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Machinery Insurance Policy

You are in safe hands

Welcome to your Machinery Insurance Policy

Dear Esteemed customer,

On behalf of MAYFAIR INSURANCE COMPANY RWANDA Ltd I would like to thank you for choosing us as your insurer.

Our commitment is to the policyholder quality service and suitable insurance products, such as the one you have purchased.

This policy is a document. It is the evidence of the contract that we have made with each other. Please read it carefully and if you have any questions, contact your intermediary (if any) or us.

Remember that we will reward you for being claims free as per the No-Claims Discount Clause.

Yours faithfully,

General Manager / Underwriting Manager.

Mayfair Insurance Company Rwanda Ltd.

Machinery Insurance Policy

No: 1/01/023/xxxx/20xx

Whereas the Insured named in the Schedule hereto has made to the **Mayfair Insurance Company Limited** (Hereinafter called "the Insurers") a written proposal by completing a questionnaire which, together with any other statements made in writing by the Insured for the purpose of this Policy, is deemed to be incorporated herein,

Now this Policy of Insurance witnesses that, subject to the Insured having paid to the Insurers the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon,

The Insurers hereby agree with the Insured that if at any time during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Insurers may accept the premium for the renewal of this Policy, the items (or any part thereof) entered in the Schedule, whilst on the premises mentioned therein, suffer any unforeseen and sudden physical loss or damage from causes such as defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account Of centrifugal force, short circuit, storm, or from any other cause not specifically excluded hereinafter, in a manner necessitating repair or replacement,

The Insurers will indemnify the Insured in respect of such loss or damage, as hereinafter provided, by payment in cash, replacement or repair (at the Insurers' option) up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

EXCLUSIONS

The Insurers shall not be liable for

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items;
2. loss of 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;
3. loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a tire or subsequent demolition, aircraft or other aerial devices or articles dropped there from. Theft. Burglary or attempts thereat. Collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes;
4. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
5. loss or damage caused by 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;
6. loss or damage arising out of the willful act or gross negligence of the Insured or his representatives;
7. any consequence of war, invasion, act of foreign enemy. hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection. mutiny, riot, strike, lockout. civil commotion, military or usurped power. acts of a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation! Commandeering, requisition or destruction of or damage to property by order of any government de jure or de facto by any public authority;
8. any consequence of nuclear reaction, nuclear radiation or radioactive contamination

9. loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitations, erosion, corrosion, rust, boiler scale):
10. consequential loss or liability of any kind or description, any payments over and above the indemnity for material damage as provided herein.

In any action, suit or other proceeding where the Insurers allege that, by reason of the provision of Exclusion 7 above, any loss or damage is not covered by this Policy, the burden of proving that such loss or damage is covered shall be upon the Insured.

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.

Provisions

Memo 1 — Sum Insured

It shall be a requirement of this Policy that the sum insured is equal to the cost of replacement of the insured machinery by new machinery of the same kind and capacity, which means its cost of replacement including, e.g. 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.

Memo 2 — Basis of Indemnity

- A.** In cases where damage to an insured item can be repaired the Insurers shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Insurers shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage, the item shall be regarded as destroyed and settlement shall be made on the basis provided for in b below.

- B.** In cases where an insured item is destroyed — the Insurers shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Insurers shall also pay any normal charges for the dismantling of the machinery destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime, night work, work on public holidays, and express freight shall be covered by this Policy only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy.

The cost of any provisional repairs shall be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

CONDITIONS

1. The due observance and fulfillment of documentary evidence as the Insurers the terms of this Policy, in

so far as they relate to anything to be done or complied with by the Insured, and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.

2. The Schedule shall be deemed to be 'incorporated in and form part of this Policy and the expression "this Policy". wherever used in this contract, shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
4.
 - a) Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.
 - b) The Insured shall immediately notify the Insurers either by teletype (telex, telefax, telegram) or by telephone confirmed in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the insured items, and the scope of cover and/or premium shall, it necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased! unless the continuance of the insurance is confirmed in writing by the Insurers.
5. In the event of any occurrence, which might give rise to a claim under this Policy, the Insured shall
 - A) immediately notify the Insurers either by teletype (telex, telefax, telegram) or by telephone confirmed 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 documentally as the insurers may require.

