

Machinery Movement Section

Section Definitions

Operations

1 Dismantling

From commencement of dismantling or disconnection of **Property Insured** during movement to the loading point until commencement of loading on to transport vehicles.

2 Transit

From the commencement of loading on to transport vehicles during movement of **Property Insured** (other than by sea or air) until completion of unloading at the destination.

The cover includes transfer to other vehicles incidental storage not exceeding 14 (fourteen) days and necessary deviations en route.

3 Erection

From the completion of unloading from transport vehicles during movement to the working situation and until the **Property Insured** is ready for use upon completion of assembly and any testing or commissioning.

4 Positioning

- a From the completion of unloading from transport vehicles during movement to the actual working position until connected up on the foundations or bedplate or
- b from the commencement of disconnection during movement from the foundations or bedplate in the actual working position
 - i to the loading point until the commencement of loading on to transport vehicles or
 - ii to another working position at the same premises until the **Property Insured** is reconnected at the new working position.

5 Loading and Unloading

When shown in the **Schedule**

- a Dismantling will continue until the completion of loading on to transport vehicles
- b Erection will start upon the commencement of unloading from transport vehicles
- c Positioning
 - i will start upon the commencement of unloading from transport vehicles or
 - ii will continue until the completion of loading on to transport vehicles.

Premium Adjustment

If the premium calculated on the basis agreed between **the Insurer** and **the Insured** on the declarations made for the **Period of Insurance** exceeds or falls short of the deposit then **the Insured** shall pay or **the Insurer** shall refund the difference as the case may be subject to a minimum retention of 75% (seventy five percent) of the deposit or the minimum annual premium retention shown in the **Schedule** whichever is the greater.

Property Insured

Plant machinery or equipment shown in the **Schedule**.

Territorial Limits

Great Britain Northern Ireland the Isle of Man and the Channel Islands.

Machinery Movement Section (continued)

Cover

- A** Loss of or damage to **Property Insured** belonging to **the Insured**
- B** The legal liability of **the Insured** under the terms of a contract or otherwise to pay compensation for loss of or damage to **Property Insured** in their care custody or control

described in the **Schedule** occurring within the **Territorial Limits** during the **Period of Insurance** and in the course of the **Operations** specified in the **Schedule**.

Limit of Liability

The liability of **the Insurer** under this **Section** shall not exceed

- a** the Limit of Liability shown in the **Schedule**.

Provided that liability for any individual item of **Property Insured** shall not exceed the market value of the item at the time of the loss or damage

and in addition

- b** any amounts shown in the Section Extensions

in respect of any one accident or series of accidents arising from one occurrence of loss or damage.

Section Extensions

(Subject to the terms Conditions and Exclusions of this Section and Policy)

1 Additional Cost

The insurance by this **Section** extends to cover necessary and reasonable cost incurred by **the Insured** following loss or damage to **Property Insured** owned by them and which is insured by this **Section**

- a** in effecting a temporary repair and/or expediting a permanent repair.

Provided that the liability of **the Insurer** shall not exceed 50% (fifty percent) of the normal repair cost.

- b** in respect of increased cost of working incurred to prevent or minimise interruption to the **Business** in consequence of the loss or damage excluding those costs incurred in the 48 (forty-eight) hours immediately following the occurrence of the loss or damage.

Provided that the liability of **the Insurer** in connection with **a** and **b** above shall not exceed £10,000 in total.

2 Payments on Account

The insurance by this **Section** extends to cover payment as agreed between **the Insured** and **the Insurer** in advance of final settlement of a claim under this **Section** where **the Insurer** has admitted liability.

3 Debris Removal

The insurance by this **Section** extends to cover the cost necessarily and reasonably incurred by **the Insured** with the consent of **the Insurer** in the removal of **Property Insured** following damage insured by this **Section**.

Provided that the total liability of **the Insurer** for the cost of rectification of damage and the removal of the **Property Insured** shall not exceed the Limit of Liability shown in the **Schedule**.

4 Claims Preparation Cost

The insurance by this **Section** extends to cover the necessary and reasonable cost incurred in producing and certifying any particulars or details required by **the Insurer** in connection with an event for which liability has been accepted but limited to the

- a** additional cost incurred by employees of **the Insured**
- b** additional fees incurred by the usual auditors of **the Insured**
- c** cost of materials used in furnishing the requirements of **the Insurer**.

Provided that the liability of **the Insurer** shall not exceed £5,000.

Machinery Movement Section (continued)

5 Avoidance of Impending Damage

The insurance by this **Section** extends to cover the cost incurred by **the Insured** in taking exceptional measures that are reasonable to avoid or reduce impending loss or damage which would have resulted in a claim under this **Section**.

Provided that

- a** the impending loss or damage did not arise from any defect in the **Property Insured**
- b** the impending loss or damage did not arise from a reasonably foreseeable cause
- c** the loss or damage would have been the natural outcome to be expected in the absence of the measures taken
- d** **the Insurer** is satisfied that loss or damage which would have been insured under this **Section** has been avoided or reduced in consequence of the measures taken
- e** the liability of **the Insurer** shall not exceed the cost which would have been incurred had the measures not been taken and loss or damage insured by this **Section** had occurred.

