Contractor Plant and Machinery Policy

For a small construction contracting business, damage or loss of expensive machinery could be a catastrophe because these machines represent such a large investment. The Contractor's Plant and Machinery Insurance Policy is a simple and convenient way to safeguard your equipment while lowering repair expenses. The Contractor's Plant and Machinery Insurance Policy is specifically developed to protect civil contractors' interests.

What Are The Features of CPM Policy?

Here's the list of features of contractor plant and machinery.

- The policy covers loss or damage to the contractor's construction module equipment, such as bulldozers, cranes, excavators, compressors, and other similar items, as a result of an accident caused by external risks.
- The coverage applies whether the covered machinery is in use or not, as well as when it is being dismantled for cleaning or overhauling, or during the re-erection process.
- The Contractor's Plant and Machinery Policy, unlike the All Risk Insurance Policy, will ensure the policyholder for the real cost of each piece of machinery.
- Other expenditures such as labour, freight, customs duty, re-erection, and deconstruction will be covered by this policy.
- This policy takes into account the value of the things before they are damaged or lost.
- If you are underinsured, your claim will only be paid proportionately.

Additional Cover Options

Here are some of the additional cover options:

- Owners surrounding policy
- Escalation of cost
- Earthquake
- Third-Party Liability
- Clearance and removal of debris
- Additional customs duty
- Express freight
- Airfreight
- For any one accident
- For all accidents during the period
- Dismantling and shifting to a new location

What is Covered Under Contractor Plant and Machinery Policy?

All physical damage to a contractor's machinery that is not specifically prohibited by the policy is covered by CPM insurance. This includes accidents that are not the result of severe carelessness as well as natural disasters such as falling trees or storm damage. The compensation covers the cost of repairing or replacing the affected machinery while at work or rest, on any third-party job site, and even when it is removed or reassembled for maintenance.

Exclusions

The Excess as stated in the Schedule

- Electrical or mechanical failure will not be covered by the Contractor's Plant and Machinery Insurance Policy.
- This policy excludes replaceable parts such as drill bits, saw blades, dies, and moulds.
- This policy does not cover damage or loss caused by the explosion of a pressure vessel, such as a boiler.
- Vehicles used by a contracting company are not covered by this policy unless they are specifically designed for use on a construction site.
- The location of the building site is crucial in deciding coverage; the CPMP does not cover any loss or damage caused by partial or entire immersion in tidal waters.
- This insurance policy does not cover wear and tear, corrosion, rust, or deterioration of a machine due to weather conditions or simply from lack of use.

- Plant and/or machinery working underground are lost or damaged. (Note that this does not apply to tunnelling machinery).
- Other incidents or occurrences not covered by the Contractor's Plant and Machine Insurance Policy include:

- War and the dangers of nuclear weapons
- The insured's willful act/negligence
- Manufacturers' guarantee and contractual obligation
- Any type or description of consequential loss or liability

Sum Insured and Premium

The sum covered on the Contractor's Plant and Machinery Insurance Policy is calculated differently than the Contractor's All Risk Insurance Policy. It does not examine the project's total worth; rather, it determines the sum insured based on the value of each piece of machinery. It accounts for the expense of replacing a damaged piece of equipment with a new one. Other expenditures, such as freight, erection, and customs duty, should ideally be included in the sum covered.

The premium will vary according to the type of equipment, the location of construction, the projected risk, and the use of the equipment.

Limitations Under Contractor Plant and Machinery Policy

Many things aren't covered by CPM insurance, including electrical or mechanical breakdowns, severe negligence, boiler explosions, pre-existing flaws, or any damage caused by the manufacturer, as well as vehicles damaged on public roadways. Other exclusions should be checked carefully in your policy. Any of these scenarios could result in considerable losses in terms of repair costs and lost productivity. Manufacturer warranties may cover pre-existing problems; otherwise, different types of insurance are required to safeguard against these risks.

Price and Extension Factors

CPM insurance premiums are determined by the types of machines you insure, the places where they are used, risks, and any extensions you pick. In addition to pricing, read the insurance's exclusions carefully, as they can differ from one policy to the next. Consider whether you require any expansions by considering the steps involved in repairing or replacing a machine. You might require the freight extension if your machines are sent from a long distance, but you wouldn't if you bought them locally.

Claim Process For Contractor Plant and Machinery Policy

In the event of an occurrence that could result in a claim under this Policy, the Insured shall:

- Notify the Company in writing as soon as possible, detailing the nature and extent of the loss or damage.
- Make every effort to limit the degree of loss or harm.
- Preserve the afflicted parts and make them available for inspection by a Company representative or surveyor.
- Provide the Company with all information and documentation that it may demand.
- In the event of a loss or damage as a result of theft or burglary, notify the police.