



MACHINERY BREAKDOWN INSURANCE

POLICY

POLICY N°

INSURED

INSURER : **BK GENERAL INSURANCE LTD**

: **P.O Box: 724 Kigali – RWANDA**

TOTAL PREMIUM : **Frw** (VAT and administrative fees included).

PERIOD OF INSURANCE : **Months** (From To)

INTERMIDIARY :



NOW THIS AGREEMENT WITNESSETH AS FOLLOWS :

In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to. IN CONSIDERATION of the client named herein referred to as the "Insured", and in the schedule and carrying on the business described herein paying to BK GENERAL INSURANCE LTD (hereinafter called "the Insurer") we will provide insurance in the terms of this Contract in respect of events occurring during the period of insurance. payment of the First Premium the Property Insured or any part of such property described in the Schedule be lost, destroyed or damaged by any of THE PERILS specified in the Schedule at any time during the period of Insurance or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of this policy, the Company will pay to the Insured the value of the property at the time of the happening of its loss or destruction or the amount of such damage or at its option will reinstate or replace such property or any part thereof **PROVIDED** that the liability of the company shall in no case exceed in the whole;

- (i) the total sum insured or in respect of any item its sum insured at the time of the loss or destruction or damage.
- (ii) the sum insured remaining after payment for any loss or destruction or damage occurring during the same period of Insurance unless the Company shall have agreed to reinstate any portion of the such sum insured already utilized in settling a loss under the policy.

This contract, the Schedule and any condition thereon shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout.



PARTICULARS CONDITIONS APPLICABLE TO THIS CONTRACT

OPERATING COVER CLAUSES :

In consideration of payment of Premium, We, BK INSURANCE agrees, subject to the conditions and exclusions contained or endorsed or otherwise expressed hereon, to cover loss or damage to Machines arising from the operation of **Machinery Breakdown**

SECTION II : MACHINERY BREAKDOWN

Indemnity to the insured against any unforeseen and sudden physical loss of or damage to the insured items whilst working, at rest, or dismantling/erection, for inspection or repair, excluding risks normally covered under fire policy.

MAJOR ELECTRICAL AND MECHANICAL BREAKDOWNS RISKS

Short circuiting, excess voltage & electrical arcing, Abnormal operating conditions, Carelessness and lack of skill in the operation and maintenance of machinery, Entry of foreign bodies, Falling, Impact, Collision etc.

INTEREST & SUM INSURED

All equipment for which an insurable interest exists in the course of the insured’s business “Equipment” shall include all machinery and equipment complete with the tools and accessories attaching to such machinery and equipment

DESCRIPTION OF ITEMS INSURED

<u>INTEREST INSURED</u>	<u>SUM INSURED</u> <u>(FRW)</u>
Owners risk for Shoes maker Machines located at Special Economic zone.	
<u>Total sum insured</u>	



THE FOLLOWING CLAUSES ARE APPLICABLE TO AND FORM PART OF THIS POLICY

- Maintenance Warranty clause
- Lightning & over voltage protection devices warranty
- Replacement clause - items not exceeding 3 years' old
- Electrical Clause III
- Specifications of items insured
- 30 days' cancellation notice
- Engineering I & II
- Breach of warranty
- Loading and unloading clause

Excess/Deductible :

SPECIAL EXCLUSIONS

- Any Loses and damages caused to third parties
- Wear and tear, functional failures
- Consequential loss of any kind, damage or liability of any nature
- Cost for alteration, additions, improvements or overhauls
- Professional errors excluded
- Other losses covered by specific policies
- The Excess stated in the Schedule to be borne by the Insured in any one occurrence related to property damage.
- Loss or damage due to Fault design, fault materials
- Damage arising from willful acts, willful negligence by the insured or its management
- Any fault or defects existing at the time of policy inception which were known or should have been known to the insured or its management
- Loss or damage for which the manufacturer, suppliers or others are liable by law or under contractual obligation
- Fine, penalties, punitive, exemplary or vindictive damages.



