It is ideal for machinery and plant to cover cost of replacement or repairs of damaged parts as a result of accidental of electrical or mechanical breakdown. It is a supplement of fire policy, all the perils covered under fire policy are excluded under the machinery breakdowns.

**What is covered?**

Covers unforeseen and sudden physical loss or damage necessitating repair or replacement arising from:

- Defects in casting and material
- Faulty design
- Faults at workshop or in erection
- Bad workmanship
- Lack of skill
- Carelessness
- Shortage of water in boilers
- Physical explosion
- Tearing apart on account of centrifugal force
- Short-circuit
- Storm

The policy applies whether the insured items are at work or at rest, being dismantled for the purpose of cleaning, overhauling, being moved in and out of the premises in the course of operations and during any subsequent re-erection.

The sums insured under this section should be equal to the cost of replacement of the insured items.

**Exclusions**

- Breakdown caused by test, intentional overloading or experiments involving the imposition of abnormal conditions
- Earthquake, seaquake, tsunami, subsidence, landslide, rock fall, flood, inundation, hurricane, typhoon, cyclone or volcanic eruption
- Consequential loss, damage or liability of any nature
- War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not)
- Insurrection, rebellion, revolution, military or usurped power
- Acts of terrorism committed by a person or persons acting on behalf of or in connection with any organization
- Loss of or damage to exchangeable tools
- Loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract
- Loss or damage as a direct consequence of the continual influence of operation e.g wear and tear
- Loss or damage due to fire, direct lightning, chemical explosion
- Loss or damage caused by any faults or defects existing at the time of commencement of this policy within the knowledge of the Insured or his representatives
- Loss or damage arising out of the wilful act or gross negligence of the Insured or his representatives
- Theft, burglary or attempted theft
- The excess amount applicable for each and every loss (Excess is the amount the Insured)

**FAQs**

1. **Does the cover extends to cover third party liability?**

   Yes, the policy extends to cover the Third party liabilities and the owner’s surrounding property at an extra cost and up to the limit specified in the policy.

2. **What are the basis of valuation?**

   While on replacement, but on reinstatement for items below 3 years of age.

*Policy Terms and Conditions apply*