

Machinery Breakdown Insurance Policy - Prospectus

INTRODUCTION

This policy provides breakdown cover to a diverse spectrum of machinery and equipment. Cover is given only to machinery/equipment which are mentioned in the policy schedule and are in use or at rest at the covered location. Also cover is extended to machinery which is being dismantled for cleaning / overhauling or in course of these operations, being shifted within covered location or being re-erected subsequently, in covered location.

WHAT IS COVERED

The Policy pays for unforeseen and sudden physical damage caused to the machinery mentioned in the policy schedule at the covered location due to any perils other than those which are specifically excluded under the policy.

SUM INSURED

The Sum Insured shall be equal to its replacement cost including freight, dues and customs duties, if any and erection costs.

WHAT IS NOT COVERED

The company will not indemnify the insured in respect of loss, damage or liability attributable directly or indirectly to:

1. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly of fire including extinguishment of a fire or clearance of debris and dismantling necessitated thereby, smoke, soot, aggressive substance, lightning, explosion of any kind (other than bursting or disruption of turbines, compressors, cylinders of steam engines, hydraulic cylinders or fly wheels or other apparatus subject to centrifugal force, internal pressure) theft, collapse of buildings, subsidence, landslide, rockslide, water which escapes from water containing apparatus, flood, inundation, storm, tempest, earthquake, volcanic eruption or other Acts of God, impact of land borne or waterborne or airborne craft or other aerial devices and/or articles dropped therefrom.

Any loss or damage by fire within the electrical appliances and installation insured by this Policy arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portions of the electrical installation so affected and not to other machines, apparatus, fixtures fittings or portions of the electrical installation which may be destroyed or damaged by fire so set up.

2. Loss damage and/or liability caused by or arising from or in consequence, directly of
 - a. War, invasion, Act of foreign Enemy, Hostilities or war like operations (Whether war be declared or not). Civil war, rebellion, revolution, Insurrection, Mutiny, Riot, Strike, Lockout and Malicious Damage, Civil Commotion, Military or Usurped Power, Martial Law, Conspiracy Confiscation, Commandeering by a group of malicious persons or persons acting on behalf of or in connection with any political Organization, Requisition or Destruction or damage by order of any Government de-jure or de facto or by any Public, Municipal or Local Authority.
 - b. Nuclear reaction, nuclear radiation or radioactive contamination.
3. Accident, Loss, damage and/or liability resulting from over load experiments or tests requiring the imposition of abnormal conditions.
4. Gradually developing flaws, defects, cracks or partial fractures in any part not necessitating immediate stoppage, although at some future time repair or renewal of the parts affected may be necessary.
5. Deterioration of or wearing away or wearing out any part of any machine caused by or naturally resulting from normal use or exposure.
6. Loss, damage and/or liability caused by or arising out of the willful act to willful neglect or gross negligence of the insured or his responsible representatives.
7. Liability assumed by the insured by agreement unless such liability would have attached to the insured notwithstanding such agreement.

8. Loss, damage and/or liability due to faults or defects existing at the time of commencement of this insurance and known to the insured or his responsible representative but not disclosed to the Company.
9. Loss of use of the Insured's plant or property of any other consequential loss incurred by the Insured.
10. Loss, damage and/or liability due to explosions in Chemical Recovery Boilers, other than pressure explosions for e.g. smelt, chemical, ignition, Explosions etc.

EXCLUSION OF SECTION I:

The Company, shall not, however, be liable for -

- a. The first amount of the loss arising out of each and every occurrence shown as Excess in the Schedule;
- b. Loss discovered only at the time of taking an inventory;
- c. Normal wear and tear, gradual deterioration due to atmospheric conditions or otherwise, rust, scratching of painted or polished surfaces or breakage of glass;
- d. Loss or damage due to faulty design
- e. The cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- f. The cost necessary for rectification or correction of any error during construction unless resulting in physical loss or damage;
- g. Loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidence of debt, notes, securities cheques, packing materials such as cases, boxes, crates;
- h. Any damage or penalties on account of the Insured's non- fulfillment of the terms of delivery or completion under his Contract of Construction or of any obligations assumed thereunder or lack of performance including consequential loss of any kind or description or for any aesthetic defects or operational deficiencies.
- i. Loss of or damage to vehicles licensed for general road use or water borne vessels or Machinery/Equipment mounted or operated or fixed on floating vessels/craft/barges or aircraft.

CANCELLATION

The Insured can cancel the policy at any time during the policy term, by informing the Company.

