

**MACHINERY AND ELECTRONIC EQUIPMENT BREAKDOWN ENDORSEMENT**

Attached to and forming part of

**PETROL 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 and 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 under Material Damage of this policy
Deductible	<p>The first amount to be borne by You in respect of each accident shall be 10% of amount of loss minimum of:</p> <ul style="list-style-type: none"><li>- Php 25,000 each and every loss per machine or equipment</li><li>- Php 10,000 each and every loss per electronic equipment</li></ul>

**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 under Material Damage section of this policy.

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

**COMMITTED. COMPASSIONATE. GENUINE.**

COCOGEN INSURANCE, INC.

22F One Corporate Center, Doña Julia Vargas Avenue, corner Meralco Avenue, Ortigas Center, Pasig City 1600 Philippines

Tel. No.: (632) 8-811-1788 | Client Services: (632) 8-830-6000

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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;
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

### Basis of Valuation and Indemnity

1. The basis of determining the amount payable for loss, damage or destruction of the insured property shall be as indicated on the Schedule.
2. If the Basis of Valuation and Indemnity as indicated in the Schedule is Replacement Value, the following conditions shall apply:
  - a) The basis upon which the amount payable under the policy is to be calculated shall be the cost of repairing or replacing (or reinstating) on the same site property of the same kind or type but not superior to or more extensive than the Property Insured when new, subject also to the terms and conditions of the policy except insofar as the same may be varied hereby.
  - b) The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to Your requirements (subject to Our liability not being thereby increased), must be commenced and carried out with reasonable dispatch and in any case must be commenced within 12 months after the loss destruction or damage or within such further time as We may (during the said 12 months) allow in writing. Otherwise no payment beyond the amount which would have been payable under this policy if this Memorandum had not been incorporated therein shall be made.
  - c) Until expenditure has been incurred by You in replacing or reinstating the property lost, destroyed or damaged, We shall not be liable for any payment in excess of the amount which would have been payable under the policy if this Memorandum had not been incorporated therein.

- d) This basis of valuation and indemnity shall not apply if:
  - i. You fail to inform Us within 6 months from the date of loss destruction of damage or such further time as We may allow in writing, Your intention to replace or reinstate the property lost or damaged,
  - ii. You are unable or unwilling to replace or reinstate the property destroyed or damaged on the same or another site.
  
- 3. 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.

- 4. 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.

#### Other Insurance

If at the time of the loss, damage, or expenses, there are other subsisting insurances whether effected by You or by any other person or persons, covering the properties, We shall not pay for more than Our ratable share.

#### Open Policy

This insurance contract is an open policy as defined in Section 60 of the Insurance Code, as amended. In the event of loss, whether total or partial, it is understood that the amount of loss shall be subject to appraisal, and Our liability, if established, shall be limited to actual loss, subject to the applicable terms, conditions, warranties and clauses of this insurance contract, and in no case shall exceed the sum insured.

#### Deductible

Memo 1: In case this insurance pays in excess of other insurance secured by You or on Your behalf, NIL Deductible shall apply.

Memo 2: In case this insurance pays solely for the loss or damage, and We are to exercise Subrogation on other insurance secured by You or on Your behalf, You will pay in full the Deductible stated in the Schedule.

Memo 3: In case this insurance pays solely for the loss or damage and no insurance is secured by You or on Your behalf, You shall pay the Deductible stated in the Schedule.

### 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. Darrén M. de Jesus  
President