

Allianz Insurance Lanka Ltd
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MACHINERY ALL RISK INSURANCE

WHEREAS the Insured by a proposal and declaration which shall be the basis of this Policy and is deemed to be incorporated herein has applied to the Insurers for the insurance provided by this Policy and has paid or agreed to pay the premium as consideration for such insurance.

The Insurers agree subject to the terms, exceptions, limits and conditions specified herein or endorsed hereon that if during any period of insurance the Machinery described in the Schedule be lost or damaged in the circumstances other than those specified in the 'General Exceptions' specified herein, the Insurers will indemnify the insured against such loss or damage.

GENERAL EXCEPTIONS

The Insurers shall not be liable for :-

1. any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, any legal liability of whatsoever nature,
 - A. directly or indirectly caused by or contributed to by or arising from,
 - a) ionizing radiation's or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel solely for the purpose of this exception combustion shall include any self sustaining process of nuclear fission,
 - b) nuclear weapons material,

- c) war, invasion, act of foreign enemy, hostilities, or warlike operations (whether war be declared or not), civil war,
- d) mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power,
- e) the act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by Terrorism or violence,
- f) (i) permanent or temporary dispossession resulting from confiscation, nationalization, commandeering or requisition by any lawfully constituted authority,

(ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person, provided that the Insurers are not relieved of any liability to the Insured in respect of physical damage to the machinery occurring before dispossession or during temporary dispossession which is otherwise covered by this Policy,
- g) Loss or Damage due to lack of skill, carelessness, gross negligence or malice of persons whether in the Insured's employ or not

In any action suit or other proceedings where the Insurers allege that by reason of the provisions of Exceptions(c), (d) and (e) above any loss, destruction damage or liability is not covered by this insurance the burden of proving that such loss, destruction damage or liability shall be upon the Insured.

- B. caused by or contributed to by or arising from
- (a) the act of any person taking part together with others in any disturbance of the public place (whether in connection with a strike or lockout or not) not being and occurrence mentioned in (c), (d) and (e) above and the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance,
 - (b) the willful act of any striker or locked out worker done in furtherance of a strike or in resistance to a lock-out and the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.
2. loss of and/or damage to or liability arising out of the ownership or possession of or use under the control of the Insured or any person acting on behalf of the Insured of
 - (i) any vessel, craft or thing made to or intended to fly, float or travel on or through water or air and/or property carried by stored in or mounted upon, such vessel craft or thing
 - (ii) any power driven vehicle which is licensed for road use other than any mobile crane, mechanical navy shovel, grab excavator, site clearing and leveling plant or any self propelled vehicle with plant permanently attached which is not more specifically insured under any other Policy of insurance.
 3. loss and/or damage due to the imposition of abnormal conditions directly or indirectly resulting from testing, international overloading or experiments
 4. loss and/or damage for which a supplier, contractor or repairer is legally responsible by contract or otherwise
 5. loss and/or damage due to faults or defects known to the Insured or any of his responsible employees at the time the contract of Insurance was arranged and not disclosed to the Insurer
 6. repair or replacement necessitated by wear, corrosion, erosion, deposits of scale, sludge or other settlement or any other direct consequences of progressive or continuous influences from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces, aesthetic defects and other direct consequences of the continual influence of operation.
 7. damage to materials in course of process, loss of use or other indirect loss, consequential loss or legal liability of whatsoever nature

8. whilst in transit loading or unloading
9. damage to :-
 - (a) foundations and masonry unless specially included in and described in the schedule
 - (b) exchangeable and replaceable parts such as bits, drills knives & saw blades
 - (c) dyes, moulds, patterns, blocks, stamps, punches, coatings or engraving on cylinders and rolls, cartridges
 - (d) parts which by their use and/or nature suffer a high rate of wear and tear or depreciation such as crushing, hammering or grinding surfaces, wear plates, screens and sieves, flexible pipes, jointing and packing materials, filter, clothes, wheels, ropes, belts, straps, elevator and conveyor belts or bands, cables (other than electrical conductors), brushes, batteries, tyres, refractory materials, fire bars and burner jets, ribbons, rubber parts and belts of every description
 - (e) operating materials such as fuels, chemicals, filter, substances, heat transfer media, cleansing agents, lubricants, oils and catalysts
10. The deductible stated in the schedule to be borne by the insured in each & every occurrence

CONDITIONS

1. Interpretation

This policy and schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this policy and schedule shall bear such specific meaning wherever it may appear,

2. Sum Insured and Average

This Sum Insured for each item described in the Schedule shall at all times be equal to the cost of replacement of the item by a new item of the same specification and performance when purchased as an individual item including freight charges, erection cost, customs, dues and taxes.

If any item shall at the time of any loss or damage be of greater value as calculated above than the Sum Insured for such item then the Insured shall be considered as being his own insurer for the difference and shall bear a proportionate share of the loss accordingly.

The limit of indemnity payable under this Policy in respect of any one item is the Sum Insured as stated in the Schedule against such item.

This limit will not be reduced because a payment is made in respect of a claim under this Policy.

3. Claims Procedures and Provisions

On the happening of any event giving rise or likely to give rise to a claim under this Policy coming to the knowledge of the Insured the Insured shall:

- a) give notice thereof to the Insurers or their nearest representative within **fourteen (14) days** from the day of loss or damage,
- b) take precautions to prevent any further loss or damage. The Insurer shall not be liable in respect of any further damage,
- c) take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim, and so far as may be reasonably practicable no alteration or repair shall without the consent of the Insurers be made after the event until the Insurers shall have had an opportunity of inspection,
- d) when called upon to do so deliver to the Insurers or their representative a statement in writing of all particulars and details reasonably practicable of the Machinery affected and the value thereof and the damage thereto and furnish all such vouchers, proofs, explanations and other evidence as may be reasonably required by the Insurers together with a statutory declaration if required in verification of the statement,
- e) at the expense of the Insurers do or permit to be done all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated upon their paying for a making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Insurers.
 - (a) take all practical steps to recover any Machinery including in the event of property lost, stolen or willfully damaged, the giving of immediate notice to the Police.

4. Forfeiture

If the proposal or declaration of the Insured is untrue in any material respect or any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned with the connivance of the Insured, all benefits under this Policy shall be forfeited.

5. Reinstatement

The Insurers may at their own option repair, replace or reinstate any damaged item or part thereof or pay the amount of the damage in money. The Insurer shall not be responsible for temporary repairs and any consequences thereof, nor for the cost of any alterations, additions, improvements or overhauls carried out on the occasion of a repair.

6. Limits of Indemnity

The basis of indemnification are :

- (a) **in the case of repairable damage** – the cost of restoration to normal working order comprising the value of replacement parts labour charges at standard rates of wages, transport cost at ordinary rates (any additional charges resulting from the use of air freight are excluded) and the cost of dismantling and re-erection, customs dues and taxes. The value of damaged parts replaced which can be used again in any way whatsoever may be deducted. The liability of the Insurers is limited to the reinstatement of the item to its condition immediately prior to the loss or damage. If the value of an item or a part thereof is increased by the repair the liability of the Insurers shall be reduced by the amount of such increase.
- (b) **in the case of total loss** – the market value of the item immediately before the loss or damage together with the cost of dismantling the damaged Machinery and the cost of delivering and erecting a replacement item but less the value of any salvage.

An item will be deemed to be a total loss if the cost of repair as defined in paragraph (a) of this Condition equals or exceeds the market value immediately before the occurrence.

In respect of each item the amount of the excess shown in the Schedule against that item shall be deducted from the amount of indemnity calculated in accordance with the foregoing bases.

7. Contribution

If at the time of any loss or damage covered by this Policy there shall be any other insurance covering such damage effected by or/on behalf o the Insured the Insurers shall not be liable for more than their ratable proportion of such damage. If such other insurance is subject to any condition of advantage to the Insurers this Policy shall be subject to such conditions in a like manner.

8. Reasonable Care

The Insured shall take precautions to keep the Property Insured in good working order to enforce the observance by all persons of all proper safeguards against loss or damage to the Machinery and to ensure that statutory and other regulations relating to the operation and inspection of the Machinery are obeyed.

9. Rights of the Company

The Insurers officials or representatives shall have the right at all reasonable times to inspect and examine the Machinery. Dismantling and re-assembling in connection with any examination shall be carried out by the Insured on such date or dates as the Insurers and the Insured shall mutually agree for the making of such examinations.

10. Changes of risk

The insured shall notify the Insurers of any detects or conditions of working which affect the risk of loss or damage and shall cause such additional precautions to be taken as the circumstances require. The Insurers shall not be liable for any loss or damage caused by a departure from normal working conditions with the insured's approval and which creates and aggravated risk unless the insurers shall have given prior consent.

11. Avoidance

If at any time after commencement of this insurance,

- a) the business of the Insured be wound up or carried on by liquidator or receiver or permanently discontinued,
- b) the Insured's interest cases otherwise than by death,

this Policy shall be avoided unless its continuance be admitted by endorsement signed by or behalf of the Insurers.

12. Cancellation

The Insurers may cancel this Policy by sending ten (10) days notice by registered letter to the Insured at his last know address and will return to the insured a proportionate part of the premium corresponding to the unexpired period of insurance.

13. Fulfillment of Conditions

The due observance and fulfillment of the terms and conditions of this Policy in so far as they relate to anything to be done or compiled with by the Insured and the truth or the statements and answers in the proposal and declaration shall be conditions precedent to any liability of the Insurers to make any payment under this Policy.

14. Arbitration

All differences arising out of this Policy shall be referred to the arbitration of some person to be appointed by both parties or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each party and in the case of disagreement between the Arbitrators to the decision of an Umpire who shall have been appointed in writing by the arbitrators before entering on the reference. The Umpire shall sit with the Arbitrators and preside at their meeting and the making of an Award shall be a condition precedent to any right of action against the Insurers. If the Insurers shall disclaim liability to the Insured or his personal representative 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.

Data Privacy & Protection

The Insurer is strongly committed to conducting its business in full compliance, and in accordance with applicable Data Privacy protection laws and regulations. All privacy related matters are governed by Allianz Privacy Notice which is available on the Insurer's official website <https://www.allianz.lk/data-privacy-notice.html>. The said privacy notice explains how and what type of personal data will be collected, why it is collected and to whom it is shared or disclosed. Further, the Insurer is committed to keep your Personal Data only so long as necessary to fulfill the purposes for which the data was collected for or to fulfill legal obligations.

Definition:

Personal Data - means any information relating to an individual