

# MACHINERY MOVEMENT SECTION

## **Definitions**

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### **DAMAGE**

The word DAMAGE in capital letters shall mean accidental loss destruction or damage

### **Property Insured**

The machinery detailed in the Schedule

### **Special Operations**

- 1 Transit – Transportation (other than by sea or air) and any transshipments deviations or storage en route from the time that the load is secured onto the carrying vehicle until the commencement of removal of the securing devices
- 2 Loading – The period commencing with the first operation to move the Property Insured from the loading point until the completion of securing on the transporting vehicle
- 3 Unloading – The period commencing with removal of the load securing devices until the setting down of the Property Insured following removal from the transporting vehicle
- 4 Erection – The period from the completion of unloading from transport vehicles until the completion of testing or running or the date of taking over by the purchaser whichever is the earlier
- 5 Dismantling – the period from the commencement of dismantling and/or disconnecting until the commencement of loading onto transport vehicles
- 6 Positioning – Bodily removal of the Property Insured or a major part thereof from the unloading point to the actual working position and placing on foundations or bedplate
- 7 Taking Out – Bodily removal of the Property Insured or a major part thereof from its foundations or bedplate in the actual working position to the loading point

- 8 Re-Siting – Removal of the Property Insured bodily from one site to another in the same premises and not involving the use of road or rail vehicles

## **Indemnity**

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The Company agrees that in the event of DAMAGE (other than DAMAGE hereby excluded) to the Property Insured during the Specified Operations the number for which is shown in the Schedule as insured

The Company will pay the Insured the amount of the DAMAGE or at the Companys option replace or repair the Property Insured or any part of it provided that the liability of the Company under this Section shall not exceed

- i) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the Schedule at the time of DAMAGE
- ii) the sum insured (or limit) remaining after deduction for any other DAMAGE occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured (or limit)

This Section incorporates the schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

## **Clause**

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### **Payment on Account**

In the event of DAMAGE the Company will make monthly payments on account to the Insured if desired

### **Extensions of Cover**

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The insurance by this Section extends to include

#### **Expediting Costs and Temporary Repairs**

Costs necessarily and reasonably incurred in making temporary repairs upon and/or expediting repair reinstatement or replacement of insured items as a result of DAMAGE provided the liability of the Company shall not exceed 50% of the cost of such DAMAGE or £50,000 whichever is the less

#### **Repair Costs Investigation**

Additional costs relating to repair investigations and tests following indemnifiable damage to insured items by consulting engineers not exceeding £25,000 in any one Period of Insurance with the prior written agreement of the Company The Company shall not be liable under this Extension for fees incurred in preparing a claim under this Section

#### **Debris Removal Costs**

The costs incurred with the Companys consent in the removal of debris and the protection of the Property Insured consequent upon DAMAGE for which indemnity is provided by this insurance provided the liability of the Company shall not exceed £25,000 or 20% of the DAMAGE whichever is the lower

#### **Loss Avoidance Procedures**

The Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending DAMAGE for which indemnity is provided by this Section provided that

- a) DAMAGE would reasonably be expected if such measures were not implemented
- b) the Company are satisfied that DAMAGE has been avoided or mitigated by means of the exceptional measures
- c) the amount payable will be limited to the cost of DAMAGE which would have otherwise occurred
- d) the liability of the Company shall not exceed the Sum Insured

- e) the terms and conditions of this Policy apply as if DAMAGE had occurred

#### **Automatic Reinstatement of Sum Insured**

The reinstatement of the Sum Insured from the date of occurrence of any claim at additional premium The Company will waive the additional premium if the cost of the claim does not exceed £25,000

### **Special Conditions**

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#### **Multiple Lifting Operations**

For the insurance provided under this Section to be operative during any operation in which a load is shared between more than one item of Machinery classed as lifting plant or lifting equipment (of which at least one item of the Machinery in such lifting operations is insured by this Section) the lifting operation must be conducted in accordance with BS7121

#### **Claims Notification and Requirements**

In the event of DAMAGE for which a claim is made under this Section the Insured shall retain any of the damaged Property Insured or parts for inspection

#### **Minor Repairs**

The Insured may without prejudice to liability proceed with minor repairs subject to compliance with General Condition 3

### **Average**

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If any Item has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly

### **Precautions**

The Insured shall take

- a) all reasonable precautions to prevent DAMAGE and shall maintain the Property Insured in efficient working condition
- b) comply with any statute or order

### **Access**

The Company or their representatives shall have right of access to the Property Insured at reasonable times

### **Alteration or Modification**

The Insured shall notify the Company of any proposed alterations or modifications to the Property Insured

### **Suspension of Cover**

The Company reserves the right to suspend the insurance at any time by written notice to the Insured until the Company requirements have been fulfilled

### **Premium Adjustments**

Where the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and the premium for such period shall then be adjusted subject to the Company retaining the minimum retained premium shown in the Schedule. Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

