

## MACHINERY BREAKDOWN INSURANCE POLICY

### Scope of Cover

All plant and machinery are vulnerable to breakdown or damage irrespective of its quality or reliability. The Machinery Breakdown insurance is an All Risks “accident” coverage for machinery.

The policy covers unforeseen and sudden physical loss of or damage to the Insured machine whilst either at work or rest and during cleaning, inspection, over-hauling or removal to another position within the premises.

### The sudden and unforeseen damage includes:

1. Faulty material, design, construction and erection;
2. Vibration, maladjustment or malignment;
3. Defective lubrication, loosening of parts, defect in casting and material;
4. Excessive electrical pressure;
5. Short circuits or arcing;
6. Carelessness or malicious acts;
7. Physical explosion, fuel gas explosion in boiler.

The main elements of the insurance are thus electrical and mechanical breakdown and accidental damage from extraneous causes.

### Types of machineries which may be covered:

1. Fans and Blowers;
2. Alternators and Generators;
3. Switchgears and transformers;
4. Lifting equipment including cranes e.g. derrick, mechanical plant, turbines and blowers;
5. Boiler and pressure vessel.

### What the policy does not cover:

1. Fire, lightning, chemical explosion, theft, collapse of buildings, flood, earthquake, subsidence, negligence, landslide, impact;
2. damage, war or warlike operation, wilful acts, riot and strike, civil commotion water damage;
3. Wear and tear or rust resulting from natural or ordinary usage or gradual deterioration;
4. Parts not made of metal or exchangeable parts and tools e.g. belts, ropes, wires, chains and tyres;
5. Faults of suppliers or manufacturers.

### **Extensions Available:**

1. Loss of profits;
2. Expediting expenses;
3. Surrounding property.

### **Information required for quotation:**

1. Name of Machine;
2. Type of Machine;
3. Year of Built;
4. Number of Machines;
5. Occupation of Industry;
6. Whether any stand by machine available;
7. Name of manufactures; 8. Previous insurance and claims history.

### **Excess**

The policy is subject to an excess applicable on each and every claim.

### **Sum Insured**

Each item of machinery is separately insured i.e. it has its own sum insured. The sum insured must represent the current new replacement value, including all installation costs and customs duties.

### **Rating**

Refer to the Company.

### **Minimum Premium**

RM150.00