The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the Insured. The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.

CLAIM INTIMATION

In the event of any occurrence which might give rise to a claim under this policy, the Insured shall –

1. Immediately notify the Company by telephone or telegram as well as in writing giving an indication as to the nature and extent of loss or damage;
2. Take all steps within his power to minimise the extent of the loss or damage;
3. Preserve the parts affected and make them available for inspection by a representative or Surveyor of the Company;
4. Furnish all such information and documentary evidence as the Company may require;

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

CLAIM PROCEDURE

- An acknowledgement with respect to the claim intimation is given to the insured, once we are in receipt of any claim intimation from the insured.

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- Based on the information submitted in the claim intimation letter, if required, we may procure more information from the insured depending on the facts mentioned therein. Upto the satisfaction of the Company.
- Surveyor / Investigator may be appointed if required. This requires that when a Surveyor is considered for appointment the following factors should be looked at:
 - The nature of loss
 - The nature of material lost
 - The geographical location of the loss
 - Apart from surveyor/investigator, opinions of legal experts are sought, if required.
 - Based on the investigation and documentations provided, the decision with respect to the claim would be taken and accordingly conveyed to the insured (vide written communication).
- Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.
- Surveyor shall within 7 days of the claim intimation, inform the insured / claimant of the essential documents.
- Surveyor shall, submit his final report to the Company within 30 days of final submission of documents by insured.
- On receipt of the final survey report or the additional survey report, Insurer within a period of 30 days offer a settlement of the claim to the insured/claimant.

CLAIM DOCUMENTS

The documents generally required for processing of claims are:

- Policy/Underwriting documents.
- Survey Report with Photographs wherever applicable
- Claim Form, duly completed.
- Log book / Asset register / Capitalized item list
- Repair / Replacement invoices with receipt
- All Applicable valid Certificates
- KYC Documents
- Any other relevant documents required based on type of loss

Apart from above Standard documents some other documents may be called for based on the nature of claim. Any other document as may be necessary and appropriately applicable for the claims preferred under the different sections of the policy.

THIS PROSPECTUS

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the Machinery Breakdown Insurance Policy document. You must read the policy document to know the insurance cover fully. You can get a copy of the Machinery Breakdown Insurance Policy from Our branch or from Our website: www.hdfcergo.com. For any legal interpretation, policy document will hold.

GRIEVANCES

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with Company's Grievance Redressal Officer.

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- Call Centre - 120 6234 6234 / 022-6234 6234
- Emails - grievance@hdfcergo.com

- Contact Details for Senior Citizens: 022 6242 6226
- Email ID- seniorcitizen@hdfcergo.com Designated Grievance Officer in each branch.
- Company Website - www.hdfcergo.com
- Courier - Any of our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Redressal Cell at any of our branches with the details of your grievance during our working hours from Monday to Friday.

If you are not satisfied with our redressal of your grievance through one of the above methods, you may contact our Head of Customer Service at:

**The Complaint & Grievance Redressal Cell,
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West),
Mumbai – 400078, Maharashtra**

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to the Chief Grievance Officer of the Company at the following address:

**To the Chief Grievance Officer
HDFC ERGO General Insurance Company Limited
D-301, 3rd Floor, Eastern Business District (Magnet Mall),
LBS Marg, Bhandup (West),
Mumbai - 400078, Maharashtra
e-mail: cgo@hdfcergo.com**

Grievance may also be lodged at IRDAI Integrated Grievance Management System- <https://bimabharosa.irdai.gov.in>

You may also approach the nearest Insurance Ombudsman for resolution, if your grievance is not redressed by the Company. The contact details of Ombudsman offices are below if your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of your insurance document

You may also refer Our website www.hdfcergo.com <https://www.hdfcergo.com/customer-voice/grievances> for detailed grievance redressal procedure.

ABOUT OUR COMPANY

- Name of the company** – HDFC ERGO General Insurance Company Limited (IRDAI Reg No 146)
- Registered & Corporate Office**: 1st Floor, HDFC House, 165-166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.
- Website** – www.hdfcergo.com
- Contact number** – 022 - 62346234
- Email** – care@hdfcergo.com

INSURANCE ACT 1938 SECTION 41- Prohibition of Rebates

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

ANY PERSON MAKING DEFAULT IN COMPLYING WITH THE PROVISIONS OF THIS SECTION SHALL BE PUNISHABLE WITH FINE WHICH MAY EXTEND TO TEN LAKHS RUPEES.

Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.