- Any other losses or damage covered by specific policy

GENERAL EXCLUSIONS:

- * liability assumed by agreement
- * Legal liability arising out of ionizing radiation or contamination
- * Nuclear, radioactivity or related risks
- * Political risks, terrorism & sabotage, civil commotion
- * War and related perils

PLANED SAFETY MEASURES :

- It is agreed that subject to the terms contained in this policy, a maintenance contract has to be in force during the period of the policy. Maintenance for the purpose of this policy shall mean :
 - Safety checks ;
 - Preventative maintenance ;
- The insured is requested to install all the safety equipment envisaged in a whole of processing of information, namely :
 - ✓ Take care of good state of the electric protection systems of guaranteed equipment.
 - ✓ Security measures warranty
- The insured shall ensure all the insured machines and equipment's are maintained in good working order and they are not habitually or intentionally overloaded
- The insured shall fully observe the manufacturer's instructions for operations and all other binding regulations
- The insured must notify the insurer of any occurrence which might give rise to a claim under the required particular and proof of claim
- The insured must take all reasonable step to prevent the loss

PREMIUM SECTION

Net Premium (1&2)	:
Fees	:
VAT	:
Total Premium	:

The total net premium is **Frw** and the subscriber has to pay
..... **Frw** (VAT and administrative fees included)

CONDITIONS FORMING PART OF THIS POLICY

1. IDENTIFICATION :

This Policy and the Schedule (which forms an integral part of this policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.

2. MISDESCRIPTION/POLICY AVOIDANCE : -

This Policy shall be voidable by the Company in the event of misrepresentation, Misdescription or non-disclosure in any material particular by the insured.

3. ALTERATIONS AND REMOVALS :

Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any damage, has obtained the sanction of the Company signified by endorsement upon the Policy, by or on behalf of the Company :

- (a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the property insured be changed in such a way as to increase the risk of damage by any of the perils insured;
- (b) if any of the buildings insured or containing the property insured becomes unoccupied and so remain for a period of more than 30 days;
- (c) if the property insured is removed to any building or place other than that in which it is herein stated to be insured;
- (d) if the interest in the property Insured passes from the Insured otherwise than by will or operation of law;

4. WARRANTIES :

Every warranty to which the Property insured or any item thereof, is or may be made subject, shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such warranty shall be a bar to any claim in respect of such property or item, provided that whenever this Policy is renewed a claim in respect of damage occurring during the renewal

period shall not be barred by reason of a warranty not having been complied with at any time before commencement of such period.

5. REASONABLE PRECAUTIONS :

The insured shall maintain the property insured in a proper state of repair and warrants to take all reasonable precaution to prevent damage thereto and at all times shall act as if uninsured.

APPLICABLE CLAUSES/ WARRANTIES FORMING PART OF THIS POLICY

The following clauses are forming part of this policy :

1 : EXCESS CLAUSE

It is hereby declared and agreed that the Company shall not be liable for the first part of each and every loss arising out of each peril in the respective order stated.

2 : FIRE EXTINGUISHING APPLIANCE CLAUSE

It is warranted that fire extinguishers shall be installed and notice of such purchase and erection shall be given to the insurer. Installed extinguishers shall be maintained in good and efficient working conditions and same shall be serviced by the manufacturers or their agents at least every six month and necessary documentary proof retained by the insured as evidence of compliance to this warranty.

3 : BREACH OF CONDITIONS CLAUSE

The conditions and warranties of the policy shall apply to the items concerned individually and not collectively as if each were insured by a separate policy. Thus a breach of any condition or warranty shall void the insured's rights of claim only with respect of the items to which the breach applies and not in respect of the remaining items.

4: HAZARDOUS GOODS WARRANTY

Warranted that no time during the currency of this policy shall the hazardous goods be stored in the premises insured without the express written approval from the insurer.