Section Exclusions

This **Section** does not cover

- 1 Excess**
the amount stated in the **Schedule** as the **Excess** in respect of each and every occurrence for which **the Insured** is indemnified by this **Section**.
- 2 Breakdown or Explosion or Derangement**
loss damage cost or legal liability consisting of or in consequence of damage to the **Property Insured** caused by its own electrical or mechanical breakdown its own explosion or its own derangement.

3 Maintenance or Faulty Workmanship or Application of Tools the cost of

- a** maintenance
- b** rectification of faulty workmanship occurring during the execution of repairs

but not damage resulting from **a** or **b** unless otherwise excluded

- c** damage caused by the direct application of tools.

4 Other Consequential Loss

loss damage cost or legal liability consisting of or in consequence of liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically insured by this **Section**.

5 Wear and Tear or Gradual Deterioration the cost of rectification of

- a** wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- b** gradually developing flaws or fractures which do not necessitate immediate stoppage

but not damage insured by this **Section** resulting from **a** or **b** unless otherwise excluded.

6 Scratching

loss damage cost or legal liability consisting of or in consequence of the scratching of painted or polished surfaces unless accompanied by other indemnifiable damage to the item.

Machinery Movement Section (continued)

Section Exclusions (continued)

7 Excluded Items

loss of or damage to glass porcelain or similar materials unless accompanied by loss of or damage to the complete item.

8 Excluded Parts and Components

cutters bits machine tools moulds dies heating elements driving belts and chains and similar items that require periodic replacement.

If as a result of other loss or damage insured by this **Section** these items are lost or damaged beyond repair then **the Insurer** shall indemnify **the Insured** for any residual value.

9 Defects

the cost of repairing replacing or rectifying **Property Insured** which is defective in material design or workmanship but not resultant loss or damage unless otherwise excluded.

10 Inventory Loss or Unidentifiable Occurrence

loss of the **Property Insured**

- a** by its disappearance or by shortage if the disappearance or shortage is only revealed when an inventory is made or
- b** due to it being stolen or otherwise missing unless the loss is identifiable by **the Insured** with a specific occurrence which has been the subject of notification under the terms of General Condition 3 Claims and the Section Claims Conditions under this **Section** and which has been reported to the Police.

11 Multiple Lifting Operations

loss or damage arising from any lifting or lowering operation in which a load is shared between two or more machines unless the prior consent of **the Insurer** has been obtained.

12 Overloading or Abnormal Conditions

loss of or damage to any item of **Property Insured** caused by or arising from deliberate overloading overload testing or the imposition of abnormal conditions.

13 Vessels Craft Vehicles Devices Rigs or Platforms

loss of or damage to any

- a** vessel craft vehicle or device designed to float on in or travel under or through water air or space
- b** marine rig or marine platform
- c** equipment mounted on and fixed to such vessel craft vehicle device rig or platform.

14 Perils at Insured's Premises

loss or damage while the **Property Insured** is situated at **the Insured's Premises** caused by

- a** fire however caused
- b** fire extinguishing agents
- c** explosion
- d** lightning earthquake storm tempest flood inundation water aircraft or other aerial devices or articles dropped therefrom
- e** subsidence or other ground movement or displacement
- f** theft or attempted theft
- g** riot strike lockout or civil commotion.

15 Confiscation and Kindred Risks

- a** loss or damage directly or indirectly caused by confiscation nationalisation requisition or destruction of or damage to property by order of the Government or any Public Municipal or Local Authority.

Machinery Movement Section (continued)

Section Exclusions (continued)

- b** in the case of **Property Insured** outside Great Britain Northern Ireland the Isle of Man and the Channel Islands loss damage or corruption directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.
- c** loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot civil commotion and (except in respect of damage by fire and explosion) strikers locked out workers persons taking part in labour disturbances or malicious persons.

16 Pollution and Contamination

any cost arising directly or indirectly caused by or contributed to by or arising from pollution or contamination.

This Section Exclusion shall not apply to cost arising from pollution or contamination of **Property Insured** caused directly by an occurrence which is insured by this **Section**.

17 Computer Date Recognition

loss or damage directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of **the Insured** or not to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

- a** correctly to recognise any date as its true calendar date

- b** to recognise capture save retain restore and/or correctly to manipulate interpret calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- c** to recognise capture save retain restore and/or correctly to manipulate interpret calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware being a command which causes the loss of data or the inability to recognize capture save retain restore or correctly to manipulate interpret calculate or process any data on or after any date

but this Section Exclusion shall not apply to subsequent loss or damage arising from or caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Section Exclusion be insured by this **Section**.

