

Plant and Machinery Insurance Policy – Insurance Product Information Document

Type of Policy: Plant and Machinery Insurance

Basic Cover Provided:

The insured item whilst at the location or in the geographical area mentioned in the Policy, suffers any unforeseen, external and sudden physical loss or damage from any cause not specifically excluded in a manner necessitating repair or replacement, the Insurers will indemnify the Insured by payment in cash, replacement or repair.

(For more details about the basic cover, please refer page no. 02 of the policy wording)

Additional Covers (which can be obtained by payment of an additional premium):

- Strike Riots & Civil Commotion
- Terrorism
- Transit Cover

Key feature(s):

- This an All Risk policy

Provisions:

It shall be a requirement of this Policy that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their cost of replacement including eg: freight dues and customs duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Please refer page no 03, "Provisions" section of the policy wording

What is not covered (General Exclusions):

- 1) the deductible stated in the Schedule.
- 2) Loss of or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable.
- 3) Loss or damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges, saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens

and sieves, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, jointing and packing material regularly replaced;

4) loss of damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine;

5) Loss of or damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction sites;

6) Loss of or damage to waterborne vessels or craft;

7) Loss or damage due to total or partial immersion in tidal waters;

8) Loss of or damage whilst in transit unless otherwise agreed by endorsement;

9) Loss or damage as a direct consequence of the continual influence of operation (eg, wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions);

10) Loss or damage occurring whilst any insured item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;

11) Loss of or damage to plant and/or machinery working underground unless otherwise agreed by endorsement;

12) Riot, Strike, Terrorism and War

13) Nuclear reaction, nuclear radiation or radioactive contamination.

14) Loss or damage due to any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurers or not;

15) Loss or damage directly or indirectly caused by, arising out of, or aggravated by the wilful act or wilful negligence of the Insured or

16) Loss or damage for which the supplier, or manufacturer is responsible either by law or under contract; his representatives;

17) Consequential loss or liability of any kind or description;

18) Loss or damage discovered only at the time of taking an inventory or during routine servicing.

19) Theft of body parts.

Please refer page no 02, "General Exclusions" section of the policy wording

Mode of Payment of Premium:

Annual Premium has to be paid for the Policy (unless mentioned otherwise in the Policy Schedule) and for any subsequent renewals.

Claims Procedure and Required Documents:

Immediate notice shall be given to the Insurer of any occurrence likely to give rise to a claim under this Policy. Within fourteen (14) days of any occurrence or such further time as the company may in writing allow, the following documents to be submitted along with a duly completed claim form.

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

- a. Immediately notify the Insurers by telecommunication as well as in writing giving an indication as to the nature and extent of the loss or damage
- b. Take all reasonable steps within his power to minimize the extent of the loss or damage;
- c. Preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurers;
- d. Furnish all such information and documentary evidence as the Insurers may require;
- e. Inform the police authorities in the case of loss or damage due to theft or burglary.

Required Documents:

- Duly completed Claim Form.
- Extract of the complaint made to the police if applicable.
- Estimates & Bills
- Any other requirements which may be needed by the insurer whilst processing the claim.

Please refer page no 04 point no. 11 Claims under “CONDITIONS” section of the policy wording

Fraud:

If any claim under this policy shall be in any respect fraudulent or if any fraudulent means, or devices be used by the Insured or anyone acting on his behalf or if any destruction, injury or damage be occasioned by the willful act or with the connivance of the Insured, all benefits under this policy shall be forfeited.

Please refer page no 04, point no. 09-a, under “Conditions” section of the policy wording

Obligations of the Policyholder:

Obligations of the policyholder in disclosing material facts

- At the time of purchase:- Disclose all material facts requested in the Proposal Form, truly and accurately, to avoid any claim rejection.
- During the policy term:- Notify the Insurer of any significant changes in risk or personal information.

Please refer page no 03, "Conditions" section of the policy wording

Obligations of the policyholder when a claim is made

- When making a claim:- Provide all necessary documents and details as mentioned in the Claim Procedure along with the Claim Form.

Please refer page no 03, point no. 06 "Conditions" section of the policy wording

- Payment of Premium:- Should be as per the Premium Payment Warranty in the Policy
Please refer page no 04, point no.12 "Conditions" section of the policy wording
- Insured shall take all reasonable precautions to prevent or minimize loss or damage to the property insured.
- It shall be a requirement of this Policy that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their cost of replacement including eg: freight dues and customs duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.
- Machinery should be handled by an experienced/skilled operator of the original Insured.

Complaints Procedure:

We are committed to serve you with passion and willing to receive your feedback. If you are not satisfied with our services, you can lodge a complaint by below methods;

- By telephone - Customer Care Officer - 011 2126136
- By email - pilassist@peoplesinsurance.lk
- By WhatsApp - 0716230048
- By fax - 011 2126109
- By post - Customer Care Officer, People's Insurance PLC, No. 07, Havelock Road, Colombo 05
- Via online - Complaint Submission Form is available on our website

- www.peoplesinsurance.lk → Please click on the "Complaints" tab
- By visiting

Below information to be provided when lodging a complaint;

- I. Complaint in brief
- II. Your name and contact details
- III. References: Policy No. / Vehicle No. / Claim No.
- IV. Any supporting documents

The Trilingual Complaints Handling Procedure can be downloaded from our website - www.peoplesinsurance.lk → Please click on the "Complaints" tab

Dispute Resolution:

If you are not satisfied with the resolution given by us for a complaint lodged, you have the option to use following Alternative Dispute Resolution (ADR) mechanisms.

- I. Address your concerns to:- Insurance Ombudsman of Sri Lanka
No. 1, Bethesda Place, Colombo 05.
info@insuranceombudsman.lk
011 2505542 / 011 250 5041

II. Arbitration:- As per the Arbitration Clause in the Policy

- III. Address your concerns to:- Director Investigations
Insurance Regulatory Commission of Sri Lanka
Level 11, East Tower, World Trade Centre
Colombo 01
011 2396184-9 / 011 2335167
investigation@irsl.gov.lk / info@irsl.gov.lk

Please refer page no 13 & 14, "Complaints Procedure" section of the policy wording

A Few Things to Remember

Cancellation of the Insurance:

This Policy may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short- period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Insurers by seven days' notice to that effect being given to the Insured, in which case the Insurers will be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.

Please refer page no 03, point no 11, under "Conditions" section of the policy wording

The due observance and fulfillment of the terms and conditions of this Policy shall be conditions precedent to any liability of the Insurer to make any payment under this policy.

Important Notes:

This Insurance Product Information Document (IPID) is intended to provide a summary of the main cover and additional covers (if applicable) and key features of the Policy and is not personalized to your specific individual needs. Please note that all matters of whatever nature pertaining to this Insurance (including but not limited to claims, interpretation of terms and conditions and litigation etc.) shall be governed by the terms, conditions and exclusions of the Policy which shall prevail over the contents of this document.

For Further Information:

If you require any further information, you can make a request via

- Telephone - 0112126126
- Email - pilassist@peoplesinsurance.lk
- Visiting any of our offices island wide