



Policy handbook
**Plant All Risks
Insurance**

ENGINEERING INSURANCE

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Whereas the Insured by a Proposal and Declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Insurer (hereinafter called “the Company”) for the Insurance hereinafter contained and has paid or agreed to pay the Premium as consideration for such insurance in respect of loss or damage occurring during the Period of Insurance.

NOW THIS POLICY WITNESSETH that subject to the Terms Exclusions and Conditions contained herein or endorsed hereon if any property described in the Schedule shall suffer accidental loss or damage from any cause in a manner necessitating repair or replacement then the Company will pay or make good all such loss or damage up to an amount not exceeding 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 said Schedule as insured hereby.

1 Exclusions

The Company shall not be liable in respect of:

1. Excess

The first amount of each and every claim (herein described as the Excess) as specified in the Schedule except that if more than one item is lost or damaged in any one occurrence the Insured shall not be called upon to bear more than the highest single Excess applicable to such items.

2. Breakdown

Loss or damage due to electrical or mechanical breakdown failure breakage or derangement, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable.

3. Coolant / Lubrication

Loss or damage due to freezing of coolant or other fluid defective lubrication or lack of oil or coolant.

4. Wear & Tear

Loss or damage due to or arising from wear and tear gradual deterioration rust or other atmospheric action acidic attack or otherwise scratching of painted and polished surfaces.

5. Replaceable Parts & Attachments

Loss or damage to replaceable parts and attachments such as bits drills knives or other cutting edges saw blades dies moulds patterns pulverising and crushing surfaces screens and sieves ropes belts chains elevator and conveyor bands batteries tyres connecting wires and cables flexible pipes jointing and packing materials and other parts regularly replaced fuel lubricant or coolant.

6. Explosion

Loss or damage arising from the explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine but this exclusion shall be limited to the boiler pressure vessel or engine immediately affected and shall not extend to other property insured under this Policy lost or damaged in.

7. Motor Vehicles / Watercraft

Loss or damage to vehicles licensed for general road use or waterborne vessels or craft and/or plant mounted thereon.

8. Tidal waters

Loss or damage caused by or resulting from total or partial immersion in tidal waters.

9. Transit

Loss or damage whilst in transit other than by road or crossing inland waterway.

10. Known Defects

Loss or damage due to faults or defects known or which ought to have been known to the Insured or to any director manager or responsible employee of the Insured and not disclosed to the Company.

11. Wilful Act

Loss or damage caused by or arising out of the wilful act or wilful neglect of the Insured or of any hirer or of any director manager or responsible employee of the Insured or of any hirer.

12. Inventory / Service losses

Loss or damage discovered on the occasion of a routine inventory or servicing or not traceable to a specific event.

13. Testing

Loss or damage occurring whilst any item of

machinery or plant is undergoing test of any kind or is being used in any manner or for any purpose other than that for which it was designed.

14. Underground Use

Loss or damage whilst being used underground.

15. Depreciation / Consequential Loss

Loss of use or depreciation or consequential loss of any kind whatsoever.

16. War & Terrorism Exclusion

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

- b) Confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- c) Any act of terrorism

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

This Exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing,

suppressing or in any way relating to (a), (b) and/or (c) above.

If the Underwriters allege that by reason of this Exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

17. Radioactivity

- a) Any accident or any loss destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purposes of this exclusion combustion shall include any self-

sustaining process of nuclear fission.

- b) Any accident loss destruction or damage directly or indirectly caused by or contributed to by or arising from nuclear weapons.

18. Date Related Exclusion

Date related computer failure

- a) Any loss or destruction of or damage to property or consequential loss arising therefrom or any other loss cost or expense directly or indirectly caused by or consisting of or arising from or;
- b) Any legal liability directly or indirectly caused by or contributed to by or arising from

the inability or failure of any computer data processing equipment or media microchip integrated circuit or similar device or any computer software whether the property of the Insured or not and whether occurring before during or after the year 2000

- i) Correctly to recognise any date as its true calendar date or
- ii) To capture save or retain and/ or correctly to manipulate interpret or process any data information command or instruction as a result of treating any date otherwise than as its true calendar date or
- iii) To capture save or retain and/ or correctly to manipulate interpret or process any data or information as a result of the operation of any command which has been programmed into any computer software which causes loss of data or information or the inability to capture save retain or correctly to process such data or information on or after any date

But this does not exclude subsequent loss destruction or damage arising therefrom as

insured and not otherwise excluded by the policy which itself results from any of the following named perils which are insured by the Cover under which the loss arises

Named perils

Fire lightning explosion aircraft aerial devices or articles falling from them riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons thieves robbers earthquake storm flood escape of water from any tank apparatus or pipe impact by a road vehicle or animal or subsidence.

19. Cyber Risk Exclusion

Losses arising, directly or indirectly from:

- a) The loss of, alteration of or damage to
- or
- b) A reduction in the functionality, availability or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment

that results from the

malicious or negligent transfer (electronic or otherwise) of a computer programme that contains any malicious and or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse and which can be identified as the cause of loss do not in and of themselves constitute a claim under this policy.

