

## **Machinery Breakdown Policy**

### **1 INTRODUCTION**

Thank you for purchasing insurance from The New India Assurance Company Limited.

#### *1.1 Your insurance policy:*

**Your** insurance policy consists of:

- **Your** proposal and any other information **you** supplied **us**, and
- This policy wording, and
- The policy **schedule**

#### *1.2 Premium*

Once **you** have paid, or agreed to pay, the premium, **we** will insure **you** on the terms set out in this policy.

#### *1.3 Your satisfaction guaranteed*

**We** will give **you** a full refund of **your** premium within the first 30 days if **you** are not completely happy with the policy. **You** will not be able to claim under the policy if **you** request a refund during this period.

#### *1.4 Your duty of disclosure*

When arranging this insurance, **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

- Whether to accept **your** proposal, and
- If so, on what terms.

Examples of what **you** must tell **us** include:

- Anything that increases the risk of a claim
- Any criminal offending or convictions
- Any previous insurance claims

- Any refusal by another insurer to insure **you** on standard terms, or to continue to insure **you** on standard terms.

**You** must also tell **us** this every time this policy renews, and when **you** make any changes to it.

If **you** fail to do this, **we** may avoid the policy back to when it started as if **you** were never insured at all.

When in doubt, disclose. We treat all information confidentially.

## **2 INSURING CLAUSE**

**We** will indemnify **you** against **accidental loss** during the **period of insurance** to **insured machinery** at the **situation**.

## **3 AUTOMATIC EXTENSIONS**

In addition to the cover under Clause 2 above, **we** will also provide cover under the following Automatic Extensions, on the same terms:

### **3.1 Newly-acquired machinery**

#### **3.1.1 Cover**

**We** will cover any additional or replacement electrical or mechanical plant acquired during the **period of insurance**, provided:

- That machinery is of a similar class or type to the existing **insured machinery**, and
- The **loss** occurs following satisfactory completion of the machinery's installation, testing and commissioning.

#### **3.1.2 Special conditions**

**You** must:

- Give **us** full particulars of the additional or replacement machinery within two calendar months of acquiring it, and
- Pay any additional premium **we** require from the date of acquisition.

#### **3.1.3 Amount payable**

The amount payable under this Extension comes within the existing Sum Insured or additional sum insured for newly acquired machinery

### 3.2 Cost of hire (electric motors)

#### 3.2.1 *Cover*

If repairs are being carried out to an electric motor covered under this policy, **we** will also indemnify **you** against the cost of hiring a temporary replacement electric motor.

#### 3.2.2 *Amount Payable*

The most **we** will pay under this Extension is \$5,000 for any one **loss**, unless a different amount is shown in the **schedule**. This amount is in addition to the existing Sum Insured.

### 3.3 Refrigerant gas replacement

#### 3.3.1 *Cover*

**We** will indemnify **you** against the cost of replacing refrigerant gas that is lost from **insured machinery** as a result of a **loss** covered under this policy.

#### 3.3.2 *Limitations*

This Extension does not cover the extra cost of an alternative refrigerant that is necessary because of ozone depletion.

#### 3.3.3 *Amount Payable*

The most **we** will pay is \$10,000 in total during the **period of insurance**. This amount is in addition to the existing Sum Insured.

### 3.4 Explosion of boilers and pressure vessels

Where the **insured machinery** includes a boiler or **pressure vessel**, **we** will indemnify **you** against **accidental loss** caused by:

- collapse, or
- overheating, or
- **explosion.**

## 4 **OPTIONAL EXTENSIONS**

Cover under each of these Optional Extensions only applies if they are shown in the **schedule**. Where they apply, **we** will also provide that cover, on the same terms:

### 4.1 Expediting expenses

#### 4.1.1 *Cover*





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Where **you** suffer a **loss** that is covered by this policy, **we** will indemnify **you** against the following associated costs, provided that, they are reasonably incurred:

- express delivery within New Zealand, and
- airfreight within New Zealand, and
- overtime, penal rates and holiday pay.

#### 4.1.2 *Amount payable*

The most **we** will pay under this Optional Extension is 25% of the amount that **we** would otherwise be liable to pay for ordinary freight. The amount payable is in addition to the existing Sum Insured.

### 4.2 Overseas airfreight charges

#### 4.2.1 *Cover*

Where **you** suffer a **loss** that is covered by this policy, **we** will indemnify **you** against any associated costs **you** incur for overseas airfreight, provided that:

- the costs are for a regular scheduled service of an established airline (and not an aircraft specially chartered for airfreight purposes), and
- the costs are reasonably incurred.

#### 4.2.2 *Amount payable*

The most **we** will pay under this Optional Extension is the Sum Insured shown in the **schedule** for this Extension. The amount payable is in addition to the existing Sum Insured.

### 4.3 Dies

#### 4.3.1 *Cover*

**We** will cover **loss** to dies that are fitted to **insured machinery**, provided the dies are in use at the time of the **loss**.

#### 4.3.2 *Exclusion deleted*

For this Extension, the word 'dies' is deleted from Exclusion 5.4.1(a).

#### 4.3.3 *Amount payable*

The **excess** under this Optional Extension is the higher of the following:

- 20% of the amount payable, or

- the amount specified in the **schedule** for this Extension.

The amount payable is in addition to the existing Sum Insured.

#### 4.4 Reinstatement of boilers and pressure vessels

##### 4.4.1 Cover

If the **schedule** shows that **you** have 'Reinstatement of Boilers and Pressure Vessels Cover' then Clause 6.4 of this policy below is amended as follows, but only for boilers or **pressure vessels**:

- (a) If the boiler or **pressure vessel** is repairable, **we** will pay the cost of restoring it to the **same condition** it was in when it was new.

If the repairs are carried out at a workshop owned by **you**, **we** will pay **you** the cost of materials and wages incurred for the repairs, plus a reasonable percentage to cover **your** overheads.

If, however, the total cost of repairs equals or exceeds:

- the **new replacement cost** of the item, or
- the Sum Insured for the item,

then **we** will consider the machine irreparable, and **our** settlement to **you** will be on the same basis as (b) below.

- (b) If the boiler or **pressure vessel** is not repairable (because of the nature of the **loss**), **we** will either:

- pay **you** the lesser of:
  - the **new replacement cost** of the item, or
  - the Sum Insured, or
- supply **you** with a replacement item that is similar in type, capacity and condition to the boiler or **pressure vessel** when new. If **we** do this, **we** will also pay **you** any erection and ordinary freight costs associated with the replacement item.

**We** will also:

- pay the cost of removing the damaged boiler or **pressure vessel**, and
- make a deduction for the value of any salvage.

##### 4.4.2 *Special Conditions*

This Extension only applies if **you**:

- actually reinstate an item, and
- commence the reinstatement quickly.

**You** must ensure that the Sum Insured on the boiler or **pressure vessel** is equal to the **new replacement cost**. If the Sum Insured is less, then Average applies.

## **5 EXCLUSIONS**

### **5.1 Causes of loss not covered**

This policy does not insure **loss to insured machinery** caused by any of the following:

- 5.1.1 fire starting from a source external to the machine,
- 5.1.2 impact from a source external to the machine,
- 5.1.3 storm or flood,
- 5.1.4 smoke or soot,
- 5.1.5 chemical explosion,
- 5.1.6 gas or vapour,
- 5.1.7 rainwater or water, discharged (or leaking) from any pipe or system that is not part of the **insured machine**,
- 5.1.8 burglary or theft (including attempted burglary or theft),
- 5.1.9 an atmospheric or chemical reaction.

### **5.2 Natural Disaster and Normal Settlement**

This policy does not cover **loss to insured machinery** caused by any of the following:

- 5.2.1 earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity or hydrothermal activity,
- 5.2.2 landslip or subsidence, erosion by the sea or expansion of the ground,
- 5.2.3 normal settlement, shrinkage or expansion of buildings, foundations, walls, pavements, roads and other structural improvements.

### **5.3 Costs not covered**



This policy does not insure:

5.3.1 the cost of carrying out any of the following on **insured machinery**:

- (a) alterations, additions or improvements, or
- (b) overhauls or maintenance,

5.3.2 the cost of provisional repairs, unless they:

- (a) are part of the final repairs that are already covered under this policy, and
- (b) do not increase the total repair costs,

5.3.3 extra charges incurred for:

- (a) overtime or work on public holidays, or
- (b) express freight or airfreight,

unless specifically covered under an Extension to this policy,

5.3.4 any of the following costs unless they are specifically noted in the **schedule**:

- (a) the removal of pump units from bores or their reinstallation,
- (b) the loss of pump units within the bores,

5.3.5 any costs associated with replacing altering or modifying the:

- (a) **insured machinery**, or
- (b) any part of the refrigeration system,

to enable the machine or part to operate with a more ozone-friendly refrigerant,

5.3.6 **loss** that occurs during:

- (a) the dismantling of **insured machinery** for removal to other situations, or
- (b) the installation or testing of additional or replacement **insured machinery**, or
- (c) the modification of existing **insured machinery**.

#### 5.4 Types of property not covered

5.4.1 This policy does not insure **loss**:

- (a) to crushing or grinding surfaces, dies, cylinder engravings, embossings, coatings or coverings, or
- (b) to parts made of glass, porcelain or ceramics, or
- (c) to furnace and ladle linings or refractories, or
- (d) to operating media, including lubricating oils, fuel, catalysts or heat-exchanging liquids, or
- (e) to wheels, tyres, tracks, blades, buckets or similar attachments to mobile insured machinery, or
- (f) of insulating oil from transformers, capacitors or switchgear from glands, seals, fatigue-fractured pipes, gaskets or joints, or
- (g) of refrigerant from glands, seals, fatigue-fractured pipes, gaskets or joints.

Exclusion 5.4.1 does not apply to any resultant **accidental loss** to another part of the **insured machine**.

5.4.2 This policy does not insure **loss** to foundations and masonry.

#### 5.5 Types of machinery not covered

This policy does not insure **loss** to any of the following:

- 5.5.1 electronic data processing equipment,
- 5.5.2 accounting or office machinery,
- 5.5.3 electronic apparatus of any kind, other than electronic control equipment forming part of the machine,
- 5.5.4 **insured machinery** hired or borrowed by **you** from someone else.

#### 5.6 Testing/maintenance/modification

This policy does not insure **loss** to any part of an **insured machine** directly affected by any of the following:

- 5.6.1 the use of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul,
- 5.6.2 hydraulic tests, experiments, overloads, or similar tests requiring the imposition of abnormal conditions.

Exclusion 5.6 does not apply to any resultant **accidental loss** to another part of the **insured machine**.

#### 5.7 Kinds of loss not covered



This policy does not insure the following kinds of **loss**:

- 5.7.1 gradual deterioration, including (but not limited to):
- (a) fatigue, rust, oxidation, boiler scale, sludge deposits, corrosion or erosion, or
  - (b) the wearing away or wearing out of any part resulting from normal working,
- 5.7.2 scratching of painted or polished surfaces,
- 5.7.3 if the **insured machine** is a boiler or a **pressure vessel**:
- (a) cracks, fractures, blisters, lamination, flaws or grooving, even when any of these is accompanied by leakage,
  - (b) leakage of joints.

Exclusion 5.7 does not apply to any resultant **accidental loss** to another part of the **insured machine**.

5.8 Parts of machinery not covered

This policy does not insure **loss** to the following parts of the **insured machine** if the **loss** is confined to these parts only:

- 5.8.1 refrigerant gas,
- 5.8.2 exchangeable parts and detachable tools such as (but not restricted to): bits, drills, cutters, knives, saw-blades or other cutting edges,
- 5.8.3 belts, chains, ropes, elevating and conveying bands, leathers, packing gaskets or other jointing or sealing materials, filters, clutch and brake-linings and facings,
- 5.8.4 electrical circuit protection devices, electrical contacts at which sparking or arcing normally occurs, batters, heating elements.

However, the above parts will be covered if the **loss** to them:

- is a **loss** that is otherwise covered by this policy, and
- occurs as a result of **loss** to other separately identifiable parts of the **insured machine**.

**We** will make a depreciation allowance in **our** payment for the working life expended of the parts at the time of the **loss**.

5.9 Consequential losses

This policy does not insure consequential losses of any kind arising from **loss** to **insured machinery**.

**5.10**     *Riots and strikes*

This policy does not insure **loss** in connection with any of the following:

- 5.10.1     riot, civil commotion, malicious damage, vandalism,
- 5.10.2     strike, lockout, persons taking part in labour disturbances or malicious persons acting on behalf of, or in connection with, any political organisation.

**5.11**     *War/Confiscation/Nuclear*

This policy does not insure **loss** directly or indirectly caused by:

- 5.11.1     war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
- 5.11.2     Confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority,
- 5.11.3     Nuclear power generation or nuclear weapons,
- 5.11.4     Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the fusion or fission of nuclear fuel.

**5.12**     *Terrorism*

This policy does not insure **loss** of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

- 5.12.1     An **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**, damage, death, injury, illness, liability, cost or expense.
- 5.12.2     Any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

**6**            **BASIS OF SETTLEMENT**

**6.1**           *Maximum Liability*

The most **we** will pay for each **insured machine** is the Sum Insured shown in the **schedule** for that machine, unless stated differently in this policy.

**6.2**           *Excess*

The **excess** shown in the **schedule** will be deducted from the amount of the **loss** payable for each **event**, unless stated differently in this policy.

If different insured items of **insured machinery** carry different **excesses**, only the highest **excess** applies.

### 6.3 Reinstatement of the Sum Insured

After **we** have paid a claim under this policy, **we** will reinstate **your** Sum Insured. Once **we** have done this, **you** must pay any additional premium **we** require.

### 6.4 Basis of Settlement

#### 6.4.1 Options

**We** will indemnify **you** by:

- (a) paying the reasonable cost of repairs, or
  - (b) paying an amount equal to the reasonable cost of repairs, or
  - (c) replacing the **insured machine** with one of similar condition, or
  - (d) paying an amount equal to the **current value** of the **machine**,
- whichever is the least.

#### 6.4.2 If the machine is repairable

If the **insured machine** is repairable, **we** will pay the cost of restoring it to its state of serviceability before the **loss** occurred. **We** will also pay the following costs, provided they are necessarily and reasonably incurred:

- (a) dismantling and re-erection costs associated with restoring the machine,
- (b) ordinary freight to and from the place of repair,
- (c) any government charges.

In all cases,

- **we** will not make any deduction for depreciation of any part replaced (except as described under Exclusion 5.8),
- **we** will make a deduction for the value of any salvage,
- if the repairs are carried out at a workshop owned by **you**, **we** will pay **you** the cost of materials and wages incurred for the repairs, plus a reasonable percentage to cover **your** overheads.

If, however, after considering all of the above, the total cost of repairs equals or exceeds:

- the **current value** of the item immediately before the **loss**, or



- the Sum Insured for the item,

then **we** will consider the machine irreparable, and **our** settlement to **you** will be on the basis as shown in Clause 6.4.3 below.

#### 6.4.3 *If the machine is irreparable*

If the **insured machine** is irreparable, **we** will either:

- (a) pay **you** the lesser of:
  - the **current value** of the item immediately prior to the **loss** (including the cost of ordinary freight, erection and any government charges), or
  - the Sum Insured, or
- (b) supply **you** with another item similar in type, capacity and condition to the **insured machine** before the **loss** occurred. If **we** do this, **we** will also pay **you** any costs of ordinary freight and erection of the replacement item.

In all cases, **we** will:

- also pay costs for the removal of the **insured machine**, and
- make a deduction for the value of any salvage.

#### 6.4.4 *Specific items of machinery*

If the **insured machine** is any of the following items **we** will settle the **loss** as stated below:

##### (a) Tubes and headers

If the **loss** is to:

- tubes and headers, and/or
- any part of a steam coil generator subjected to pressure of internal steam or fluid,

**we** will pay **you** the cost of replacing the item, less depreciation.

**We** will calculate depreciation on a straight-line basis at 10% for each year since the part was installed, up to a maximum of 80%.

##### (b) Extruder screws and barrels

If the **loss** is to:

- extruder screws, and/or

- barrels,

that are part of any **insured machine**, and these items need to be replaced, then **we** will pay **you** the cost of replacing the items, less depreciation.

**We** will determine the rate of depreciation on a straight-line basis at the time of the **loss**, but it will not be less than 10% for each year since the part was installed, up to a maximum of 50%.

(c) Refrigeration units

If the **loss** is to:

- a sealed refrigeration unit, and/or
- a semi-sealed refrigeration unit,

and the item needs replacing, then **we** will pay **you** the cost of replacing the unit, less depreciation.

We will calculate depreciation on a straight-line-basis at 10% for each year since the unit was installed, up to a maximum of 80%.

## 7 CLAIMS CONDITIONS

### 7.1 *Making a claim on this insurance*

**You must:**

- Tell **us** as soon as **you** are aware of any **loss** covered under this policy
- Complete **our** claim form in full if requested
- Allow **us** to investigate and inspect the **loss**
- Provide any other information or assistance that **we** need at any time, including allowing **us** to access the **insured machinery** at **your** premises.
- Give **us** permission to obtain personal information which relates to **your** claim held by any other party
- Forward to **us** all relevant information and correspondence
- Provide a statutory declaration to verify the **loss** if **we** request it
- Lay a complaint with the Police if **you** suspect burglary, theft, arson or intentional damage
- Minimise **your loss**, and try to avoid any further **loss**

- (j) Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

***You must not:***

- (a) Dispose of any property that **you** intend to claim for under this policy
- (b) Start any repairs without **our** permission unless it is necessary to prevent further **loss**
- (c) Say or do anything which may prejudice **our** ability to make recovery for the **loss** from any other person who may be responsible for it.

**7.2** *After you have made a claim*

After **you** have made a claim:

- (a) **We** may take over in full any legal right of recovery that **you** have.
- (b) If any lost or stolen property for which **we** have paid a claim is later found or recovered, **you** must:
- Tell **us** immediately, and
  - Hand the property over to **us** if **we** request it.
- (c) **You** must reimburse **us** if **you** receive any money from any person ordered to make reparation to **you** in relation to **your** claim.

**7.3** *Dishonest or fraudulent claims*

If **your** claim is dishonest or fraudulent in any way, **we** may decline your claim, wholly or partially and, at **our** discretion, declare that this policy is unenforceable from the date of the dishonest or fraudulent act.

## **8 GENERAL CONDITIONS**

**8.1** *Acts of Parliament*

- 8.1.1 Where this policy refers to any Act of Parliament, this includes any Statutory Regulations made under it. It also includes any Act or Regulations enacted in substitution.

**8.2** *Cancellation*

- 8.2.1 **You** may cancel the policy by giving **us** notice. **We** will refund to **you** the unexpired portion of any premium **you** have already paid to **us**.
- 8.2.2 **We** may cancel this policy at any time by giving notice to **you**. It will be effective from 4.00pm 14 days after the notice is given. The 14-day period



starts on the day the notice is delivered or posted. **We** will refund to **you** the unused portion of any premium **you** have already paid to **us**.

### 8.3 *Change in circumstances*

8.3.1 **You** must tell **us** immediately, after the start of the policy, if there is a material fact that **you** know that would:

- Increase in the risk insured, or
- Alteration in the risk insured.

8.3.2 After **you** have told **us** about a change in the risk insured, **we** may amend **your**:

- Premium payable, and/or
- Terms and conditions of this policy.

Those changes will be effective immediately.

8.3.3 If **you** fail to tell **us** about a change in the risk insured, **we** may:

- Declare this policy unenforceable, or
- Completely or partially refuse any subsequent claim.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

### 8.4 *Comply with the policy*

**You** must meet the following conditions before **we** pay **you**:

8.4.1 **You** must comply with all the policy terms, and

8.4.2 All statements and answers, whether by **you** or anyone else, must be true when **you**:

- Apply for this insurance, and
- Notify **us** about any change in circumstances, and
- Make any **claim**.

These conditions apply equally to anyone else entitled to **claim** under the policy.

### 8.5 *Double insurance*

8.5.1 **You** must notify **us** immediately of any other insurance policy that covers any of the risks covered under this policy.



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8.5.2 If any other insurance policy exists, **we** will only pay over and above the limit payable under that other policy.

#### 8.6 *Goods and Services Tax*

8.6.1 Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:

- all Sums Insured exclude GST (unless otherwise stated), and
- GST will be added, where applicable, to claim payments.

#### 8.7 *Governing Law*

8.7.1 The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.

#### 8.8 *Headings*

8.8.1 Headings in this policy do not form part of the policy, and are not to be used as an aid to interpretation.

#### 8.9 *Insurance Law Reform Acts*

8.9.1 The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

#### 8.10 *Notices*

8.10.1 Notices from **you** to **us** must be delivered personally, posted or emailed to **us**.

8.10.2 Notices from **us** to **you** must be delivered personally, posted or emailed to **your** last known postal address

#### 8.11 *Parties with financial interests*

8.11.1 **We** may pay all or part of any claim proceeds to the holder of any financial interest over **your insured machinery**. **Our** obligations to **you** under this policy are satisfied to the extent of that payment. **You** authorise **us** to disclose personal information about **you** to any holder of a financial interest.

8.11.2 A party, who is recorded as having a financial interest under this policy, is not insured by this policy and does not have rights to claim under the policy.

#### 8.12 *Separate insurance*

8.12.1 If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).

8.12.2 However, the limits contained in this policy are the most **we** pay to all persons and entities combined.

8.13 *Take reasonable care*

8.13.1 **You**, and anyone else covered under this policy, must take reasonable care to avoid circumstances that may result in a claim.

8.13.2 **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

## 9 DEFINITIONS

9.1 These words, and any derivatives, marked in **bold** throughout the policy are defined as follows:

**Accident** means an event or omission that is unexpected and unintended from **your** point of view.

**Act of terrorism** means an act, including but not limited to the use of force or violence and threat of any person or group, whether acting alone or on behalf of or in connection with any organisation or government that from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and, or, to put the public or any part of the public in fear.

**Business** means the business described in the **schedule**.

**Computer virus** means a set of corrupting, harmful or unauthorised instructions or code, including a set of maliciously introduced and unauthorised instructions or code, programmed or any thing else, which duplicates itself through a computer system or network. This includes, but is not limited to Trojan horses, worms, and time or logic bombs.

**Current value** means the **new replacement cost** of an item, less an allowance for depreciation taking into account its age and use.

**Event** means a **loss** or series of **losses** arising from one source or original cause.

**Excess** means the amount of any claim that **you** must pay. This is stated in the policy or shown in the **schedule**.

**Explosion** means the sudden and violent breaking apart of the plant by forces of internal fluid pressure (but not ignited gas pressures), resulting in:

- physical displacement of any part of the plant, and
- forced ejection of the plant's contents.

**Insured machinery** means the electrical and mechanical plant owned by **you** and shown in the **schedule** as insured items.



**Loss** means physical loss, physical damage, or physical destruction.

**New replacement cost** means the cost of buying, and installing a new item of the same:

- (a) size, and
- (b) speed, and
- (c) capacity, and
- (d) purpose, and
- (e) quality of manufacture.

This includes all costs necessary to:

- make the item operational, and
- connect the item to any services and utilities.

**Period of insurance** means the period of time shown in the **schedule**.

**Pressure vessel** means the parts of any **insured machinery** or vessel that during ordinary use are subjected to either generated fluid pressure or vacuum, including:

- all integral parts, and
- controls, and
- systems (other than systems forming part of a building or structure).

**Same condition** means substantially the same condition, but not a better or more extensive condition.

**Schedule** means the most recent Schedule to this policy that **we** issued to **you**.

**Situation** means the physical location specified in the **schedule**:

- where the **insured machinery** is usually located, and
- that **you** own or occupy.

**We/us/our** means The New India Assurance Company Limited.

**You** means the person or entity named in the **schedule** as 'Insured'.



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## Machinery Breakdown Policy - Payment by Instalments Endorsement

The following General Condition is added to the policy

### *8.14 Payment by instalments*

- 8.14.1 **You** must sign a bank deduction authority authorising payment of the premium by monthly or quarterly instalment as agreed by **us**.
- 8.14.2 If **you** are paying monthly, the **period of insurance** is not the period of time shown in the **schedule**, but for one calendar month commencing upon payment of each monthly instalment.
- 8.14.3 If **you** are paying quarterly, the **period of insurance** is not the period of time shown in the **schedule**, but for one quarter commencing upon payment of each quarterly instalment.
- 8.14.4 If any instalment remains overdue for a period of 30 days after its due date, this policy automatically comes to an end at the expiry of that 30 day period, notwithstanding clause 8.2.