

MACHINERY AND ELECTRONIC EQUIPMENT BREAKDOWN ENDORSEMENT

Attached to and forming part of

PROBIZ EXCEL PLUS Policy No. _____

Period of Cover: From: _____ To: _____ 4:00 P.M.

It is hereby declared and agreed that in consideration of the additional premium You paid or agreed to pay to Us, as stated herein, for the period of cover indicated in this endorsement, the coverage Policy is extended to include Machinery & Electronic Equipment Breakdown Insurance, subject to the following terms and conditions:

SCHEDULE

Limit of Liability	Php _____ per occurrence and annual aggregate
Property Insured	Machineries and Electronic Equipment covered and corresponding sum insured included under Material Damage of this policy
Deductible	The first amount to be borne by You in respect of each accident shall be 10% of amount of loss minimum of Php 10,000 each and every loss

INSURING CONDITIONS

We hereby agree with You (subject always to the terms, provisions and conditions contained herein or endorsed hereon) that if at any time during the period of cover stated herein, there shall occur to any of the machinery and electronic equipment insured (or any part thereof) specified in the Schedule, whilst on the premises mentioned therein, any unforeseen and sudden physical loss or damage necessitating its repair or replacement due to causes such as defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, sabotage, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short-circuit, or any other cause not specifically excluded hereinafter.

We will indemnify You in respect of such loss or damage by payment in cash, replacement or repair (at Our own option) as hereinafter provided, up to an amount not exceeding in any one year of insurance in respect of each of the machines and electronic equipment specified in the Schedule of the sum set opposite thereto and not exceeding the whole the total sum insured hereby.

This insurance applies whether the insured machines or electronic equipment are at work or at rest, or being dismantled for the purpose of cleaning, overhauling or of being shifted within the said premises, or in the course of the aforesaid operations themselves, or in the course of subsequent re-erection, but in any case only after successful commissioning.

It is warranted that coverage is afforded only to machineries and electronic equipment covered and corresponding sum insured included under Section 1 – Material Damage hereon.

Our liability for all compensation during any one Period of Insurance under this Section shall not exceed the Sum Insured stated in the Schedule.

We shall not be liable for:

1. the deductible stated in the Schedule to be borne by You in any one occurrence; if more than one machine is lost or damaged in one occurrence, You shall not, however, be called upon to bear more than the highest single deductible applicable to such machine;

COMMITTED. COMPASSIONATE. GENUINE.

COCOGEN INSURANCE, INC.

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2. loss of or damage to belts, ropes, wires, chains, rubber tires, dies or exchangeable tools, engraved cylinders, objects made of glass, porcelain, ceramics, felts, sieves or fabrics, all operating media (e.g. lubricating oil, fuel, catalysts);
3. loss or damage arising directly from lightning, directly or indirectly from fire, the extinguishments of a fire, or clearance of debris and dismantling necessitated thereby, chemical explosion (except flue gas explosion in boilers), smoke, soot, aggressive substances, theft, subsidence, landslide, rockslide, cyclone, storm, typhoon, flood, inundation, earthquake, volcanic eruption, tsunami, impact of land borne, waterborne or airborne craft ;
4. loss or damage directly or indirectly caused by or arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage by order of any government de jure or de facto or by any public authority, nuclear reaction, nuclear radiation or radioactive contamination;
5. loss or damage caused by any faults or defects existing at the time of commencement of the present insurance within Your knowledge, or Your representatives, whether such faults or defect were known to Us or not;
6. loss or damage arising out of Your willful act or gross negligence or of Your representatives;
7. loss or damage for which supplier or manufacturer is responsible either by law or under contract;
8. loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, rust, boiler scale);
9. consequential loss or liability of any kind description, any payments over and above the indemnity for material damage as provided herein.

In any action, suit or other proceeding where We allege that by reason of the provisions of exclusion (4)-(7) 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 You.

Provisions

Memo 1 - Sum Insured

It is a requirement of this insurance that the sum insured shall be equal to the Actual Cash Value of the insured machinery and electronic equipment.

If the Basis of Valuation and Indemnity shown in the Schedule is Replacement Cost, then it is a requirement of this insurance that the sum insured shall be equal to the Replacement Cost of the insured machinery and electronic equipment, or by new item of the same kind and same capacity, which shall mean including freight, dues and customs duties, if any and erection costs.

If the sum insured is less than the amount required to be insured, We will pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Memo 2 - Basis of Indemnity

1. In cases where damage to an insured item can be repaired – We will pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by You, We will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

If the Basis of Indemnity is indicated on the Schedule as Actual Cash Value, deductions shall be made for depreciation in respect of parts replaced, but the value of any salvage will be taken into account.

If the Basis of Indemnity is indicated on the Schedule as Replacement Cost, no deductions shall be made for depreciation in respect of parts replaced, but the value of any salvage will be taken into account.

2. In cases where an insured item is destroyed, and if You will not replace the said insured item – We will pay the Actual Cash Value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection and customs duties, if any, provided such expenses have been included in the sum insured.

In cases where an insured item is destroyed, We will pay the Replacement Cost if:

- a) the Basis of Indemnity indicated on the Schedule is Replacement Cost, and,
- b) the said insured item will be replaced by You within 12 months of the accident (may be extended upon Our agreement),

No deductions shall be made for depreciation. We will also pay any normal charges for the dismantling of the machinery destroyed, but the salvage will be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays, express freight, will be covered by this insurance only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this policy.

The costs of any provisional repairs will be borne by Us if such repairs constitute part of the final repairs, and do not increase the total repair expenses.

We will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

Memo 3 - Periodic Maintenance

This insurance shall not cover any costs incurred in connection with periodic maintenance work on the insured machinery, and equipment.

Periodic Maintenance as used in this Endorsement is understood to mean the following:

- safety checks
- preventive maintenance
- rectification of loss or damage or faults arising from normal operation as well as from ageing, e.g. by repair or replacement of modules, sections, assemblies and components.

It is a condition in this policy that You shall undertake such Periodic Maintenance in accordance with the specifications of the manufacturer and/or the supplier of the machines and equipment.

Conditions

1. The due observance and fulfillment of the terms of this policy in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Insurers.
2. (a) Our representatives shall at all reasonable times have the right to inspect and examine the plant and You shall provide Our representatives with all details and information necessary for the assessment of the risk.
(b) You shall immediately notify the Insurers in writing of any material damage in the risk and cause such additional precautions to be taken as circumstances may require to ensure safe operation of the insured machinery, and the scope of cover and/or premium shall if necessary be adjusted accordingly.
(c) No material alteration shall be made or admitted by You whereby the risk of damage is increased, unless the continuance of the insurance be confirmed by endorsement signed by Us or on Our behalf.

Our liability under this policy in respect of any item of property sustaining damage, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to Our satisfaction.

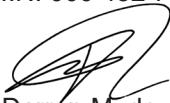
In view of the above, You, the Policyholder, are charged the additional premium including the corresponding taxes, as follows:

Additional Premium:	Php _____
Local Government Tax:	Php _____
Fire Service Tax:	Php _____
Documentary Stamps Tax:	Php _____
Value Added Tax:	Php _____
Others:	Php _____
Total:	Php _____

Except as varied above all other terms and conditions remain unaltered.

IN WITNESS WHEREOF, We, Cocogen Insurance, Inc. have caused this Endorsement to be signed by Our
duly authorized representative this _____ day of _____, _____ in _____, Philippines.

COCOGEN INSURANCE, INC.
T.I.N. 000 432 798



Atty. Darren M. de Jesus
President