### **Onus of Proof**

The onus of proving that DAMAGE results from an indemnifiable cause arising during the Specified Operations shall rest with the Insured

## **General Exclusions**

This Section does not cover

### **1. Excess**

The first £250 of each and every loss

### **2. War Risks**

DAMAGE directly or indirectly occasioned by or in consequence of war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority

### **3. Nuclear Risks**

DAMAGE to property or loss expense or consequential loss directly or indirectly caused by or arising from

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

### **4. Sonic Bangs**

Any loss directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

### **5. Intentional Acts**

DAMAGE caused by

- a) the intentional act or wilful neglect of the Insured:
- b) i) intentional overloading
- ii) testing or experiments involving the imposition of any abnormal conditions

**6. Wear and Tear**

DAMAGE solely due to

- a) wear and tear gradual deterioration or rust
- b) gradually developing defects
- c) scratching or chipping of painted or polished surfaces
- d) erosion or corrosion

but this shall not exclude subsequent DAMAGE not otherwise excluded

**7. Guarantees of Performance**

Penalties for delay or detention or in connection with guarantees of performance or efficiency

**8. Date Recognition**

DAMAGE directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000

- i) correctly to recognise any date as its true calendar date
- ii) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- iii) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent DAMAGE not otherwise excluded which itself results from 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 theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by this Section

**9. Northern Ireland**

DAMAGE in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- i) civil commotion
- ii) TERRORISM as defined in the Terrorism Exclusion Clause

In any action suit or other proceedings where the Company alleges that by reason of this definition any DAMAGE is not covered by this Section the burden of proving that such DAMAGE is covered shall be upon the Insured

**10. Riot Strike and Civil Commotion**

DAMAGE resulting from riot strike lock-out or civil commotion

**11. Airborne and Waterborne Craft**

DAMAGE to any airborne or waterborne vessel craft platform or rig nor any of the Property Insured situate thereon

**12. Consequential Loss**

Consequential Loss of any kind

**13.Excluded Parts**

DAMAGE to

- a) tools cutting edges moulds dies  
patterns non-metallic linings glass  
pulverising and crushing surfaces  
flexible pipes trailing cables drive belts  
or parts requiring periodic renewal  
unless forming part of other insured  
loss or damage for which liability has  
been accepted by the Company under  
this Section
- b) underground buried or flexible piping
- c) safety or protective devices due to  
their functioning
- d) tyres by cuts bursts punctures or the  
application of brakes unless arising  
from a malicious act

**14.Hand Tools**

DAMAGE to hand tools unless specifically  
described in the Schedule

**15.Application of Tools**

DAMAGE caused by the application  
of any tool or process during the course  
of maintenance inspection modification  
or overhaul

**16.Defects in Material etc**

Defects in material workmanship or design  
but DAMAGE not otherwise excluded  
resulting therefrom is not excluded

**17.Fire Lightning Explosion and Aircraft**

DAMAGE to any item of Property Insured  
whilst at the Insureds premises caused by  
or arising from fire lightning explosion  
aircraft and other aerial devices or articles  
dropped therefrom

**18.Breakdown**

DAMAGE to any item of Property Insured  
caused by or arising from its own  
electrical or mechanical failure or  
derangement or explosion

**19.Terrorism**

Loss damage cost or expense  
of whatsoever nature directly or  
indirectly caused by resulting from or  
in connection with:

1. Any act of Terrorism regardless of  
any other cause or event contributing  
concurrently or in any other sequence  
to the loss
2. Any action taken in controlling  
preventing suppressing or in any way  
relating to any act of Terrorism

If the Company alleges that by reason  
of this exclusion any loss damage cost  
or expense is not covered by this Section  
of the Policy the burden of proving the  
contrary shall be upon the Insured

In the event any portion of this exclusion  
is found to be invalid or unenforceable  
the remainder shall remain in full force  
and effect

**Definition – Terrorism**

For the purpose of this exclusion an act  
of Terrorism shall mean an act including  
but not limited to the use of force or  
violence and or threat thereof of any  
person or group(s) of persons whether  
acting alone or on behalf of or in  
connection with any organisation(s) or  
government(s) committed for political  
religious ideological or similar purposes  
including the intention to influence any  
government and or put the public or any  
section of the public in fear

## Special Clauses

*Clause 1 applicable only if the Clause number is entered in the Schedule  
Clause 2 applicable only if referred to in the Schedule*

### **1. Temporary Cover**

The first premium has been calculated to take into account the cost of temporary cover (in accordance with particulars lodged with the Company) pending issue of this Policy

### **2. Long Term Agreement**

The discount shown in the Schedule is allowed off the net premiums on this Section in consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that –

- a) the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b) where appropriate the Sum Insured may be reduced at any time to correspond with any reduction in value

The above-mentioned undertaking applies to any Policy (or policies) which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premiums on any substituted Policy or policies issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this Clause