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

If the Sum Insured is less than the amount required to be insured as per Provision 1 herein above, the Company will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

The Company will make payments only after being satisfied, with the necessary bills and documents that the repairs have been effected or replacements have taken place, as the case may be. The Company may, however, not insist for bills and documents in case of total loss where the Insured is unable to replace the damaged equipments for reasons beyond their control. In such cases claims can be settled on 'Indemnity Basis'.

Excess: 1% of the sum insured, for each and every claim payable under this endorsement and this is over and above the excess shown in the policy.

UIN Number : IRDAN152A0043V01201718