

BOILER AND PRESSURE VESSEL INSURANCE POLICY

As the Insured by a proposal and declaration or by giving certain information, which shall be the basis of this contract and is deemed to be incorporated herein, has applied to the Company for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance, in respect of accident occurring during the Period of Insurance stated in the Schedule or during any subsequent period for which the Company may accept payment for the renewal of this Policy, this Policy witnesses that subject to the terms, exceptions and conditions contained herein or endorsed hereon, if the Insured shall incur liability or shall sustain loss or damage in the circumstances provided for by this Policy and defined herein the Company will indemnify the Insured in the manner hereinafter described against :

Section I - Damage (other than by fire) to any Machinery described in the Schedule,

Section II - (a) Damage (other than by fire) to other property belonging to the Insured

(b) All sums which the Insured shall become legally liable to pay as compensation for damage (other than by fire) to property in the care custody or control of the Insured,

Section III - All sums which the Insured shall become legally liable to pay as compensation for :

(a) Death of or bodily injury to any person (other than a person under a contract of service or apprenticeship with the Insured sustaining death or bodily injury which arises out of and in the course of his employment by the Insured),

(b) Damage to property other than property belonging to the Insured or property in the care custody or control of the Insured

directly consequent upon and solely due to explosion or collapse of the machinery, provided that the liability of the Company to indemnify the Insured under Sections I and II of this policy in respect of accident or accidents occurring in connection with anyone item or group of items shall not exceed the amount specified in the Schedule against such item or group of items as the Limit of Indemnity in respect of such Sections and provided also that the total liability of the Company under Section III for all compensation payable in respect of or arising out of any one occurrence or in respect of or arising out of all occurrences of a series consequent on or attributable to one source or original cause in connection with any one item or group of items shall not exceed the amount specified in the Schedule against such item or group of items as the Limit of Indemnity in respect of Section III.

In respect of a claim for compensation to which the indemnity provided in Section II (b) and 111 applies the Company will in addition indemnify the Insured against :

(1) all costs and expenses of litigation recoverable by any claimant from the Insured, and

(2) all costs and expenses incurred with the written consent of the Company

In the event of the death of the Insured the Company will in respect of the liability incurred by the Insured for which indemnity is provided under Section II (b) and 1/1 indemnify the Insured's personal representatives in the terms of and subject to the limitations of the Policy, provided that such personal representatives shall as though they were the Insured observe, fulfill and be subject to the terms, exceptions and conditions of this policy so far as they can apply.

Jurisdiction Clause

The indemnity provided by this Policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a Court of competent jurisdiction within Sri Lanka, nor to orders obtained in the said Court for the enforcement of judgments made outside Sri Lanka, whether by way of reciprocal agreements or otherwise.

Exceptions

This Policy does not cover :

1. **damage to machinery** or to other property belonging to the Insured arising during hydraulic test of the machinery and occasioned thereby;
2. **loss of use of machinery** or of other property belonging to the Insured or other consequential loss incurred by the Insured,
3. **damage or** liability consequent upon Explosion or Collapse occasioned by the chemical action or ignition of the contents of the Machinery,
4. liability assumed by the Insured by agreement unless such liability would have attached to the Insured notwithstanding such agreement,
5. **Loss destruction damage** or liability directly or indirectly occasioned by or through or in consequence of
 - (a) war, invasion, act of foreign enemy, hostilities or war like operation (whether war be declared or not), civil war,
 - (b) mutiny, civil commotion, assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power

- (c) the act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government 'de jure' or 'de facto' or to the influencing of it by terrorism or violence.

In any action, suit or other proceeding where the Company allege that by reason of the provisions of Exception 5 (a), (b) and (c) above any loss destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction damage or liability is covered shall be upon the Insured.

- 6. (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature 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. For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission,
- 7. Any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material,
- 8. Loss or damage origin directly or indirectly proximately or remotely occasioned by or contributed to by typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature.

DEFINITIONS

EXPLOSION means the sudden and violent rending of the Machinery by force of internal steam or other fluid pressure (other than pressure of ignited flue gases) causing bodily displacement of any part of the machinery together with forcible ejection of the contents.