5: DOCUMENTARY EVIDENCE WARRANTY

It is warranted during the currency of this policy that in the event of claim for loss arising under the policy schedule, the insured shall produce documentary evidence in form of RRA Tax purchase receipt showing the actual amount of value of the items insured prior to the happening of the loss.



6 : PUBLIC AUTHORITIES REQUIREMENT CLAUSE

The insurance on Buildings by this policy extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Buildings or other Regulations under or framed in pursuance of the Government Ordinances or Bye-Laws of any Province, District or Sector provided that:

1. The amount recoverable under this extension shall not include:
 - (a) the cost incurred in complying with any of the aforesaid regulations or Bye-Laws.
 - i) in respect of destruction or damage occurring prior to the granting of this extension.
 - ii) in respect of destruction or damage not insured by the policy.
 - iii) under which notice has been served upon the insured prior to the happening of the destruction or damage, in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specially excluded from the insurance of this policy) of that portion of the property destroyed or damaged.
 - iv) in respect of the undamaged property or undamaged portions of property;
 - (b) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen;
 - (c) The amount of any rate tax duty development or other charge or assessment arising out of capital appreciation, which may be, payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
2. The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twenty four months after the destruction or damage or within such further time as the insurers may (during the said twenty-four months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the insurers under this Extension not exceeding the Sum Insured on that particular item as insured.
3. If the liability of the insurers under the policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the policy then the liability of the insurers under this Extension shall be reduced in like proportion.

4. The total amount recoverable in respect of Buildings shall not exceed the specific sum insured thereon on the particular building concerned as included in the total sum insured by the Policy.
5. All the conditions of the policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

7: REINSTATEMENT VALUE CONDITIONS

It is hereby declared and agreed that in the event of the property insured under items 1 of the within written policy being destroyed or damaged, the basis upon which the amount payable under each of the said items of this policy is to be calculated, shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, subject to the following Special Provisions and subject also to the terms and Conditions of the policy except in so far the same be varied hereby. The provisions of this memo shall only apply where so expressed on the Policy Schedule as having been incorporated as part of the policy

SPECIAL PROVISIONS TO MEMO 7 ABOVE

1. The work of replacement or reinstatement (whichever may be carried out upon another site and in any manner suitable to the requirements of the Insured) subject to the liability of the Insurer not being thereby increased must be commenced and carried out within twelve months after the destruction or damage or within such further time as the Insurers may (during the said twelve months) in writing allow, otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.

2. Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged the Insurers shall not be liable for any payment of excess of the amount which would have been payable under the policy if this memorandum has not been incorporated therein.

2. If at the time of replacement or reinstatement the sum representing the cost of which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed, exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other perils insured against by the policy then the Insured shall be considered as

being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the policy (if more than one) to which this memorandum applies shall be separately subject to the foregoing provisions.

4. This memorandum shall be without force or effect if :

- (a) The Insured fails to intimate to the Insurers within six months from the date of destruction or damage or of such further time as the insurers may in writing allow, his intention to replace or reinstate the property destroyed or damaged.
- (b) If the Insured is unable or unwilling to first replace or reinstate the destroyed or Damaged property on the same or another site before being compensated by the insurer.

8. ELECTRICAL CLAUSE

The Company is expressly declared to be free from liability for loss of or damage to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by over-running, excessive pressure, short-circuiting, arcing, self-heating or leakage of electricity from whatsoever cause (lightning included) arising. PROVIDED that this exemption shall only apply to the particular electrical machine, apparatus, or portion of electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

9. SAFE AND BOOK CLAUSE

Warranted that the Insured keeps, and during the whole of the currency of the policy shall keep, a complete set of Books, Accounts and Stock Books showing the accurate record of all business transactions.