2 Conditions

1. This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the Policy or of the Schedule shall bear such meaning wherever it may appear.
2. This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.
3. The basis of indemnity under this Policy shall be as follows:
 - a) If an insured item can be repaired – the Company will pay all expenses necessarily incurred to restore the damaged machinery to its working condition immediately before the occurrence of the damage including the cost of dismantling and re-erection as well as ordinary freight and customs duties if any. If the repairs are executed at the Insured's own workshop the Company will pay the cost of materials and wages plus a reasonable percentage of the productive wages to cover the overhead charges. No reduction shall be made for depreciation of replaced parts but the value of any salvage shall be deducted. Unless specially agreed extra charges for express delivery, overtime or work on public holidays shall not be payable. The cost of any alterations, additions, improvements or overhauls shall not be recoverable under the Policy. The cost of provisional repairs will be borne by the Insured unless they constitute a part of the final repairs.
 - b) If an Insured Item is totally destroyed – the Company will pay the actual value of the Item immediately before the occurrence of the loss including the cost of dismantling the damaged property and the cost of delivering by ordinary freight and erecting a replacement item but less the value of any salvage such actual value to be calculated deducting proper depreciation from the replacement value of the Item.

If the cost of repair equals or exceeds the actual value of the property insured immediately before the occurrence of the loss the damaged Item shall be considered as a total loss.
 - c) The Company may at their option repair, reinstate or replace any property lost or damaged or pay the corresponding amount.
4. The Sum Insured shall be equal to the cost of replacing the insured property by new property of the same type and capacity including freight, erection costs and customs duties.

If the Sum Insured is found to be less than the amount required to be insured, the indemnity shall be reduced in such

- proportion as the Sum Insured bears to the amount required to be insured.
5. The Insured shall take all reasonable measures to maintain the insured property in good working order and to ensure that no item is regularly or intentionally overloaded. The Insured shall comply with all statutory requirements concerning the use and inspection of the insured property.
 6. The Insured shall afford reasonable facilities for the Company's representatives to inspect and examine any property insured hereunder and shall provide them with all details and information.
 7. In the event of an occurrence which might give rise to a claim under the Policy the Insured shall
 - a) Immediately notify the Company or its representatives by telephone/fax/email if practicable as well as in writing;
 - b) Take all precautions to minimise the extent of the loss or damage;
- c) Protect and preserve the damaged or defective property for inspection by the Company;
 - d) Furnish all such information and documentary evidence which the Company may reasonably require.
- If the Insured shall fail to give the Company or its representatives the notice required by item (a) above within forty-eight hours of the receipt of knowledge or intimation of the occurrence the Company will be under no liability in respect of such occurrence unless it is seen from the circumstances that the delay is due to an acceptable cause.
8. The liability of the Company in respect of any damaged item or property for which indemnity would be provided shall cease if the said item continues operating without having been repaired to the satisfaction of the Company.
 9. After having notified a claim to the Company the Insured may carry out repair of any minor damage but if the cost of repair will exceed five per cent of the insured value a representative of the Company shall have the opportunity of inspecting the damage before any repairs are effected. If inspection does not take place within fourteen days from the date of notification of the claim the Insured is entitled to proceed with the repairs or replacement. Nothing herein shall prevent the Insured from taking such measures as are absolutely necessary for the execution of repairs.
 10. If the claim be in any respect fraudulent or if any false declaration be made or used in support of the claim or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if the claim be made and rejected and no action or suit be commenced within twelve months of such rejection or within twelve months of an award by a court of arbitration all benefit under this Policy shall be forfeited.
 11. In the event of
 - a) Material change in the risk or departure from ordinary working conditions;
 - b) Stoppage of work occasioned by any; cause for a period exceeding one calendar month this Policy shall be void unless its continuance be admitted by Endorsement signed by and on behalf of the Company.
12. If at the time a claim arises under this Policy there is any other insurance covering the same loss or damage the Company shall not be liable to pay or contribute more than their rateable proportion of such loss or damage.
 13. The Insured shall at the expenses of the Company do or permit to be done all such things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from any other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after their indemnification by the Company.
 14. This Policy may be terminated at any time at the request of the Insured in writing in which case the Company will retain the customary short period rate for the time the Policy has been in force. This Policy may also be terminated at any time at the option of the Company, on thirty days notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the Premium for the unexpired term from the date of the cancellation.
 15. Arbitration

If any difference arises out of this Policy the Company shall immediately notify the Insured in writing of his right to refer the difference to arbitration. 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 appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability for any claim hereunder and such claim shall not within twenty four calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
 16. This Policy only applies to judgements delivered

by or obtained from
a Court of competent
jurisdiction in a

member country of
the Gulf Cooperation
Council.

17. No alteration in the terms of this Policy or of its Conditions will be held valid unless the same is signed or initialled by an authorised Official of the Company.
18. The due observance and fulfillment of the Terms Limitations and Conditions of this Policy 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 said Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.



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Gulf Insurance Group (Gulf) B.S.C. (c)

UAE: Registered in the Insurance Companies Register - Certificate no. (69) dated 22/01/2002.
Subject to the provisions of Federal Law no. (6) of 2007 concerning the establishment of Insurance Authority and Organisation of its work.

Bahrain: A company incorporated in the Kingdom of Bahrain (CR 22373) with an authorised and paid up capital of BD 15,000,000 and regulated by the Central Bank of Bahrain as a Bahraini insurance licensee.

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