COLLAPSE means the sudden and dangerous distortion (whether or not attended by rupture of any part of the Machinery caused by crushing stress by force of steam or other fluid pressure other than pressure of ignited fluid gases).

The following defects do not themselves constitute Explosion or Collapse even though repair or replacement, may be necessary

- (a) wearing away or wasting of the material of the Machinery by leakage, corrosion act of fuel or otherwise,
- (b) slowly developing deformation or distortion of any part of the Machinery,
- (c) cracks, fractures, blisters, laminations, flaws or grooving even when accompanied by leakage,
- (d) failure of joints,

but Explosion or Collapse arising from any such defect is not excluded hereby.

CONDITIONS

- 1. This Policy and 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 this Policy and Schedule shall bear such specific meaning wherever it may appear.
- 2. The Limit of Indemnity for each item under Section 1 shall at all times be equal to the cost of replacement of the item by a new item of the same specification and performance when purchased as an individual item, including freight charges, erection costs, customs dues and taxes. If any item at the time of any damage be of greater value as calculated above than the Limit of Indemnity for such item then the Insured shall be considered as being his own insurer for the difference and shall bear a proportionate share of the loss accordingly.

These Limits of Indemnity under all sections will not be reduced because a payment is made in respect of a claim under this Policy.

- 3. On the happening of any occurrence giving rise or likely to give rise to a claim under this Policy coming to the knowledge of the Insured the Insured shall :
 - (a) give notice thereof to the Company as soon as possible (every letter, claim, writ, summons or process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately the Insured shall have knowledge of any impending prosecution inquest or fatal enquiry in connection with any such occurrence).
 - (b) take precautions to prevent any further loss or damage (the Company shall not be liable for any consequence of the continued use of damaged Machinery until such Machinery shall have been repaired to the satisfaction of the Company)
 - (c) take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim (and so far as may be reasonably practicable no alteration or repair shall without the consent of the Company be made after the event until the Company shall have had an opportunity of inspection).
 - (d) when called upon to do so deliver to the Company statement in writing of all particulars and details reasonably practicable of the Machinery affected and the value thereof and the damage thereto and furnish all such vouchers, proofs, explanations and other evidence as may be reasonably required by the Company together with a statutory declaration if required in verification of the statement,
 - (e) at the expense of the Company do or permit to be done all such acts and 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 other parties to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss under this Policy whether such acts and things shall be or become necessary or required before or after his indemnification by the Company (and no admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim).

The Company shall not be liable for any loss or damage arising out of any occurrence of which no notice has been received by the Company within 14 days of its occurrence.

- 4. If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or "if any damage or liability be occasioned with the connivance of the Insured, all benefits under this Policy shall be forfeited.

5. In the event of damage for which indemnity is provided under Section I or II (a) of the Policy, the Insured may at their own option repair or replace what is damaged or may pay in cash the amount of the damage. The Company shall not be liable for the cost of any repairs undertaken by the Insured without their written consent nor for the cost of any alterations additions improvements or overhauls carried out on the occasion of a repair.

The Company may pay to the Insured the maximum sum payable under this Policy in respect of any occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled and the Company shall not be under any further liability in respect of that occurrence except for the payment of costs and expenses of litigation incurred prior to such payment.