10. SECURITY WARRANTY

It is hereby understood and agreed unless agreed otherwise in writing ; the insured shall have a Contract in place for the services of day and night guards with a Security Company and they shall provide security over the insured property. A breach of this provision shall entitle the insurer to repudiate any claim which but for the absence of such security detail would not have taken place. The insurers may consider the imposition of an appropriate penalty against the adjusted claim if deemed sufficient in the circumstance

11. AVERAGE CONDITION -

Average clause 85%: It is hereby agreed that Insured value must not be less than 85% of actual value of property. If at time of loss, it is found that the Sum Insured is less than 85% of Replacement (reinstatement) value, the indemnity shall be prorated as follows :
[(Amount of Adjusted loss x Insured Value) /Reinstating value].

12. CONTRIBUTION : -

If at the time of any damage there be any other insurance effected by or on behalf of the Insured covering any of the property lost, destroyed or damaged, the liability of the Company hereunder shall be limited to its rateable proportion of such damage. If any such other insurance is expressed to cover any of the Property insured, but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateable to the destruction or damage, the liability of the Company hereunder shall be limited to such proportion of the destruction or damage as the sum hereby insured bears to the value of the property.

13. SUBROGATION : -

Any claimant under this Policy shall at the request and at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying or making good any destruction or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

CLAIMS CONDITIONS

ACTION BY THE INSURED :

If any event giving rise to or shall likely give rise to a claim under this policy comes to his knowledge the insured shall immediately

- (a) (i) take steps to minimize the loss or damage and recover any missing property,
- (ii) notify to the claim to the insurer immediately as he gets to know the incident by email or telephone and give notice in writing to the insurer within 5 working days and

give notice to the police in the event of deliberate or malicious, damage also deliver all required/supporting documents to the insurer not later than 30 days after the occurrence of the loss.

- (iii) a claim in writing for the loss or damage containing as particular an account as may be reasonably practical of all the several articles or items of property lost or damaged and the amount of loss or damage thereto respectively, having regard to their value at the time of the loss or damage.
- (iv) particulars of all other insurances if any.

The Insured shall at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the loss or damage and circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

2. FORFEITURE : -

- (a) All benefits under the Policy shall be forfeited if any claim made be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain a benefit under this Policy or if any damage is caused by the willful act or with the connivance of the insured.
- (b) Benefits under the Policy shall also be forfeited in respect of any claim
 - (i) made and rejected if any action or suit be not commenced within twelve months after such rejection, or
 - (ii) where arbitration takes place in pursuance of Claims Condition 8 of this policy and an action or suit be not commenced within twelve months after the arbitrator or arbitrators or umpire shall have made their award

3. REINSTATEMENT :

The company may at its option, repair or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join

with any other Company or Insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost to repair such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured thereon.

If the Company so elects to repair or replace any property the insured shall, at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view of repair or replacement shall be deemed as an election by the company to repair or replace. If in any case the Company shall be unable to repair or, replace the property insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall in every such case, only be liable to pay such sums as would be required to repair or replace such property if the same could lawfully be repaired to its former condition.

4. RIGHTS OF THE COMPANY FOLLOWING A CLAIM : -

On the happening of damage in respect of which a claim is made the Company and any person authorized by the Company may without hereby incurring any liability or diminishing any of the Company's right under this policy,

- (a) enter and take or keep possession of the premises where such damage has occurred,
- (b) take possession of or require to be delivered to the Company any property insured and deal with such property for all reasonable purposes and in any reasonable manner.

4. DEPRECIATION CONDITION

It is hereby understood and agreed that in the event of Total loss to the insured property, insurers shall be entitled to take account of the depreciated value of the property in the adjustment of the loss and consequent indemnity value payable to the insured. Where indemnity is only possible with the provision of a new asset ; insurers shall be entitled to a proportional deduction in compensation for New for Old item.

5. ARBITRATION :

If any difference shall arise as to the claim amount to be paid under this policy such difference 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 disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator, and in case of disagreement between the arbitrators, the difference shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The costs of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. Where any difference is by this condition to be referred to arbitration the prior making of an award by the insurer on account of the claim shall be a condition precedent to any right of action against the Insurer.

