



# Machinery Breakdown

Machinery Breakdown (MB) is a policy designed to provide coverage for plant, machinery and mechanical equipment at work, at rest or during maintenance operations.

## Coverage

MB is an All Risks “Accident” insurance on machinery. The policy provides cover against sudden and unforeseen physical loss of or damage to your machinery whether at work or at rest, or being dismantled for the purpose of cleaning, inspection or overhauling, or in the course of the operations, or when being shifted within the premises during subsequent re-erection.

The cause of sudden and unforeseen damages could be due to the following:-

- Faulty material, design, construction and erection
- Vibration, mal-adjustment or mal-alignment
- Defective lubrication, loosening of parts, abnormal stress, molecular fatigue, self-heating centrifugal force
- Excessive electrical pressure, whether due to atmosphere electricity or otherwise
- Short-circuit or arcing
- Lack of skill and carelessness in handling the machinery

## Range Of Machinery

- Electrical equipment; including alternators and generators, motors, rectifiers, switchgears and transformers.
- Mechanical Plant; including engines, turbines (steam, water, gas) blowers, compressors, pumps, machine tools and presses
- Process machinery; in such industries as cold stores, engineering and metal industries, paper/pulp making, printing, rubber/ plastics and textiles etc.

## Basis Of Sum Insured

The Sum Insured is to be 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 freight cost, custom duties, dues and erection cost.

## Major Exclusions

You shall not be indemnified in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- The deductible stated in the Schedule
- Fire, lightning, chemical explosion, burglary and theft ie. perils covered or coverable under other policies; inundation, flood, earthquake, subsidence, landslide, collapse of building
- Wear and tear as consequence of ordinary use or operation as well as cavitation, erosion, corrosion or boiler scale
- War or warlike operations, civil commotion of any kind
- Wilful acts or wilful negligence of the insured or his representatives
- Faults or defects existing at the time of commencement of the insurance which ought to have been or were known to the insured

## Basis Of Indemnity

- In the event of ‘Partial Loss’ - new parts are replaced in respect of damage items including freight, custom duties, workmanship cost less any salvage and deductible
- In the event of ‘Total Loss’ - actual value of the item before the occurrence of the loss including all other charges including charges for dismantling of the machinery destroyed less any salvage and deductible

### Payment of Premium

- Premium must be made to your insurance intermediary or direct to us within 60 days from the inception of this Policy.
- Payment can be made by cash, credit card or cheques (cheques should be made in favour of our company).
- Insist on a receipt for the premium paid
- Contact us if you have not received the insurance policy after one month of purchase.

### Duty of Disclosure

You are to disclose all material facts that you know or ought to know; otherwise this policy may be invalidated.

### Contribution

If at the time of any loss or damage to the property there be any other subsisting insurance or insurances effected by you or your family members covering the same, we shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.

### Excess/ Deductible

It is the amount of loss you have to bear for each and every claim.

## WHAT YOU SHOULD DO In The Event Of Injury

### Notification of Claim

- You must notify us in writing with full details of the incident/accident as soon as possible within the time frame stipulated in your policy. Early notification is required to avoid any prejudice to your claim. Lodge a police report immediately if involving theft, accident and/or injury to third party.

### Submission of Claim

- You must submit your claim with all supporting information and documents as requested to us and give full cooperation to the adjusters appointed by us in assessing your claim.

### Duty of Disclosure of Claim Information

- You must provide answers to the Claim Form truthfully as any misrepresentation or concealment will prejudice your claim.

## HOW TO LODGE A Complaint And Redress Avenues Available



### Write to either :

1. the Integrated Contact Centre of Bank Negara Malaysia via [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my); or
2. the insurance mediator of the Financial Mediation Bureau.

Alternatively, you could walk in to lodge a complaint at BNMLINK (please refer to [www.bnm.gov.my/bnmlink/index.htm](http://www.bnm.gov.my/bnmlink/index.htm)) or you could take your case to court.

For more information about Tokio Marine and our products and services, please log on to our website [www.tokiomarine.com](http://www.tokiomarine.com).

Tokio Marine Insurans (Malaysia) Berhad is licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia.