
Contractor Plant and Machinery Policy Wordings

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This policy covers all different types of machinery used for handing material or construction.

Highlights

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Scope

The policy covers sudden, accidental, external damage to the insured machinery due to any cause other than those specifically excluded in the policy.

The policy covers the machinery whilst they are in operation or at rest or whilst being dismantled for the purpose of cleaning or overhauling or whilst being shifted within the premises or during subsequent re-erection, but in any case only after successful commissioning.

The main exclusions of the policy are:-

- a. loss or damage due to any internal electrical or mechanical break down, defective lubrication, lack of oil or coolant although any consequent external damage is payable.
- b. loss or damage to replaceable parts or attachments such as bits, drills, knives, dies, moulds etc.
- c. loss or damage whilst in transit from one location to another.
- d. loss due to wear and tear, corrosion, rust, deterioration, atmospheric conditions.

- e. loss or damage during testing operating or whilst being used for a purpose other than designed for.
- f. loss or damage to machinery working under ground.
- g. loss or damage for which the supplier or manufacturer is responsible either by law or under contract.

Add on Covers

The policy can be extended to cover

- a. third party liability - personal injury and property damage.
- b. damage to owner's surrounding property.

Who can take the policy

The policy can be **taken by any one of the following parties**, either individually or jointly :-

- **The owner of the machine**
- The contractor / user of the construction machinery
- The financial institutes who have an interest in the **construction machinery**.

How to select the sum insured

The sum insured of each item of machinery should represent the current purchase cost of a similar new machine including all incidental expenses like freight, duty, taxes, cost of erection etc.

How to claim

In the event of any loss or damage giving rise to a claim under the policy, the following steps should be taken:-

- take necessary steps to minimize the loss.
- inform insurance company immediately.
- extend full cooperation to the surveyor deputed by the company.
- submit duly filled in claim form along with necessary documents to substantiate the financial loss suffered as a result of the accident.