14. PERIOD OF INSURANCE

The present contract is concluded for a period of one year. The parties agreed that this policy takes effect fromand expires on

15. CANCELLATION NOTICE

The Insurer or the Insured may cancel this Policy by giving seven days' notice in writing to the other party at its last known address. If the Company gives such notice the Insured shall thereupon become entitled to a proportionate return of premium in accordance with the insurer's usual short period scale provided that subject to no claim has been made in the current Period of Insurance.

16. DECLARATION CONDITION

It is hereby declared and agreed that any claim must be reported to Insurer by Telephone or e-mail within 24 hours of the happening of incident and 5 working days in writing. The

maximum limit the insured should claim under this policy is the annual aggregate limit that are described in the schedule. When the limit per period is exhaustive the insured should reinstate the insurance with payment of reinstatement premium upon agreement with the insurer otherwise the insurance take end immediately.

17. LOSS PAYEE CLAUSE

It is hereby agreed that indemnity due under this policy shall be payable to..... unless advised otherwise by writing by the loss payee. Insurers commit to not change or alter the policy without prior written consent of the loss payee. Insurer commits also to not terminate the policy for any cause without prior written notice thirty (30) days before enforcing the termination. It is also agreed that any payment made to the loss payees shall be regarded as valid discharge to Insurer.

18. PREMIUM PAYMENT WARRANTY

In line with National Bank of Rwanda (BNR) directive reference no. 6/2016 of 23/08/2016 on Conduct of insurance business, article number 10, it is hereby declared and agreed that cover under this Policy is subject to payment of full premium as indicated in the schedule of this policy. The total premium shall be paid by the Insured to the Insurer at the inception/commencement date of this policy. Consequently, this policy shall always be considered invalid if the premium is not fully paid in BK GENERAL INSURANCE COMPANY LTD accounts. An Insurance Policy duly signed by both parties whose premiums have not been paid shall be considered as an insurance offer that does not bind the Insurer in any way. There shall be no claim admissible to insurer based on insurance policy whose premium has not been paid in full/totally. The enforceability of any clause of an insurance policy shall depend on the provisions of this clause.

19. DISPUTE RESOLUTION

Any dispute arising out of the contract, which cannot be amicably settled between the two parties, shall be referred to an arbitrator agreed upon by both parties. Should the parties still fail to reach a fair settlement, the matter shall be brought to the competent courts of law in Republic of Rwanda. IN TESTIMONY THEREOF, the parties have signed the present contract in their respective names this day, month and year above. Subject otherwise to

terms and conditions of BK GENERAL INSURANCE COMPANY Ltd for motor insurance forming part of contract.

20. FINAL DISPOSITION

The parties agree that in case of a conflict between the terms of these particular conditions and general conditions, terms of these particular conditions shall prevail. This policy is established in two (2) copies and comes into effect from Notice of the happening of any loss covered under the policy should be given immediately to the Company. Please read your policy and its conditions and, if incorrect return to the company with any written advice regarding the necessary rectifications.

IN WITNESS WHEREOF, the undersigned, one acting on behalf of the Company and the other as the Insured, have hereunto set their hands.

SUBJECT OTHERWISE TO TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY DOCUMENT.

On behalf of the Insured

.....

On behalf of the Insurer

BK Insurance Ltd



CONDITIONS FORMING PART OF 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 ;

1. In the event of any sudden and unforeseen accidental Breakdown the Insured shall give notice thereof to the Company immediately by telephone, e-mail 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:
 - Damaged parts are not those mentioned in exceptions of the policy and are not spare parts required for periodic service and maintenance of the machine ;
 - Any damaged part be kept for inspection by the insured and that the repair be carried out to the satisfaction of the Insured subject to the foregoing special privilege the insurer shall not be liable for the cost of repairs undertaken by the Insured without the permission of the insurer in writing.
3. The Insurer 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 insured in writing be exceeded without the consent of the insurer thereto in writing having been obtained then in the event of Breakdown no liability shall attach to the Insurer in respect of such item . If the insurer 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 Insurer'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 Insurer will only be in the proportion existing between the Limit of Indemnity and 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 excess applicable to any one such item.
7. 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.