The Insurers shall on no account be liable for loss or damage of which no notice has been received by the Insurers within 14 days of its occurrence, upon notification being given to the Insurers under this condition, the Insured may carry out repairs of any minor damage or replace items which have sustained any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected, If a representative of the Insurers does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

The liability of the Insurers under this Policy in respect of any insured item shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Insurers, or if temporary repairs are carried out without the Insurers' consent.

6. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers,
7. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators. one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit

with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers,

8. The Insurers shall be entitled to withhold indemnification
 - a) it there are doubts regarding the Insured's right to receive the indemnity. pending receipt by the Insurers of the necessary proof:
 - b) if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Insured, pending completion of such examination or inquiry.
9.
 - a) If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurers shall not be liable to make any payment hereunder.
 - b) In the event of the Insurers disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.
10. If at the time any claim arises under this Policy there is any other insurance covering the same loss or damage. the Insurers shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss or damage.
11. 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 day's notice to that effect being given to the Insured, in which case the Insurers will be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.
12. The Insurers shall not be liable to pay interest other than interest for default.

Schedule**POLICY NO.** 1/01/023/xxxx/20xx

Pin No.

Agent Code:

Name and address of Insured:**Location or geographical area
where this cover attaches :**
Premium
T/Levy
P.H.C.Fund
S/Duty _____
Total _____
Policy inception date:**Policy expiry date :****Specification of Insured items**

Item No	Quantity	Description of equipment/ systems Code No Type, manufacturer, serial No, etc	Sum insured

Deductible:

The following endorsements are attached to and form part of this Policy (endorsement 344 being compulsory it steam, water and gas turbines or turbo-generators and endorsement 345 if boilers are to be insured):

The following endorsements are attached to and form part of this Policy:

- Annexure A
- Terrorism exclusion clause
- Premium payment warranty
- Annexure IV
- Annexure III
- Annexure V
- Endorsement 331,332,343,344,345
- TIC No.22 and Engineering 1 and 2.

In witness whereof the Undersigned being duly authorized by the Insurers and on behalf of the Insurers has (have) hereunto set his (their) hand(s)

Executed at KIGALI**Date****Signature**

ANNEXURE A
WAR, CIVIL WAR, POLITICAL RISKS AND TERRORISM EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

- 1 War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
- 2 Abandonment and/or permanent or temporary dispossession resulting from detention, confiscation, seizure, restraint, commandeering, nationalisation, appropriation, destruction or requisition by order of any government de jure or de facto or by any public authority.
- 3 Mutiny, civil commotion, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- 4 Any act, including but not limited to labour disturbance, lock-out, riot or strike, which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government, or any political or local authority, or for the purpose of imposing fear in the public or any section thereof.
- 5 The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clauses 4 above.
- 6 Plundering, looting, war pillage in connection with civil commotion or any of the activities referred to in clause 4 above.

For the purposes of clauses 4, 5 and 6, any loss or damage occasioned directly by a labour disturbance, lock-out, riot or strike or in order to bring about any social or economic change which is not politically motivated as envisaged in clause 4 shall not be excluded.

In any action, suit or other proceeding where the insurer alleges that by reason of these provisions any loss, damage, cost or expense is not covered by this insurance policy, the burden of proving that such loss, damage, cost or expense is covered shall be upon the insured.

TERRORISM EXCLUSION CLAUSE

The insurance provided under this Policy shall not apply to the following:

Any loss, cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity," as defined herein. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, cost or expense. For the purposes of this exclusion,

- A. "Terrorist Activity" shall mean any deliberate, unlawful act that:
1. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
 2. includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to
 - (a) promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;

- (b) influence, disrupt or interfere with any government related operations, activities or policies;
 - (c) intimidate, coerce or frighten the general public or any segment of the general public; or
 - (d) disrupt or interfere with a national economy or any segment of a national economy; or
3. includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:
- (a) hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;
 - (b) hostage taking or kidnapping
 - (c) the use of any biological, chemical, radioactive, or nuclear agent, material, device or weapon;
 - (d) the use of any bomb, incendiary device, explosive or firearm;
 - (e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;
 - (f) the injuring or assassination of any elected or appointed government official or any government employee;
 - (g) the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or
 - (h) the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.
- B. Any of the activities listed in section A (3) above shall be considered Terrorist Activity except where the Company can conclusively demonstrate to the Insurer that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to
- 1. promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;
 - 2. influence, disrupt or interfere with any government related operations, activities or policies;
 - 3. intimidate, coerce or frighten the general public or any segment of the general public; or
 - 4. disrupt or interfere with a national economy or any segment of a national economy.

ANNEXURE III
TERRORISM EXCLUSION CLAUSE FOR CONTAMINATION AND EXPLOSIVES

It is agreed that, regardless of any contributory causes, this insurance does not cover any loss, damage, cost or expense directly or indirectly arising out of

- a) biological or chemical contamination
- b) missiles, bombs, grenades, explosives

due to any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the 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 ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

For the purpose of a) "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

If the insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the insured.

ANNEXURE IV - NUCLEAR ENERGY RISKS EXCLUSION CLAUSE NMA 1975

This agreement shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of insurance and/or Pools and/or Associations.

For all purposes of this agreement Nuclear Energy Risks shall mean all first party and/or third party insurance or insurances (other than Workers' Compensation & Employers' Liability) in respect of :-

- i) All property on the site of a nuclear power station.

Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.
- ii) All Property on any site (including but not limited to the sites referred to in i) above) used or having been used for:-
 - (a) The generation of nuclear energy; or
 - (b) The Production, Use or Storage of Nuclear Material.
- iii) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- iv) The supply of goods and services to any of the sites, described in i) to iii) above, unless such insurances or insurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as under noted, Nuclear Energy Risks shall not include:-

- i) Any insurance or insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in i) to iii) above (including contractors' plant and equipment);
- ii) Any Machinery Breakdown or other Engineering insurance or insurance not coming within the scope of i) above;

Provided always that such insurance or insurance shall exclude the perils of irradiation and contamination

However, the above exemption shall not extend to:-

1. The provision of any insurance or insurance whatsoever in respect of:-
 - (a) Nuclear Material

- (b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.

2. The provision of any insurance or insurance for the under noted perils:-

- Fire, lightning, explosion;
- Earthquake;
- Aircraft and other aerial devices or articles dropped therefrom;
- Irradiation and radioactive contamination;
- Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association;

in respect of any other Property not specified in (1) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

ANNEXURE V ELECTRONIC DATE RECOGNITION CLAUSE EDRC

Section 1

This insurance does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- b) any change, alteration or modification involving the date change to the year 2000 or any other date change, including leap year calculations, to any such computer system, hardware, program or software or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

However, this section shall not apply in respect of physical damage occurring at the insured's premises arising out of the perils of fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

Section 2

Notwithstanding Section 1 above, this insurance does not cover any costs and expenses, whether preventative, remedial or otherwise, arising out of or relating to change, alteration or modification of any computer system, hardware, program or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the insured or not.

Section 3

The date change to the year 2000, or any other date change, including leap year calculations, shall not in and of itself be regarded as an event for the purposes of this insurance.

PREMIUM PAYMENT WARRANTY

Notwithstanding anything contained herein to the contrary it is hereby understood and agreed that the indemnity provided by this policy will only apply on payment of full premium to the Company in accordance with the provisions of Section 156 of the Insurance Act Cap 487 failure to which cover lapses.

Subject otherwise to the terms conditions limitations and exceptions of the policy.

ENDORSEMENT 331 DEPRECIATION ADJUSTMENT FOR THE REWINDING OF ELECTRIC MACHINES (E.G MOTORS, GENERATORS, TRANSFORMERS)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

If in the event of partial damage to electrical machines the repair necessitates the rewinding of electric coils, the amount indemnifiable in respect of the pure work of rewinding and replating shall be calculated subject to an annual rate of depreciation to be determined at the time of the loss in the form of a "new for old deduction this rate being not less than 6% per annum, but not more than 60% in total.

ENDORSEMENT 332 DEPRECIATION ADJUSTMENT FOR REPAIRS TO COMBUSTION ENGINES (E.G DIESEL, GAS ENGINES)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

In the event of damage to cylinder liners, cylinder heads inclusive of accessories and pistons, the amount indemnifiable in respect of the items thus affected shall be depreciated at an annual rate to be determined at the time of the loss, this rate being not less than 10% per annum, but not more than 60% in total.

