



MACHINERY BREAKDOWN POLICY

บริษัท ไอเอจี้ ประกันภัย (ประเทศไทย) จำกัด **IAG Insurance (Thailand) Ltd.**

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MACHINERY BREAKDOWN POLICY

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of the Policy or of the Schedule shall bear such meaning wherever it may appear

WHEREAS the Insured by the Proposal and declaration which shall be the basis of this Contract and is deemed to be incorporated herein has applied to the Company for the insurance hereinafter contained and has paid or agreed to pay the Premium as consideration for such insurance in respect of damage occurring during any period of insurance.

NOW THIS POLICY WITNESSES that subject to the Terms Exceptions and Conditions contained herein or endorsed hereon the Company will indemnify the Insured against Breakdown of any Machine whilst

- (a) working or at rest
- (b) being dismantled moved or re-erected for the purpose of cleaning inspection repair or installation in another position at the Situation stated in the Schedule sufficient to prevent the Machine undertaking its normal work and necessitating repair or replacement before working can be resumed.

The liability of the Company for any Machine shall not exceed in the aggregate in any period of insurance the sum set against such Machine in the Schedule as the Limit of Indemnity.

Breakdown means any sudden and unforeseen loss or damage (except as may be hereinafter excluded) and includes loss or damage resulting from

- (1) careless incompetent or negligent acts of employees or third parties
- (2) structural defects material defects or defects of design or assembly
- (3) fortuitous working accidents such as vibration maladjustment loosening of parts abnormal stresses molecular fatigue centrifugal force excessive speed defective or accidental lack of lubrication seizure water hammer or local overheating (except in the case of boilers or similar plant when followed by explosion) failure of or faults in protection devices
- (4) falling impact collision or similar occurrences obstruction or the entry of foreign bodies
- (5) storm frost or drifting ice
- (6) the effects of electric current following excessive or insufficient voltage failure of insulation short circuits open circuits or arcing or the effect of static electricity.

Exceptions

This Policy does not cover

1. loss or damage caused by fire the extinguishing of a fire direct lightning explosion aircraft and other aerial devices or articles dropped therefrom collapse of buildings subsidence flood inundation escape of water from water containing apparatus or clearance of debris demolition or dismantling arising from these occurrences theft or any attempt thereat Explosion shall not mean the bursting or disruption of turbines compressors engine cylinders hydraulic cylinders flywheels or other parts subject to centrifugal force transformers switches or oil immersed switchgear
2. loss or damage caused by testing or intentional overloading of any Machine or any experiment involving the imposition of abnormal conditions

Note: The checking of the correct working of the Machine or of safety installations in connection therewith is not considered to be testing or experimenting

3. loss or damage due to any fault or defect known to the Insured at the time this Insurance was arranged and not disclosed to the Company
4. loss of or damage to foundations masonry exchangeable or replaceable parts and attachments such as flexible drives or tools used for cutting drilling grinding polishing or similar purposes or moulds patterns pulverising and crushing surfaces screens and sieves refractory linings ropes belts chains elevator and conveyor bands batteries tyres connecting wires and cables flexible pipes jointing and packing materials and all parts not made of metal except the insulation of electrical conductors
5. (a) wearing or wearing out of any part of a Machine caused by or resulting from ordinary using or working rust deposit of boiler scale corrosion or deterioration due to atmospheric conditions or otherwise or scratching of painted or polished surfaces

- (b) slowly developing deformation distortion cracks fractures blisters laminations flaws or grooving or the making good of defective tube joints or other defective joints or seams unless such defects result in damage otherwise covered by the Policy
6. loss or damage caused by the wilful negligence of the Insured
 7. loss of use of any Machine or consequential loss of any nature whatsoever
 8. damage or liability occasioned by or through or in consequence directly or indirectly of any of the following occurrences namely:-
 - (a) earthquake volcanic eruption or other convulsion of nature
 - (b) typhoon hurricane tornado cyclone or other atmospheric disturbance
 - (c) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
 - (d) mutiny riot civil commotion strike lock-out labour disturbances acts of persons operating on behalf of or in connection with any political organisation military or popular rising insurrection rebellion revolution military or usurped power martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence directly or indirectly of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance except to the extent that the Insured shall prove that such loss or damage happened independently of the existence of such abnormal conditions

