
Machinery Breakdown Insurance Policy Wordings

Scope of cover

The Insurance Policy broadly covers loss due to all kinds of accidental, electrical and mechanical breakdowns due to internal and external causes. Cover is granted during the time the machinery is in operation or rest or in the process of dismantling, overhaul or during subsequent re-erection at the same premises.

Sum Insured

Value proposed for insurance should be equal to new replacement cost including Freight, Erection Cost, Customs Duty, if any.

Premium

Rate of premium depends upon the type of machinery. Discounts are offered in respect of stand-by facility, availability of spares and favourable claims experience, subject to rules laid down in the Tariff.

Significant Exclusions

The Insurance Policy does not cover loss and/or damage from Fire and allied perils, Theft, overloading experiments, wilful acts or gross negligence, gradually developing flaws and deterioration from normal use.

Excess

Policy is subject to a compulsory Excess, which depends upon the value of machinery.

Main Extension

- Air Freight
- Express Freight (excluding Air Freight) Overtime & Holiday Wages
- Insured's own Surrounding Property
- Third Party Liability