

SUMMARY OF CEMAC PLANT POLICY BENEFITS

The policy is in easy to read Plain English and worthy of note is the expansive range of standard inclusions (some obtained by the deletion/amendment of prior exclusions) and Additional Benefits, in conjunction with a wider range of Optional Extras. Material Damage and Road Risk are written under the one policy.

Some of the standard extensions are:

Material Damage:

- Accessories, Tools and Spare Parts (as distinct from attachments). Note: With a motor policy, attachments (buckets, grapples, trenchers etc) are generally only covered whilst attached to the vehicle. Under our plant policy they are covered at any time provided they are included in the sum insured in the schedule.
- Recovery Expenses (when no loss). Note: This applies to a unit which becomes immobilised by a fortuitous event such as severe bogging which could cost several thousand dollars to recover. Under a motor policy this not a claim as there is no damage (ie hose the mud off and drive it away)
- Expediting Expenses. Note: Airfreight of parts or overtime payments for emergency repairs etc.
- Windscreen Replacement free of excess – one per policy period.
- Dry Hire
- “Innocent Breach” rider to incorrect use exclusion. Note: All policies exclude such things as operation outside manufacturer’s instructions or statutory guidelines. This clause brings cover back in if the insured can show that the operator was properly trained and ticketed , and that the insured did not know that the incorrect use was occurring. In such a case the insurers maintain their rights to subrogate against the operator. This does not apply to overload.

Road Risk TPPD:

- Supplementary Bodily Injury (SBI) - where required
- Cross Liability
- Loss of Use of Undamaged Property. Similar to that in a quality Broadform Liability policy. eg Registered item rolls onto a garage door and denies access or egress of some other property which causes loss to a third party. One specific incident caused an ice cream truck to not be able to leave the owner’s premises to do his normal weekend run on an Australia Day (very hot) weekend in Melbourne. The subsequent claim was for a couple of thousand dollars lost income.
- Movement of Other Machines. Note: If the insured has to move other machines on site to perform their job and causes damage to these machines or other TP property while doing so, this damage is covered. Not so with most motor policies.
- Towing Disabled Machines. Damage covered as per the above point
- Trailers

Both Sections:

- Hold Harmless. Note: Probably *the* most important aspect of a proper Contract Plant Policy. Contractors are forced to sign many contracts where the insurer's subrogation rights are interfered with. This contravenes standard policy conditions of ANY property policy (from householder to motor vehicle to commercial property etc) and could lead to insurers refuting a claim. The Hold Harmless extension (standard in our policy and purchasable from some of our competitors) agrees to waive subrogation rights in such cases thereby not interfering with claim payment
- Automatic Inclusions (to \$250,000)
- LPG Conversion
- Other Interested Parties
- "Innocent Breach" rider to drug/drink exclusion. Note: Similar to the notes above and, in fact, to that in most motor policy Section 2 covers.

While some of the above-mentioned standard extensions are covered by our competitors many are optional extras, or simply not available, under other policies. Perusal of the policy wording will show you our range of Optional Extensions, with our in-built flexibility also allowing us to consider other variations which may be required for specialist operations or plant items.