HEAVY EQUIPMENT COVERAGE:

CPM, HESR, AND HE POLICIES

Coverage Conditions, Exclusions, Claims & Indemnity

NOVEMBER 16, 2026



HEAVY EQUIPMENT & POLICY SCOPE OVERVIEW

HEAVY EQUIPMENT	Machines designed for material movement, mobile but not for public road transport or personnel
CONTRACTOR'S EQUIPMENT	Tools and machines used repeatedly on job sites
POLICY COVERAGE AT A GLANCE	**CPM:** covers sudden, unforeseen loss or damage **HESR:** covers loss/damage from all events **HE:** covers loss/damage from specified events (colision, fire, theft, etc.)



COVERAGE CONDITIONS

- Insured under the relevant policy
- Located at insured site
- Used as declared and notified
- Under insured's responsibility and control
- Adequately protected against hazards
- Not damaged or under repair at loss time

EQUIPMENT COVERED

Contractor's equipment:
tools and machines used repeatedly on job sites

Heavy equipment: large machines designed for material movement



EXCLUSIONS — ADMINISTRATIVE & LEGAL

ADMINISTRATIVE

Non-payment or breach of premium

Late claim notification (HESR: 90 days; CPM & HE: 14 days)

Inaccurate insurance statements or poor loss prevention

Deductibles and proof-of-loss costs

CPM/HESR: must present damaged item

LEGAL

Intentional or negligent acts by insured or reps

Fraudulent or deceptive claims

HESR & HE: third-party liability excluded

HE: excludes intentional/ dishonest acts by employees/operators

IMPORTANT DISTINCTION

Negligence is a failure to exercise reasonable care.
Carelessness is a lack of attention or caution.



EXCLUSIONS — POLITICAL & TECHNICAL

POLITICAL	War, rebellion, riot, similar unrest
TECHNICAL	Wear and tear Radioactive causes
CPM	Mechanical/electrical failure, freezing, defects (consequential damage covered), steam boiler explosion, tidal inundation, known defects
HESR	Natural disasters, inherent vice, artificial electrical current (except fire), overloading, third-party causes, government action
HE	Natural disasters, manufacturing/repair errors, mechanical failure, artificial electrical current (except fire)



EXCLUSIONS —

SPARE PARTS & EVENT-CONDITION SPECIFIC

SPARE PARTS	Rapidly wearing items, canopies, tyres, chains and other parts are excluded unless damaged by an insured event or the equipment is stolen
EVENT-CONDITIONS	Losses from transit, installation, testing, repair, dismantling, other uses, or unauthorized operators are excluded
OTHER	Distributor liability, inventory-only losses, increased risk, consequential loss, and road-use permits are excluded



CLAIMS REQUIREMENTS

INSURED MUST ASSIST IN ESTABLISHING

Coverage applicability
Policy liability

MUST PROVE

Physical loss or damage to insured equipment
Resulting financial loss

TIMELY NOTIFICATION IS CRITICAL

HESR: 90 days
CPM & HE: 14 days

CPM & HESR REQUIRE

Documentation and presentation of damaged equipment



INDEMNITY CALCULATIONS

CPM	HESR	HE
Lesser of[{Sum Insured / New Acquisition Cost] × Repair Cost - Depreciation] minus Salvage or actual value	Portion not covered by other policies and/or [(Sum Insured / Actual Value) × Repair Cost] minus Depreciation and Salvage	[[Sum Insured / Actual Value) × Repair Cost] minus Depreciation and Salvage
Deduct deductible	Deduct deductible	Deduct deductible



CPM VS HESR VS HE — POLICY COMPARISON



	CPM	HESR	HE
COVERAGE SCOPE	sudden, unforeseen loss or damage	loss/damage from all events	loss/damage from specified events
EXCLUSIONS	gradual wear, mechanical defect, maintenance issues	wear and tear, mechanical breakdown	gradual wear, neglect, maintenance issues
NOTIFICATION DEADLINE	notify immediately on occurrence	notify within specified period	notify within specified period
SPARE PARTS	excluded unless damaged in an insured event	not covered as standard	not covered as standard
CLAIM PROOF	detailed proof of sudden event and damage	proof of loss from any cause	proof of loss from covered events
INDEMNITY BASIS	repair or replacement up to sum insured	repair or replacement up to sum insured	repair or replacement up to sum insured

CLAIM READINESS CHECKLIST & CLOSING

- Accurate and complete insurance declarations
- Timely premium payments
- Immediate loss/damage reporting within deadlines
- Preserve and present damaged equipment as required
- Gather supporting evidence for loss and financial impact
- Follow loss prevention and maintenance protocols