Machinery Movement Section (continued)

Section Conditions

1 Right to Survey

It is a condition of this **Section** that **the Insurer** has the right to carry out a survey of the risks insured at any time mutually agreed with **the Insured**.

2 Observance of Section Terms

The liability of **the Insurer** will be conditional on **the Insured** complying and as appropriate any other insured parties entitled to indemnity complying as though they were **the Insured** with the terms provisions exclusions limits and conditions of this **Section** and **Policy** in so far as they can apply.

3 Declarations

Where the premium in respect of this **Section** is a deposit and has been calculated on estimates supplied by **the Insured** they shall keep an accurate record of information on matters for which estimates have been given.

This record shall be supplied to **the Insurer** within 2 (two) months following expiry of the **Period of Insurance** to enable the **Premium Adjustment** to be calculated.

4 Alteration in Risk

The Insured must notify **the Insurer** as soon as possible if during the **Period of Insurance**

- a the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued
- b the interest of **the Insured** ceases other than by death
- c there is any alteration to the facts or matters set out in the **Schedule** or otherwise comprising the risk presentation made by **the Insured** to **the Insurer** at inception renewal or variation of this **Policy** which materially increases the risk of loss damage or legal liability

Upon being notified of any such alteration **the Insurer** may at its absolute discretion

- i continue to provide cover under this **Section** on the same terms
- ii restrict the cover provided by this **Section**
- iii impose additional terms
- iv alter the premium
- v cancel this **Section** and this **Policy**.

If **the Insured** fails to notify **the Insurer** of any such alteration **the Insurer** may

- 1 treat this **Section** and the **Policy** as if it had come to an end as at the date of the alteration of the risk returning a proportionate amount of the premium for the unexpired **Period of Insurance** if **the Insurer** would have cancelled this **Section** and the **Policy** had it known of the increase in risk
- 2 treat this **Section** and the **Policy** as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as **the Insurer** would have applied had it known of the increase in risk
- 3 reduce proportionately the amount paid or payable on any claim the proportion for which **the Insurer** is liable being calculated by comparing the premium actually charged as a percentage of the premium which **the Insurer** would have charged had it known of the increase in risk.

Machinery Movement Section (continued)

Section Claims Conditions

1 Additional Claims Requirements

In the event of any occurrence giving rise or likely to give rise to a claim under this **Section** it is a condition precedent to the liability of **the Insurer** that **the Insured** shall

- a** permit inspection by the representatives of **the Insurer** of any damaged or defective parts of **Property Insured**
- b** at their own expense deliver to **the Insurer**
 - i** within 30 (thirty) days after such occurrence (28 (twenty-eight) days in the case of loss or damage by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as **the Insurer** may allow in writing
 - 1** full information in writing of the **Property Insured** and the amount of loss or damage
 - 2** details of any other insurances on the **Property Insured** covered by this **Section**
 - ii** all such proof and information relating to the claim as may reasonably be required
 - iii** if required, a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this Section Claims Condition have been complied with.

2 Options for Claims Settlement

- a** **The Insurer** may at their option repair reinstate or replace what is lost or damaged or pay for the loss or damage in money.

If any **Property Insured** is to be reinstated or replaced by **the Insurer** **the Insured** shall at their own expense provide all such plans documents books and information as may reasonably be required.

The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner.

- b** **The Insurer** shall not be liable for the cost of any repairs undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand provided that
 - i** the requirements of General Condition 3 Claims and Section Claims Conditions 1 Additional Claims Requirements and 4 Subrogation have been complied with
 - ii** the repairs are carried out to the satisfaction of **the Insurer**.
- c** Where loss or damage is confined to a part of a machine or structure **the Insurer** shall be liable for the value of that part plus the cost of any necessary dismantling and erection for which **the Insured** is responsible.
- d** **The Insured** shall not be entitled to abandon any property to **the Insurer** whether taken into the possession of **the Insurer** or not.

3 Average

If the **Property Insured** shall at the time of any loss or damage be of greater new replacement value than the value declared by **the Insured** for the purpose of calculation of premium **the Insured** shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage.

4 Subrogation

Any claimant under this **Section** shall at the request and expense of **the Insurer** take or permit to be taken all necessary steps for enforcing rights against any other party in the name of **the Insured** before or after any payment is made by **the Insurer**.

Machinery Movement Section (continued)

5 Other Insurances

The Insurer will not indemnify **the Insured** in respect of loss damage cost or liability which is insured by or would but for the existence of this **Section** be insured by any other policy effected by **the Insured** or on **the Insured's** behalf except in respect of any excess beyond the amount payable under the other policy or which would have been payable under the other policy had this insurance not been effected.

6 Claims Arbitration

If any difference arises as to the claims amount paid under this **Section** the difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions.

Where any difference is by this Section Condition to be referred to arbitration the making of the award shall be a condition precedent to any right of action against **the Insurer**.

7 Onus of Proof

In the event of a claim the onus is on **the Insured** to show that the loss or damage occurred during the **Operations** and the **Period of Insurance** covered by this **Section**.