In any action suit or other proceeding where the Company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance the burden of proving that such loss or damage is covered shall be upon the Insured

9. (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission

10. any loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material

Conditions

1. In the event of any Breakdown the Insured shall give immediate notice thereof to the Company by telephone or telegram if practicable and also by letter and the Company's risk in respect of the damaged Machine shall forthwith cease until such Machine shall have been repaired to the satisfaction of the Company
2. The Insured may without prejudice to any liability of the Company proceed with minor repairs of any Machine necessitated by Breakdown subject to compliance with Condition 1 provided that any damaged part be kept for inspection by the Company and that the repair be carried out to the satisfaction of the Company Subject to the foregoing special privilege the Company shall not be liable for the cost of any repairs undertaken by the Insured without the permission of the Company in writing
3. The Company shall be notified of any proposed alterations or additions to an insured item and of any proposed departure from ordinary working conditions and if any such modifications be made or the maximum current or pressure at which an insured item is designed to operate or any lower maximum stipulated by the Company in writing be exceeded without the consent of the Company thereto in writing having been obtained then in the event of Breakdown no liability shall attach to the Company in respect of such item If the Company cannot approve the proposed modification the insurance may be cancelled and the Company shall return to the Insured a proportionate part of the Premium or Renewal Premium corresponding to the unexpired period of insurance

4. The Company's Officials shall at all reasonable times have the right of access to the premises in which the Machine is situated
5. (a) The Limit of Indemnity for each item must be equal to its replacement value as new at the time when the accident occurs that is to say the purchase price of a similar new item increased by the costs of ordinary freight erection and customs duties if any
(b) If the Limit of Indemnity is less than the sum fixed as detailed in Condition 5(a) the liability of the Company will only be in the proportion existing between the Limit of Indemnity and the replacement value as new
6. For each accident the Insured will be responsible for the excess detailed in the Schedule Where more than one item is lost or damaged in one and the same occurrence the Insured shall not be called upon to bear more than the highest amount applicable to any one such item
7. In case any claim for which the Company may be liable under this Policy is made against the Insured by Third Parties no admission offer promise or payment shall be made by the Insured without the written consent of the Company which shall be entitled to take over and conduct in the name of the insured the defence or settlement of any such claim The Insured shall give all such information as the Company may require
8. In the event of Breakdown the Company may at its option repair reinstate or replace or may pay in cash the amount of the damage
9. (a) In cases where damage to an insured item can be repaired the Company will pay all expenses necessarily incurred to restore the damaged Machine to its condition immediately before the occurrence of the damage The Company will also pay the dismantling and re-erection charges incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop and customs duties if any If any parts are found to be unprocurable the Company's liability shall be limited to the manufacturers' or suppliers' latest list price thereof Any extra charges incurred for overtime night-work work on public holidays express freight etc. are not covered by this insurance The cost of any alterations additions improvements or overhauling undertaken at the time of such repairs and the cost of any provisional repairs and the consequences thereof shall not be recoverable under the Policy
(b) In cases where an insured item is totally destroyed - the Company shall pay the actual value of the item immediately before the occurrence of the loss including ordinary freight costs of erection and customs duties if any 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 removal of the property destroyed
(c) All damage which can be repaired shall however be repaired but if the cost of the repairs as detailed hereinabove equals or exceeds the actual value of the property insured immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) above
(d) In both cases detailed in Condition 9(a) and (b) the indemnity paid will be equal to the sum so ascertained less the value of any salvage and subject to the application of Average if necessary and deduction of excess (Conditions 5(b) and 6)
10. If at the time any claim arises under this Policy there be any other insurance covering the same damage of liability the Company shall not pay more than its ratable proportion thereof
11. The Company may cancel this Policy by sending ten day's notice by registered letter to the insured at the Insured's last known address The Insured shall thereupon become entitled to the return of a proportionate part of the Premium or Renewal Premium corresponding to the unexpired period of insurance
12. All differences arising out of this Policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing to do so by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference The Umpire shall be with the Arbitrators and preside at their meetings If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder
13. The due observance and fulfilment of the Terms Condition and Endorsements so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy