



CONTRACTORS PLANT & MACHINERY INSURANCE

UIN: IRDAN102CP0006V01201819

Construction activity often requires use of specialized equipment such as earthmoving equipment, excavators, tower cranes etc. These Equipments are used at a particular construction site only till the job, for which they are deployed, is completed. Since these jobs may be of longer/ shorter durations and project sites keep on changing, a separate cover i.e. Contractors Plant & Machinery (CPM) was designed for such type of machinery and equipment.

Contractors Plant & Machinery insurance is a type of engineering insurance that corporate entities can opt for, to cover losses or damages caused to insured property due to operation of perils such as Fire, Burglary, Flood, Inundation, Overturning, Collision etc. Insured property can be various types of construction or material handling equipment viz. excavators, road rollers, cranes, air compressors, site DG Sets, bulldozers, concrete mixers etc.

What are the key benefits of a Contractors Plant & Machinery (CPM) Insurance Policy?

1. Indemnity on Reinstatement Value Basis is the Basis of Claims settlement
2. Covers the risks of overturning or collision of the insured equipment which is not covered under Standard Fire & Special Perils Insurance Policy
3. Insured can select the machinery for which the cover is required.

What are the unique features of this policy?

1. All Risks policy (covers all causes of loss except those specifically excluded)
2. Named exclusions (mainly Machinery Breakdown Exclusion)
3. Standard cover across all types of customer segments
4. It is a location-specific policy, but it can be opted on a Floater (named locations) basis also.
5. Risk of dismantling at one location and subsequent re-erection at another location can be covered at no extra premium

What is the basis of the Policy Cover or what is the interest insured?

Policy covers loss or damage to the insured machinery or equipment at specified locations after they have been successfully commissioned, by any cause (All Risks) not excluded, whilst they are

- At work or at rest
- Being shifted within the insured premises or site
- Being dismantled for cleaning/ overhauling
- Being cleaned or overhauled
- Being subsequently re-erected/ re-commissioned within the insured premises or site

Sum Insured

Sum Insured should be equal to the current replacement value including invoice cost, freight, insurance, handling cost, erection cost and taxes.

What are the major Exclusions under this Policy?

1. Loss or damage, due to electrical or mechanical breakdown or derangement.
2. Loss of or damage to replaceable parts and attachment
3. Loss or damage due to explosion of any boiler or pressure vessel
4. Loss of or damage to vehicles designed and licensed for general road use
5. Loss of or damage to Hull and machinery of waterborne vessels or crafts.
6. Loss or damage due to total or partial immersion in tidal waters
7. Loss or damage whilst in transit, from one location to another location
8. Public Liability will not be payable while Contractors Plant & Machineries are on Public Roads



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9. Loss or damage due to wear and tear, corrosion, rust, deterioration
10. Loss or damage occurring whilst any insured item is undergoing a test of any kind
11. Loss or damage to plant and/or machinery working under ground
12. War, Invasion, act of foreign enemy, hostilities or war like operation
13. Loss or damage directly or indirectly caused by nuclear reaction or radioactive contamination
14. Loss or damage due to any faults or defects existing at the time of commencement of this policy
15. Loss or damage directly or indirectly caused by wilful act or wilful negligence of the insured
16. Loss or damage for which the supplier/ manufacturer is responsible by law or under contract
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. Terrorism Damage

Are there any additional covers available under this Policy?

Following additional coverages can be opted **on payment of additional premium:**

1. Third Party Liability
2. Owners Surrounding Property
3. Additional Customs Duty
4. Clearance & Removal of Debris
5. Coverage on Floater Basis at additional cost 10%
6. Express Freight, holiday and overtime wages
7. Air Freight
8. Earthquake

What is the claims procedure?

- Claim can be intimated by the insured at any of our offices or call us at 1860 258 0000 / 1860 425 0000.
- The company will assign a surveyor to assess the damaged site for the loss evaluation.
- **Documents to establish cause, extent, and loss adjustment as per policy terms will be required to be submitted. In General, the following documents are required**
 - Claim form,
 - Fire Brigade Report / FIR,
 - Proof in support of the Cause of Loss, like OEM report (RCA),
 - List of Items Covered / Asset Register,
 - Quotation to establish the cost of replacement,
 - Repair / Reinstatement Invoices with Payment proof,
 - CKYC documents PAN, ROC certificate, Aadhaar, and GST Registration Certificate
 - Any other document: There may be specific requirements depending upon the merits of each case.

Turn Around Time for claims settlement:

- 15 working days from the date of receipt of the survey report or last document/ clarification from the Insured / Surveyor, whichever is later.



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- **Deductibles (Excess):** A deductible is a fixed amount to be borne by the insured for each and every claim before we become liable to pay under this CPM Insurance policy.

Value of equipment	For claims arising out of AOG perils	For claims arising out of perils other than AOG
Individual value upto Rs.1 lakh.	10 % of S.I. Subject to a minimum of Rs. 5,000/-	2 % of S.I. subject to minimum of Rs. 1,500/-
Individual value over Rs. 1 lakh and upto Rs. 5 lakh.	5 % of S.I. Subject to a minimum of Rs.10, 000/-	1.5 % of S.I. subject to minimum of Rs.2, 000/-
Individual value over Rs. 5 lakh and upto Rs.10 lakhs.	3 % of S.I. subject to a minimum of Rs. 25, 000/-	1.25 % of S.I. subject to minimum of Rs. 7,500/-
Individual value over Rs. 10 lakhs upto Rs. 25 lakhs	2 % of S.I. subject to a minimum of Rs. 30, 000/-	1.00 % of S.I. subject to minimum of Rs. 12, 500/-
Individual value over Rs. 25 lakhs upto Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1 % of S.I. Subject to a minimum of Rs. 50, 000/-)
Individual value over Rs. 50 lakhs	1 % of S.I. Subject to a minimum of Rs. 50, 000/-	1 % of S.I. Subject to a minimum of Rs. 50, 000

- **Boom Section-** 20 % of claim amount subject to minimum of Rs. 25, 000/-
- **For Machinery under Group V -** Rs. 2,500 Flat. Excess.