

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Market value

market value shall mean

the current purchase price of a second hand/used machine identical in every respect to the machine damaged and substantially of similar condition. Where no similar machine is available, market value shall be calculated from the current new replacement value of the machine less a reasonable amount for use based on an appropriate depreciation scale.

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

within the insured's premises

- 3 at any premises for the purpose of cleaning, overhaul, repair or other similar purpose anywhere within the Republics of Namibia and Botswana, the Kingdoms of Lesotho and Eswatini and the Republics of Malawi, South Africa and Zimbabwe.

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 customs dues.
- 2 If the insured item is totally destroyed, the company will pay the market value of the item immediately before the damage and the cost of removing the damaged machinery, less the value of the salvage. 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 damage.
- 3 The company may at its option repair reinstate or replace any damaged machinery or pay the amount of the damage in cash.

Specific conditions

1 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

2 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.

3 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 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.

4 Claims

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

- 4.1 shall exercise all means in their power to salvage the insured items and ensure their preservation

- 4.2 may proceed with the repair of the machinery provided that
 - 4.2.1 they comply with 4.1 above
 - 4.2.2 the carrying out of the repair is without prejudice to any question of liability
 - 4.2.3 any damaged part requiring replacement is kept for inspection by the company

5 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.

6 Reinstatement of sum insured

In the event of the payment by the company of any sum or sums in discharge of the company's liability in the terms of this insurance the sum insured shall automatically be reinstated for the remainder of the current period of insurance provided that the insured shall pay any additional premium required by the company calculated pro rata from the date the repaired item is again put to work.

Specific exclusions

1 Alterations additions

irrespective of the original cause the company will not pay for costs of alterations additions improvements and overhauls carried out on the occasion of a repair

2 Damaged parts

irrespective of the original cause the company will not pay for the value of damaged parts which can be used in any way whatsoever

3 Excess

irrespective of the original cause the company will not pay for the amount specified in the schedule as the excess for each and every occurrence

4 Expendable parts

irrespective of the original cause the company will not pay for 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

5 Experiments

irrespective of the original cause the company will not pay for damage resulting from experiments overloads or tests requiring the imposition of abnormal conditions

6 Fire lightning explosion

irrespective of the original cause the company will not pay for damage due to fire extinguishing of a fire direct lightning strikes explosion or any subsequent dismantling

7 Foundations masonry refractories

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

8 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

9 Power surge

irrespective of the original cause the company will not pay for 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 energising of any standby power generating plant to which the insured property/machinery has been connected.

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

10 Subsidence landslide

irrespective of the original cause the company will not pay for damage due to subsidence landslide storm flood inundation hail snow earthquake volcanic eruption or other convulsions of nature or any subsequent dismantling

11 Theft collapse etc.

irrespective of the original cause the company will not pay for damage due to theft collapse of buildings impact by animals vehicles aircraft other aerial devices or objects dropped therefrom sonic shock waves or any subsequent dismantling

12 Temporary repairs

irrespective of the original cause the company will not pay for temporary repairs and any consequences arising therefrom unless the company has authorised the temporary repairs.

13 Tools

irrespective of the original cause the company will not pay for damage due to the misapplication of tools

14 Wastage wearing away

irrespective of the original cause the company will not pay for 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

15 Water

irrespective of the original cause the company will not pay for damage due to water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system or any subsequent dismantling

