

SECTION 12 MACHINERY BREAKDOWN

Definitions

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

1 Machinery

machinery shall mean

motors, motor generating sets, gearboxes, braking equipment, drums and all associated equipment and controlling switchgear in lift rooms and lift shafts, boilers, air-conditioning plant and standby generator sets forming part of the building insured at the premises stated in the schedule.

Defined events

Sudden and unforeseen physical damage to the insured machinery as defined.

Basis of settlement

1 Partial loss

The basis of settlement shall be the cost of restoring to working order based on the customary daily rates of wages in the district and normal freight erection and custom dues less

1.1 the value of any reusable parts

1.2 the cost of alterations, additions, improvements and other overhauls of the machinery carried out at the time of a repair.

2 Total Loss

The basis of settlement shall be the new replacement value immediately before the accident plus the costs of removing the damaged machinery less a reasonable allowance for use and value of the remains.

N.B. An insured item of machinery shall be regarded as totally destroyed if the cost of repairs equals or exceeds the new replacement value immediately before the accident less reasonable amount for use

The company may at its option repair or replace any damaged machinery or pay the amount of damage in cash.

3 Limitation

If the damage is restricted to a part or parts of the insured machinery, the company will not be liable for more than the value of such parts allowed for in the sum insured plus dismantling, re-erection and freight expenses.

Specific conditions

1 Access

The insured shall permit the company to inspect the machinery at any reasonable time. If, arising from such inspection any facts likely to increase the risk of damage are revealed the insured must take immediate steps to restore the machinery to normal. The company may give written notice to the insured suspending cover under this section until the insured advises the company that the risk has been restored to normal.

2 Alterations to working conditions

Notice of any alteration to or departure from normal working conditions which would affect the risk of damage must be given to the company as soon as possible. The company may either approve such changes or cancel the insurance under this section and, provided there has not been a claim during the current period of insurance, refund a proportionate part of the premium paid.

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 his 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 he complies 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 Maintenance of machinery

The insured shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

7 Physical destruction or damage

No amount shall be payable hereunder except in the event of actual physical damage to or destruction of the insured property, notwithstanding that the insured property may have been deemed to have been destroyed in terms of the Sectional Titles Act No. 95 of 1986, or as amended or replaced, and the provisions thereof shall not apply in regard to the application or interpretation of this section.

8 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 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 exceptions

The company will not indemnify the insured under this section in respect of

1 Collapse

damage caused by the collapse of buildings or any movement of the land supporting the buildings

2 Expendable parts

damage to expendable parts or tools. If such parts or tools are damaged as a result of an accident as provided for in this section to other parts of the machinery insured the company will indemnify the insured for the residual value of such parts or tools

3 Experiments

damage resulting from experiments, overload or similar tests requiring the imposition of abnormal conditions or from the execution of repairs

4 First amount payable

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

5 Foundations

foundations masonry or refractories unless specifically mentioned

6 Maintenance contract

any damage to machinery which is not subject to a regular maintenance contract

7 Ordinary use

any damage caused or attributable to wastage by or naturally resulting from ordinary use, working or gradual deterioration

8 Other insurance

any damage for which an insurance is provided under any other contingency in this policy

9 Temporary repairs

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