6. In the settlement of claims under Section I and II (a) for damage covered under this Policy, the bases of indemnification are :
- (a) in the case of repairable damage – the cost of restoration to normal working order, comprising the value of replacement parts, labour charges at standard rates of wages, transport costs at ordinary rates (any additional charges resulting from the use of air freight are excluded) and the cost of dismantling and re-erection, customs dues and taxes. The value of damaged parts replaced, which can be used again in any way whatsoever, may be deducted. The liability of the company is limited to the reinstatement of the item to its condition immediately prior to the occurrence. If the value of an item or a part thereof is increased by the repair, the liability of the Company shall be reduced by the amount of such increase.
 - (b) in the case of a total loss – the market value of the item immediately before the breakdown, together with the cost of dismantling the damaged item and the cost of delivering and erecting a replacement item, but less the value of any salvage. An item will be deemed to be a “total loss” if the cost of repair, as defined in paragraph (a) of this Condition, equals or exceeds the market value immediately before the occurrence.
7. If at the time of any damage or liability covered by this Policy there shall be any other insurance covering such damage or liability effected by or on behalf of the insured, the Company shall not be liable for more than their rateable proportion of such damage or liability. If such other insurance is subject to any condition or advantage this Policy shall be subject to such conditions in a like manner.
8. The Company’s officials shall have the right at all reasonable times to inspect and examine the Machinery, Dismantling and re-assembling in connection with any examinations shall be carried out by the Insured on such date or dates as the Company and the Insured shall mutually agree for the making of such examinations.
9. The Insured shall at all times take precautions to keep the machinery in a proper state of repair to enforce the observance by all persons of all proper safeguards against damage or accident and to ensure that all Government and other regulations relating to the operation and inspection of the Machinery are observed.
- If the Insured shall fail to comply with this condition in respect of any item or items of Machinery all insurance by this Policy on such item or items shall cease immediately.
- The pressure or load on the safety valves of any item of machinery shall not exceed the pressure specified by the manufacturers or the permissible working pressure shown in the report of the last examination of the Machinery concerned, whichever is the lower.
10. The Insured shall notify the Company of any defects or conditions of working which affect the risk or damage and shall cause such additional precautions to be taken as the circumstances require. The Company shall not be liable for any damage or liability caused by a departure from normal working conditions with the Insured’s approval and which creates an aggravated risk unless the Company shall have given prior consent.
11. If at any time after commencement of this insurance :
- (a) the business of the Insured be wound up or carried on by a liquidator or receiver or permanently discontinued.
 - (b) the Insured’s interest cease otherwise than by death,

This Policy shall be avoided unless its continuance be admitted by endorsements signed by or on behalf of the Company.

12. The Company may cancel this Policy by sending ten days’ notice by registered letter to the Insured at his last known address and in such event will return to the Insured a proportionate part of the premium corresponding to the unexpired period of insurance.
13. The due observance and fulfillment of the terms and conditions 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 proposal and declaration, shall be conditions precedent to any liability of the Company to make any payment under this Policy.
14. If any difference shall arise 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 appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meeting 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 to the Insured of any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer be subject to legal action or 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

Note : It is hereby certified that the Stamp Duty shown in the Schedule of the Policy payable in respect of this instrument has been compounded in terms of Section 13 of the Stamp Duty Act.

Complaints Procedure

We are committed to serve you with passion and willing to receive your feedback. If you are not satisfied with our services, you can lodge a complaint by below methods;

- By telephone - Customer Care Officer - 011 2126136
- By email - pilassist@peoplesinsurance.lk
- By WhatsApp - 0716230048
- By fax - 011 2126109
- By post - Customer Care Officer, People's Insurance PLC, No. 07, Havelock Road, Colombo 05
- Via online - Complaint Submission Form is available on our website www.peoplesinsurance.lk → Please click on the "Complaints" tab
- By visiting

Below information to be provided when lodging a complaint;

- Complaint in brief
- Your name and contact details
- References: Policy No. / Vehicle No. / Claim No.
- Any supporting documents

The Trilingual Complaints Handling Procedure can be downloaded from our website - www.peoplesinsurance.lk → Please click on the "Complaints" tab

Dispute Resolution

If you are not satisfied with the resolution given by us for a complaint lodged, you have the option to use following Alternative Dispute Resolution (ADR) mechanisms.

I. Address your concerns to: Insurance Ombudsman of Sri Lanka
No. 143A, Vajira Road, Colombo 05
info@insuranceombudsman.lk
011 2505542 / 011 250 5041

II. Arbitration

As per the Arbitration Clause in the Policy Wording

III. Address your concerns to: Director Investigations
Insurance Regulatory Commission of Sri Lanka
Level 11, East Tower, World Trade Centre
Colombo 01
011 2396184-9 / 011 2335167
investigation@ircsl.gov.lk / info@ircsl.gov.lk