



Machinery Breakdown

Defined events

Any unforeseen and sudden physical damage to the machinery described in the schedule from any cause whilst it is:

1. at work or at rest
2. being dismantled for the purpose of cleaning, inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection anywhere within the Republic of South Africa, Botswana, Lesotho, Malawi, Namibia, the Kingdoms of Eswatini and Zimbabwe

within the insured's premises.

Basis of indemnity

1. If the damage can be repaired the company will pay the cost of restoration to working order based on the customary daily rates of wages in the district and normal freight erection and custom dues.
2. If the insured item is totally destroyed the company will pay the market value of the item immediately before the accident and the cost of removing the damaged machinery less the value of the remains. The insured item shall be regarded as totally destroyed if the repair costs as defined in 1 above equal or exceed its market value immediately before the accident.
3. The company may at its option repair reinstate or replace any damaged machinery or pay the amount of the damage in cash.

Specific exceptions

1. Irrespective of the original cause the company will not pay for:

(a) first amount payable:

the amount specified in the schedule as the first amount payable for each and every occurrence

(b) damage due to:

(i) fire, lightning, explosion:

fire extinguishing of a fire direct lightning strikes explosion

(ii) theft collapse etc:

theft collapse of buildings impact by animals vehicles aircraft other aerial devices or objects dropped therefrom sonic shock waves

(iii) water:



water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system

(iv) subsidence landslide:

subsidence landslide storm flood inundation hail snow earthquake volcanic eruption or other convulsions of nature

or any subsequent dismantling

(c) experiments:

damage resulting from experiments overloads or tests requiring the imposition of abnormal conditions

(d) tools:

damage due to the misapplication of tools

(e) wastage wearing away:

wastage of material or the like or wearing away or wearing out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration

(f) expendable parts:

expendable parts and tools such as (but not limited to) bits cutters knives saw blades dies pattern rollers sieves chains belts ropes conveyor bands jointing and packing material. If these parts or tools are damaged as a result of an accident to other parts of the machinery insured as provided for by this insurance the company shall indemnify the insured for the residual value of such parts or tools

(g) express delivery overtime:

extra charges for express delivery overtime Sunday and holiday rates of wages unless specially provided for herein

(h) damaged parts:

the value of damaged parts which can be used in any way whatsoever

(i) alterations additions:

costs of alterations additions improvements and overhauls carried out on the occasion of a repair

(j) temporary repairs:

temporary repairs and any consequences arising therefrom unless the company has authorised the temporary repairs

(k) power spike and/or power surge and/or an under-voltage condition loss of or damage to any item of machinery described in the schedule due to a power spike and/or power surge



and/or an under-voltage condition arising out of the energizing of any standby power generating plant to which the insured property/machinery has been connected.

This exception shall not apply if the standby power generating plant has been fitted with appropriate voltage and frequency regulation equipment.

2. Foundations masonry refractories

The machinery described in the schedule does not include any foundations masonry or refractories unless specifically mentioned.

3. Partial damage

Where damage is restricted to a part or parts of an insured item the company will not be liable to pay a greater amount than the value of the part or parts allowed for in the sum insured plus dismantling re-erection and freight expenses.

Specific conditions

1. Alterations to working conditions

Notice of any intended alteration to or departure from normal working conditions which would affect the risk of damage to the machinery specified in the schedule must be given to the company. If the company cannot approve the alteration or departure from normal working conditions the company may cancel the insurance in respect of the machinery concerned making an appropriate return of premium.

2. Access

The insured shall allow the authorised representatives of the company to examine the insured machinery at any reasonable time. If during the inspection any new facts of a nature likely to render the risk more than usually hazardous are observed the insured must at the request of the company restore the risk to normal within a reasonable time failing which the company may suspend cover in whole or in part until the risk is restored to normal.

3. Claims

On the happening of an event giving rise or likely to give rise to a claim the insured:

- (a) shall exercise all means in his power to salvage the insured items and ensure their preservation
- (b) may proceed with the repair of the machinery

Provided that:

- (i) he complies with 3(a) above
- (ii) the carrying out of the repair is without prejudice to any question of liability
- (iii) any damaged part requiring replacement is kept for inspection by the company.



4. Insured value

The sum insured for each item of machinery specified in the schedule must be equal to the installed new replacement value at all times.

5. Average

If at the time of the damage the sum insured is lower than the installed new replacement value then the insured will be considered to be his/her own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.