CLAIMS NOTIFICATION CLAUSE

Upon the occurrence of any event / incident which is likely to give rise to a claim under this policy, the insured shall immediately notify the insurer and shall within 30 days submit at their own cost all documents and information to the insurer which will enable the insurer to process the claim failing which the claim will be regarded as not taken up. Should the documents submitted not provide adequate information relative to the loss, the insurer shall request any and every document which it considers necessary for the processing of the claim. In case any claim form, which the Insurer 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 Insurer which shall be entitled to take over and conduct in the name of the Insured the defense of settlement of any such claim. The Insured shall give all such information as the Insurer may require.

DUE CARE CLAUSE

The insured covenants to take all reasonable steps to ensure the safety of the subject matter insured including but not limited to ensuring the machines are duly serviced as at when due. This being a condition precedent to insurers liability on this insurance.



CLAIM SUBSTANTIATING DOCUMENTS

This condition should explain that at the time of claim, insured must oblige the following documents / information as part of the documents to substantiate their claim and establish insureds insurable interest on the subject of claim:

- i. Copy of the original purchase invoice for the damaged machine
- ii. Copy of the original Import Documents - Commercial invoice; Parking List; Customs and Tax Declarations
- iii. Copy of Manufacturer's Warranty for machines procured and or installed and which got damaged within one year of its installation.
- iv. Copy of the Manufacturers Attending Technicians Report which detail the cause of damage and also detail the course to follow for either repair or replacement
- v. Copy of the Maintenance Log Book for the last 6 months relative to the subject of claim

DEPRECIATION CLAUSE

It is hereby understood and agreed that in the event of any claim under this insurance, the insured shall prove the acquisition date and acquisition price of the subject of claim with a view to be indemnified. Due depreciation shall be invoked in line with the depreciation laws on the machines and the insurer shall be entitled to apply necessary depreciation having consideration to the age of the equipment. This being a corollary of Indemnity.

OBSOLETE SPARE PARTS CLAUSE

It is hereby understood and agreed that at the time of claim, if any spare part relative to the repair of the machine is confirmed to be out of stock; insurers would be obliged to indemnify the insured based on the last advertised price of such spare part in the Manufacturers Product Catalog.

FRAUD

If any part of the claim be discovered to have been intimated with fraudulent intentions; the entire claim becomes extinguished and insured shall not be entitled to any form of indemnity.



AVERAGE CONDITION

If at the time of the occurrence of any loss, it is discovered that the insured value of any machinery is less than the current Market value of the machinery, then the insurer shall be entitled to invoke the AVERAGE condition and the insured shall bear a ratable share of the loss.

DUE OBSERVANCE CLAUSE

The due observance and fulfillment of the terms, exceptions, conditions 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

WEAR AND TEAR CLAUSE

This insurance does not cover any form of refurbishment of any machines or the wearing out of any spare part of a machine such as Bearings, Rotors, Pinion Shafts, Console, Gear Wheel Teeth's, Spherical bearings, Crown Gear Wheel and component parts of the like caused by or resulting from ordinary using or working, rust deposit of in major internal component parts, corrosion or deterioration due to extensive use or atmospheric conditions or otherwise or scratching of painted or polished surfaces except caused by sudden external vice such as Fire or any of the Special Perils A-H

ECONOMIC LOSS

This insurance does not cover any form of economic loss or Business Interruption following the breakdown of any machinery. It being understood and agreed that such losses fall under the purview of a more specific insurance

MANUFACTURERS WARRANTY

This policy may not cover losses recoverable under Manufacturer's Warranty and consequently, any loss relative to damages recoverable under the provisions of a Manufacturer's Warranty must be addressed by insureds to the concerned Manufacturer.

For and on behalf of

BK General Insurance Ltd