



HSB Engineering Insurance Limited

MACHINERY DAMAGE INSURANCE SPECIFICATION SUD

COVER

The Company will indemnify The Insured against loss of or damage to **Machinery** described in The Schedule from sudden and unforeseen cause whilst at The Situation specified in The Schedule

ADDITIONAL COVER

In respect of each claim for loss or damage for which liability is accepted the Cover provided by this Specification extends to include

Automatic Cover

1. Additional **Machinery** belonging to The Insured from the time the installation is completed and the **Machinery** is ready to commence normal working at The Situation shown in The Schedule

Provided that

- (a) the **Machinery** belongs to a category shown in The Schedule and is of a type similar to that which the Insured previously declared his intention to insure
- (b) the **Machinery** shall be insured to the same extent as **Machinery** of a similar type
- (c) the **Machinery** is free from defects so far as The Insured is aware and complies with any statutory obligations concerning its examination and certification
- (d) The Insured shall inform The Company in writing of such **Machinery** within twelve months of installation and shall pay the appropriate additional premium

Subject otherwise to the terms Conditions and Exclusions of this Policy

Temporary Removal

2. loss of or damage to the **Machinery** occurring within the European Union or European Free Trade Area whilst temporarily located at any other location or in transit for the purposes of repair service overhaul or maintenance

OPTIONAL EXTENSION AND LIMITATIONS

Subject otherwise to the terms Conditions and Exclusions of this Policy where any of the following symbols appear against any item of **Machinery** the Cover is amended accordingly

BDN - Breakdown Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by **Breakdown**

EXP - Explosion/Collapse Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by its **Explosion** or **Collapse**

ADL - Accidental Damage Limitation Cover Clause

The Company shall not be liable for loss of or damage to **Machinery** caused by or arising from **Breakdown** **Explosion** or **Collapse**

MDL - Material Damage Limitation Cover Clause

The Company shall not be liable for any loss of or damage to the **Machinery**

ISE - Inspection Service Exclusion Cover Clause

Notwithstanding Special Condition 1 of this Specification neither HSB Engineering Insurance Limited nor HSB Houghton Engineering Insurance Services Limited undertake to make periodical inspections of the **Machinery** nor to report thereon



HSB Engineering Insurance Limited

LGE - Lifted Goods Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against accidental direct damage to property belonging to or in the custody and control of The Insured whilst being handled by the **Machinery** and arising out of its normal use

This Extension does not cover damage resulting from a fault in or fragility of the property being lifted or its container

FRA - Fragmentation Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against accidental damage by impact to surrounding property belonging to or in the custody and control of The Insured and for which The Insured is responsible resulting from fragmentation of any part of the **Machinery**

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam
- (d) caused by and occurring during testing of **Machinery**

OSP - Own Surrounding Property Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against damage to property belonging to or in the custody and control of The Insured and for which The Insured is responsible

1. directly resulting from any damage to the **Machinery** insured under this Specification
2. caused by impact through the normal operation of lifting and handling **Machinery** though the **Machinery** itself may not be damaged

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam

excepting that (b) and (c) above shall not apply to damage directly consequent upon and solely due to **Explosion**

SPECIAL DEFINITIONS

Machinery

Machinery shall include all component parts of the permanent structure of any item described in The Schedule commencing in the case of a fixed unit at the point of anchorage and in the case of a travelling unit at the road or track wheels

Machinery shall not include within its meaning

- (a) superheaters economisers piping and ancillary electrical or mechanical plant attached to boilers or pressure vessels chimneys or appliances used for attaching the load to any lifting machine glass bulbs or valves or electronic apparatus
- (b) supporting structures lift enclosures (other than landing gates) rail tracks anchorage bolts or fixing appliances brickwork masonry or foundations
- (c) tools cutting edges moulds dies patterns non-metallic linings pulverising and crushing surfaces flexible pipes trailing cables driving belts or bands or parts requiring periodic renewal
- (d) parts not made of metal (other than ropes integral gearing bearings bushes batteries tyres slabs of switchboards and insulation of electrical conductors)

Unless specified otherwise in The Schedule



HSB Engineering Insurance Limited

Breakdown

Breakdown shall mean

- (a) The actual breaking failure distortion or burning out of any part of the **Machinery** whilst in ordinary use arising from defects in the **Machinery** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) Fracturing of any part of the **Machinery** by frost when such fracture renders the **Machinery** inoperative
- (c) The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

Explosion

The sudden and violent rending of the **Machinery** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Machinery** together with forcible ejection of the contents

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Machinery** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Pressure Plant

Machinery which stores fluids either below or above atmospheric pressure

SPECIAL CONDITIONS

Inspection

1. Where contracted to do so HSB Haughton Engineering Insurance Services Limited will periodically inspect the **Machinery** described in The Schedule and will report thereon

The Insured shall at their expense have the **Machinery** properly prepared to enable HSB Haughton Engineering Insurance Services Limited to carry out inspections