ENDORSEMENT 343 OVERHAUL OF ELECTRIC MOTORS (ABOVE 750 KW FOR MOTORS WITH 2 POLES AND ABOVE 1,000 KW FOR MOTORS WITH 4 AND MORE POLES)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance in respect of item(s) contained in the specification of the Policy:

The Insured shall arrange at his own expense an overhaul (the Insured shall inform the Insurers of such an overhaul in good time so that the Insurers' representatives may be present during the overhaul at the Insurers expense) in a completely opened-up state after 8,000 hours of operation or after 500 start-ups or at least after two years following the last overhaul. New electric motors shall be overhauled after 2,000 hours or at least after one year of operation. The Insured shall supply the Insurers with reports on this overhaul.

These provisions shall apply regardless of the commencement date of the insurance cover.

The Insured may apply for an extension of the period between overhauls. Such extension shall be granted if in the opinion of the Insurers the risk is not aggravated thereby.

If the Insured fails to comply with the requirements of this endorsement, the Insurers shall be free from all liability for loss or damage caused by any circumstance which could have been detected had an overhaul taken place.

Endorsement 344: Overhaul of Steam, Water and Gas Turbines and Turbo-Generator Sets

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance:

The Insured shall arrange at his own expense an overhaul in a completely opened-up state of the whole turbo-set or parts thereof at the following intervals and shall inform the Insurers of such an overhaul at least two weeks in advance so that the Insurers' representatives may be present during the overhaul at the Insurers' expense:

- a. Steam turbines and turbo-generator sets that operate predominantly under continuous load conditions and are provided with comprehensive instrumentation in line with modern technological standards which allow full control of the operational state of the set to be overhauled at least every four years.
This refers to item(s) No(s). Contained in the specification of the Policy.
- b. Steam turbines and turbo-generator sets which do not fall into the above category to be overhauled at least every three years. This refers to item(s) No(s) contained in the specification of the Policy.
- c. Water turbines and turbo-generator sets to be overhauled in accordance with manufacturer's recommendations, however at least every two years.
- d. Gas turbines and gas turbo-generator sets to be overhauled in accordance with the manufacturer's recommendations.

These periods shall commence as from the first start of operation or last overhaul of the given turbo-generator set or part thereof irrespective of the commencement of this insurance cover.

The Insured shall advise the Insurers of any significant change in the running behaviour of the turbo-generator set and both parties shall jointly decide on any action to be taken.

The Insured may apply for an extension of the period between overhauls. Such extension shall be granted if in the opinion of the Insurers the risk is not aggravated thereby.

If indemnifiable damage to a machine occurs after the respective period mentioned under a to d has been exceeded, the Insurers shall indemnify only for the extra costs of repair excluding the costs of dismantling, reassembly and similar costs because an overhaul has to be carried out at this stage in any case. The costs of dismantling, reassembly and similar regular overhaul-related work are to be considered as costs of overhauling.

If the Insured fails to comply with the requirements of this Endorsement, the Insurers shall be free of all liability for loss or damage caused by any circumstance that could have been detected had an overhaul taken place.

Endorsement 345 Inspection and Overhaul of Boilers

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply to this insurance in respect of item(s) No(s) contained in the specification of the Policy.

The Insured shall arrange at his own expense an inspection of all boilers annually or at the intervals prescribed by law. The Insured shall also arrange at his own expense any overhaul required by the competent inspection authority or the manufacturer. The Insured shall inform the Insurers of such an inspection or overhaul at least two weeks in advance so that the Insurers' representatives may be present during the inspection or overhaul at the Insurers' expense.

These provisions shall apply regardless of the commencement date of the insurance cover.

The Insured may apply for an extension of the period between inspections and/or overhauls. Such extension shall be granted, provided the inspector or competent authority is in agreement and in the opinion of the Insurers the risk is not aggravated thereby.

If the Insured fails to comply with the requirements of this Endorsement, the Insurers shall be free of all liability for loss or damage caused by any circumstance that could have been detected had an inspection and/or overhaul taken place.