



CO-OPERATIVE INSURANCE COMPANY PLC

For the people, by the people . . .

Co-op Insurance House, 74/5, Grandpass Road, Colombo 14, Sri Lanka

MACHINERY BREAKDOWN INSURANCE POLICY Insurance Product Information Document



1. Information about the type of insurance cover

This is an effective insurance cover for factory owners, providing protection for immovable machinery against loss or damage while at work, at rest, or undergoing maintenance.

2. A Summary of Basic Covers

Physical loss of or damage to electrical and mechanical parts, devices, installations, fixtures, and fittings of insured machinery after successful completion of their performance acceptance tests, by any unforeseen and sudden cause (other than causes specifically excluded), whether the machinery is at work, at rest, being dismantled for cleaning or overhauling, or when being shifted within the premises or during subsequent re-erection.

3. Key features of the policy document including exclusions, terms and conditions applicable

i. Exclusions

The Company shall not be liable for any loss of or damage caused by:

- a. Directly or indirectly caused by, or arising through, or in consequence of war, invasion, act of foreign enemy, hostilities or any kind of warlike operation (whether war be declared or not), mutiny, civil war, riots, strike, civil commotion, rebellion, military rising or military or usurped power, martial law, state of siege, or act of terrorism.
- b. Fire, direct lightning, chemical explosion (except flue gas explosion in boilers), extinguishing of a fire, or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft, burglary or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption, or similar natural catastrophes.
- c. Continual influence of operation such as wear and tear, depreciation, corrosion, rust, deterioration due to lack of use, or normal atmospheric conditions.
- d. Consequential loss of any kind.
- e. Willful act or willful negligence by the Insured or his/her representatives.
- f. Nuclear reaction, radiation, and radioactive contamination.
- g. Loss or damage to exchangeable tools, e.g., dies, moulds, engraved cylinders, parts which by their use and/or nature suffer a high rate of wear or depreciation, e.g., refractory linings, crushing hammers, objects made of glass, belts, ropes, wires, rubber tyres, operating media (e.g., lubricants, fuels, catalysts).
- h. Loss or damage due to any faults or defects existing at the time of commencement of the

policy.

- i. Loss or damage for which the supplier or manufacturer is responsible either by law or under contract.

(For more details about exclusions, please refer to Exclusions section of the Policy Documents)

ii. Term & Conditions

- i. Basis of loss settlement

- a. Depreciation will be applied on total loss claims.
- b. Depreciation will not be applied in respect of damaged parts replaced.

(For more details , please refer to Memo 2 of Provision Section in the Policy Documents)

- ii. Sum Insured - The Sum Insured shall represent the new replacement value of the machinery, including freight and customs duties (if any), and cost of erection. If the insured value is less than the actual value at the time of loss, underinsurance will be applied on a partial loss claim. *(For more details , please refer to Memo 1 of Provision Section in the Policy Documents)*

4. The mode of payment of premium – Single Payment

5. Obligations of the Policyholder in disclosing material facts

If any material change is made to the subject matter of insurance (e.g., change of occupancy, new additions, or improvements to the insured property), the policyholder shall immediately notify the Company in writing and pay any additional premium required due to the increased hazard.

6. Obligation of the policy holder when a claim is made

Do not repair or replace the damaged items or parts before inspection of such damage by the loss adjuster, inspector, or representative of the Insurance Company.

7. Procedure to be followed in the event of claim

I. Immediately notify the Company of the incident through the Company hotline No. 0112 557 300 – 9 as soon as any loss or damage occurs.

II. Submit a claim form, estimate, and other supporting documents requested by the Non-Motor Claims Department within 30 days from the date of loss via email, registered post, or through any of our branch offices.

Email Address :- nonmotor.claim@coopinsu.com

Postal Address :- The Manager - Non Motor Claims,

Cooperative Insurance Company PLC,

Coop Insurance House, No. 74/5, Grandpass Road, Colombo 14.

- iii. Resolution Process of claim dispute - Claims disputes will be settled through negotiation with the Company or the process of arbitration (*please refer condition no. 07 of policy document for more details*) or referred to an insurance ombudsman and the Insurance Regulatory Commission of Sri Lanka

a. Insurance Ombudsman
Address: No 1, Bethesda Place, Colombo 05,
Tele: +94 11 250 5542 / +94 11 250 5041
Email: info@insuranceombudsman.lk

b. Insurance Regulatory Commission of Sri Lanka
Address: Level 11, East Tower, World Trade Centre, Colombo 1
Telephone: 0112396184-9 General Line :- 0112335167
Email: info@ircsl.gov.lk

8. Complaint and grievance handling procedure

Policyholders may submit their complaints and grievances to the Company through any of the following channels:

- Online: Visit the Company's official website at www.ci.lk and access the Customer Complaints Web Portal
- Telephone: 011 247 2795
- Email: complaint@coopinsu.com
- Registered Post: Customer Complaint & Grievance Unit, Cooperative Insurance Company PLC, No. 74/5, Grandpass Road, Colombo 14

9. Few Things to Remember

- i. **Policy Cancellation** - This insurance may be cancelled by the insured at any time by registered letter, in which case the Company will retain the premium for the period the policy was in force, based on the short-period rate. The Company may also cancel the policy at any time by giving seven days' notice by registered letter to the insured and will refund the rateable portion of the premium for the unexpired terms from the date of the cancellation.
- ii. **Machinery Breakdown Insurance Policy** is issued by the insurer provided that the machinery has already been insured under a Fire Insurance Policy.
- iii. **Premium Payment Warranty** - If an insurance policy is issued with a 60-day credit period from the date of issuance, the policyholder must settle the premium within this period. Failure to pay the premium before the expiry of the credit period will result in the termination of the insurance coverage (*For more details , please refer to Premium Payment Warranty in the Warranty Section in the Policy Schedule*)

11. Contact Information of the Company to get further information

- Telephone :- 011- 2557300 - Extension - 261
- Email - nonmotor.uw@coopinsu.com
- By registered post – The Manager – Non Motor, Cooperative Insurance Company PLC, No. 74/5, Grandpass Road, Colombo 14
- Visit any of the Cooperative Insurance Company PLC island wide branch offices

12. Importance Note given in the Direction

The 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. Complete pre-contractual and contractual terms on the full and personalized information, and exclusions of the product are provided in your policy document. The IPID shall not form a part of the policy/contract. Therefore, in case of any conflict, the terms and conditions mentioned in the policy document shall prevail.”