In undertaking inspections HSB Haughton Engineering Insurance Services Limited shall be deemed to be acting as the agent of the Insured

HSB Haughton Engineering Insurance Services Limited shall not carry out or witness special tests of a non routine nature (including any ultrasonic radiographic tests or in the case of lifting and handling **Machinery** any proof load stability anchorage or similar tests) unless specifically agreed otherwise

Multiple Lifting Operations

2. For the insurance provided under this Specification to be operative during any operation in which a load is shared between any items of **Machinery** classed as lifting plant or lifting equipment (whether insured under this Specification or not) the lifting operation must be conducted in accordance with BS7121

Basis of Settlement

3. In respect of
 - (a) **Machinery** less than three years old at the time of a claim
 - (b) boilers and associated pipework or **Pressure Plant**

the basis upon which the amount payable for loss of or damage to the **Machinery** (excluding stock in trade or goods in process of manufacture) belonging to The Insured or in their custody or control or for which The Insured is responsible is to be calculated shall be **Reinstatement** of the **Machinery**



HSB Engineering Insurance Limited

Reinstatement shall mean

Where **Machinery** or other Insured Property is destroyed or damaged to the extent that repair is uneconomic or impractical:-

- (i) if a building its re-building
- (ii) if not a building its replacement by similar **Machinery** or property but in either case in a condition equal to but not better or more extensive than its condition when new

Where **Insured Property** other than **Machinery** is damaged the repair of the damage and the restoration of the damaged portion of the **Insured Property** to a condition substantially the same as but not better or more extensive than its condition when new

Where **Machinery** is damaged the repair of the damaged item to a condition substantially the same as that immediately before the occurrence of the damage

Reinstatement shall include additional costs incurred to comply with European Union Legislation Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority where necessary

Provided that

- (a) the liability of The Company shall not exceed the Limits of Indemnity stated in The Schedule for loss of or damage to the **Machinery** or other Insured Property belonging to The Insured
- (b) the work of **Reinstatement** must be commenced and carried out expeditiously and must be completed within twelve months of the destruction or damage or within any further time The Company may allow and may be carried out wholly or partially upon another site (if Legislation Act Regulations or Bye-laws require) provided that the liability of The Company is not increased
- (c) where Insured Property is partially damaged or destroyed the liability of The Company shall not exceed the sum which The Company would have been called upon to pay for **Reinstatement** in the event of total destruction
- (d) no payment beyond the amount which would have been payable had this **Basis of Settlement** not been incorporated shall be made until the cost of **Reinstatement** has been incurred
- (e) no payment beyond the amount which would have been payable had this **Basis of Settlement** not been incorporated shall be made if at the time of destruction or damage to the **Machinery** or other Insured Property it is covered by any other insurance held by or on behalf of the Insured which is not upon a **Reinstatement** basis
- (f) the amount recoverable shall not include
 - (i) the cost incurred in complying with any Legislation Acts Regulations or Bye-Laws
 - (1) in respect of destruction or damage occurring prior to the application of this Condition
 - (2) under which notice had been served upon The Insured prior to the happening of the destruction or damage
 - (3) in respect of undamaged **Machinery** or other Insured Property or undamaged portions of **Machinery** or Insured Property
 - (ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Insured Property or by the owner by reason of compliance with any Legislation Acts Regulations or Bye-Laws
- (g) where by reason of the above Provisions no payment will be made beyond the amount which would have been payable if this **Basis of Settlement** had not been incorporated the rights and liability of The Company and The Insured in respect of the destruction or damage shall be subject to the terms and Conditions of this insurance as if this **Basis of Settlement** had not been incorporated

Subject otherwise to the terms Conditions and Exclusions of this Policy



HSB Engineering Insurance Limited

SPECIAL EXCLUSIONS

The Company shall not be liable for

Excluded Perils

1. Loss of or damage to **Machinery** caused by or from
 - (a) fire lightning explosion (other than **Explosion** as defined in this Specification) earthquake flood storm tempest inundation escape of water from water containing apparatus leakage from sprinkler installations aircraft and other aerial devices or articles dropped therefrom
 - (b) theft or attempted theft

but damage to any **Machinery** insured under this Specification by its own **Explosion** as a result of any such cause is not excluded

This Exclusion shall not apply in respect of **Machinery** whilst in transit for the purposes of repair service overhaul or maintenance

Erection Risk

2. Loss of or damage to **Machinery** during installation erection dismantling re-siting transportation or removal other than re-siting transportation or removal under its own power whilst at its operating site

Consequential Loss

3. Loss of use or consequential loss or damage of any kind or description unless specifically provided for elsewhere within this Policy

Excluded Parts

4. Loss of or damage to
 - (a) safety or protective devices due to their functioning
 - (b) tyres by cuts bursts punctures or the application of brakes unless arising from a malicious act
 - (c) batteries other than loss or damage due to extraneous cause