Prospectus – Machinery Breakdown Insurance

Now this policy of insurance witnesseth that subject to the terms, exceptions, exclusions, provisions and conditions contained herein or endorsed hereon, the Company will at its own option, by payment or reinstatement or repair, indemnify the Insured against unforeseen and sudden physical damage by any cause not hereinafter excluded to any insured property specified in the attached schedule(s), whilst in the premises therein mentioned necessitating its immediate repair or replacement. This Policy shall apply to the insured items after successful completion of their performance/acceptance tests, whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection. The liability of the Company for any one item of the insured property shall not exceed in the aggregate in any one period of insurance the Sum Insured set against such item in the attached schedule(s), unless the Sum Insured under such item is reinstated after occurrence of a claim for balance period.

GENERAL EXCLUSIONS

The Company shall not be liable under this policy in respect of:

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 equipment 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:

   (i) 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 Organisation, Requisition or Destruction or

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damage by order of any Government de-jure or de facto or by any Public, Municipal or Local Authority.

(ii) 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 of 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 wilful act or wilful 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 representatives but not disclosed to the Company.

9. Loss of use of the Insureds plant or property or 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. e.g., smell, chemical, ignition, Explosion, etc.

Policy Related Terms :

(i) This Policy and the attached Schedule(s) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the attached Schedule(s) shall bear the same meaning wherever they may appear.

(ii) If a claim is in any respect fraudulent or if any false declarations is made or used in support thereof or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain benefit under this Policy, or if a claim is made and rejected and no action, or suit is commenced within three months after such rejection or in a case of arbitration taking place as provided therein within three months after

the arbitrator or arbitrators or umpire have made their awards, all benefit under this Policy shall be forfeited.

(iii) No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled if they so desire to take over and conduct in the name of the Insured the defence or settlement of any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceeding or in the settlement of any claim and the Insured shall give all such information and assistance as

the Company may require.

(iv) The due observance and fulfilment of the terms, provisions and conditions of and endorsement on this policy, in so far as they relate to anything to be done or complied with by the Insured and the truth of the statement and answers in the said proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

Termination of Insurance

The insured can cancel the policy at any time during the 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 policyholder.
The company shall –
i) refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period.
ii) refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

Grievance Redressal Procedure:

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre(IGCC) at their toll free no. 1800 4254 732 / 155255. You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in, or on the Company's website at www.icicilombard.com.

STATUTORY WARNING PROHIBITION OF REBATES
(Under Section 41 of Insurance Act, 1938) (Amendment Act 2015)

(1)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 [or continuing] a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

[Provided that acceptance by an insurance agent of commission in connection with a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.]

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.